

HOUSE OF COMMONS DEBATES

OFFICIAL REPORT

FIRST SESSION—THIRTY-SECOND PARLIAMENT

29 Elizabeth II

VOLUME I, 1980

COMPRISING THE PERIOD FROM THE FOURTEENTH DAY OF APRIL, 1980
TO THE FIFTEENTH DAY OF MAY, 1980

INDEX ISSUED IN A SEPARATE VOLUME

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

Available from the Canadian Government Publishing Centre, Supply and Services Canada, Hull, Québec, Canada K1A 0S9, at 50 cents per copy or $65 per year for corporations; $25 per year for individuals and institutions.

HOUSE OF COMMONS

Monday, April 14, 1980

• (0935)

FIRST SESSION—THIRTY-SECOND PARLIAMENT

[*English*]

The Thirty-first Parliament having been dissolved by proclamation on Friday, December 14, 1979, and writs having been issued and returned, a new Parliament was summoned to meet for the dispatch of business on Monday, April 14, 1980, and did accordingly meet on that day.

Monday, April 14, 1980

This being the day on which Parliament is convoked by proclamation of His Excellency the Governor General of Canada for the dispatch of business, and the members of the House being assembled:

Marcel R. Pelletier, Esquire, the Clerk Assistant of the House of Commons, read to the House a letter from the administrative secretary to the Governor General informing him that the Honourable Bora Laskin, Chief Justice of Canada, in his capacity as Deputy Governor General, would proceed to the Senate chamber to open the first session of the Thirty-second Parliament of Canada on Monday, the 14th April, at 9.30 o'clock.

A message was delivered by Colonel T. G. Bowie, Gentleman Usher of the Black Rod, as follows:

Members of the House of Commons:

It is the desire of the Honourable the Deputy of His Excellency the Governor General of Canada that this honourable House attend him immediately in the chamber of the honourable the Senate.

Accordingly, the House went up to the Senate chamber, when the Speaker of the Senate said:

Honourable members of the Senate,
Members of the House of Commons:

I have it in command to let you know that His Excellency the Governor General of Canada does not see fit to declare the causes of his summoning the present Parliament of Canada until a Speaker of the House of Commons shall have been chosen, according to law; but this morning at the hour of 10.45 o'clock His Excellency will declare the causes of his calling Parliament.

• (1000)

ELECTION OF SPEAKER

HON. JEANNE SAUVÉ, MEMBER FOR THE ELECTORAL DISTRICT OF LAVAL-DES-RAPIDES

Right Hon. P. E. Trudeau (Prime Minister): Mr. Pelletier, on this first opportunity to meet in the Thirty-second Parliament, I am sure all hon. members would wish to join me in extending our very best wishes for a speedy recovery to the Clerk of the House of Commons, Dr. Koester, who underwent surgery two weeks ago. I understand he is making excellent progress and, thanks to our television facilities, he will be watching our proceedings today with his usual keen interest.

Our business this morning, sir, is perhaps the most important collective decision our parties can make in the life of a Parliament. The choice by members of one of their peers to guide the House of Commons is really second only in importance to the choice Canadians make when they elect their own representatives. The confidence placed in the Speaker by all members is vital to the operation of this House and to the manner in which it discharges its responsibilities to the electors.

Today, as we make our choice, we also make history in this chamber. For the first time, the Canadian House of Commons is being invited to choose a woman to hold this high position.

Some hon. Members: Hear, hear!

Mr. Trudeau: This task is a fresh and welcome one in a new Parliament which ushers in a new decade.

[*Translation*]

While our candidate for Speaker today has unique significance as the first woman, the hon. member for Laval-des-Rapides also brings to the position the tradition of quality to which this House has become accustomed in her predecessors. Her experience in a highly successful career in Canadian broadcasting, on the political hustings, in the federal cabinet and in Parliament for more than seven years all combine to offer this House much more than procedural expertise. Our hon. friend is a fighter—a fighter for fair play; for the free expression of opinion and extension of knowledge; for compromise and the judgment of common sense over emotion. She is also a fighter in the front lines for her country. And all this is done with a combination of determination, patience and grace. That description, Mr. Pelletier, seems to me a fitting job description for one who would sit as the moderator of our debates in this chamber.

[*English*]

It therefore gives me immense pleasure and pride to move, seconded by the right hon. Leader of the Opposition (Mr. Clark), that Jeanne Sauvé, member for the electoral district of Laval-des-Rapides, do take the chair of this House as Speaker.

Some hon. Members: Hear, hear!

● (1005)

[*Translation*]

Right Hon. Joe Clark (Leader of the Opposition): Mr. Pelletier, first of all I wish to say that, together with my party, I echo the wishes the right hon. Prime Minister (Mr. Trudeau) has expressed concerning Dr. Koester. We all hope that he will be with us again soon and return to carry out his duties as Clerk of the House of Commons.

[*English*]

I am very pleased and honoured to second the nomination of the hon. member for Laval-des-Rapides (Madam Sauvé) to the position of Speaker of this House of Commons.

As you know, Mr. Pelletier, and as hon. members of the House know, it was not very long ago that we went through a similar ceremony. I can certainly say that some of us would have preferred not to have repeated the procedure with quite this rapidity. That is, nonetheless, the way of democratic elections in this country, and we are very well served by the nomination made by the Prime Minister (Mr. Trudeau) which I am honoured to second.

As custodian of the rights and the privileges of all hon. members of the House of Commons—and, indeed, as the custodian of the rights of Parliament itself—the Speaker occupies a significant and central role in the functioning of our democracy. Naturally, there are certain qualities and requirements which the nature of the job itself demands of the person elected to this position. A thorough knowledge of the rules, orders and precedents of this House is essential, as is fluency in both of our official languages. Great amounts of patience, courage, wisdom, firmness and compassion are all needed in maintaining order during the heat of debate and in arbitrating parliamentary problems. Needless to say, a sense of proportion and a sense of humour will be great assets.

More fundamental and important than all of these, however, is the Speaker's ability to exercise rigorous and scrupulous impartiality in all matters. The Speaker is the servant of the whole House, not just the governing party, and is duty bound to abandon all traces of normal party affiliation and thereby practice and achieve an impartial and judicious rule. Only in this way can the respect and good will of the House be maintained and democracy well served.

[*Translation*]

During her many years in the House, the elected member for Laval-des-Rapides demonstrated considerable interest in all the problems Parliament and Canada had to face, and she was very active both as a member of the House and minister. As the right hon. Prime Minister indicated, she had a distinguished career as a journalist and is highly respected everywhere in Canada.

[*English*]

I have no doubt that Madam Sauvé is fully cognizant of the onerous responsibilities that we are asking her to assume, responsibilities which may well weigh more heavily upon her in this House and in this period of the nation's history than was the case with her predecessors. I am confident, however, that Madam Sauvé possesses sufficient of the qualities needed for the Speakership and will serve this House with honour and distinction. I, therefore, have no hesitation, and indeed am deeply honoured to second the nomination of the hon. member for Laval-des-Rapides, hon. Jeanne Sauvé, as Speaker of this Thirty-second Parliament of Canada.

Some hon. Members: Hear, hear!

● (1010)

Mr. Edward Broadbent (Oshawa): Mr. Pelletier, I would like to begin by expressing, on behalf of all my colleagues, the very warmest wishes to Dr. Koester for a speedy and complete recovery from his unfortunate operation.

[*Translation*]

Mr. Pelletier, on behalf of my colleagues, I wish also to congratulate the hon. member for Laval-des-Rapides (Madam Sauvé) on her nomination as Speaker of the House of Commons. I am sure that because of her many years of experience as a parliamentarian she is very well suited for her new duties. The office of Speaker of the House of Commons is most important, because the Speaker is responsible for the spirit of fairness and impartiality which must prevail in all our proceedings.

[*English*]

It is, therefore, in our self-interest on both sides of this House to wish her well. I do so with even greater emphasis today because she is the first woman in Canadian history to assume the honour and responsibility of being Speaker in the House of Commons of Canada. We wish her well, indeed.

Some hon. Members: Hear, hear!

The Clerk Assistant of the House of Commons declared the motion carried in the affirmative, *nemine contradicente*, and Jeanne Sauvé, member for the electoral district of Laval-des-Rapides, duly elected to the chair of the House.

Madam Sauvé was conducted from her seat in the House to the Speaker's chair by Right Hon. P. E. Trudeau and Right Hon. Joe Clark.

[*Translation*]

Madam Speaker: Hon. members, I want to express to the House my humble thanks for the honour it has kindly conferred upon me by choosing me as Speaker.

[*English*]

Hon. members, I beg to return my humble acknowledgements to the House for the honour which it has been pleased to confer upon me by choosing me to be Speaker.

[*Translation*]

Like my illustrious predecessor, whom I take pleasure in thanking on your behalf, I am acutely aware of my responsibility, and that of each and every member of the House, for seeing to it that the voice of the citizens we represent is heard in this House.

It is through you that the country as a whole expresses itself, and it is Parliament which most completely reflects the aspirations of the whole nation. My responsibility is merely to ensure that everyone can speak freely, without constraints. The rules, whose respect I must secure, must serve one purpose only: that of enhancing freedom of speech, the very foundation of parliamentary democracy.

I take up that heavy task in all humility, aware of my limitations, and endeavouring to delineate exactly what role you are asking me to play so that this assembly can toil for the greater good of Canada as a whole.

● (1015)

[*English*]

You will have noticed that neither the Prime Minister (Mr. Trudeau) nor the Leader of the Opposition (Mr. Clark) applied all the force that is customary when putting a Speaker in the chair. Perhaps that is because I did not hesitate as much as I should have, knowing only too well that when this House expresses its will, no hon. member—least of all this one—would dare to escape what is so obviously a duty.

Nevertheless, I approach this awesome responsibility with true humility. The honour which is accorded to this office is such as to sustain the authority of any incumbent, weak or strong alike, and it is from this that I draw my confidence, as I do from your indulgence and your good will which I know, in turn, I will have to earn. But for the time being I am sure that I can count on your co-operation and your knowledge of our rules so that this Parliament can be an efficient and harmonious one.

I thank the right hon. Prime Minister for his graciousness in announcing my designation, and I am grateful to him today for having proposed me, as I am to the right hon. Leader of the Opposition and to the Leader of the NDP (Mr. Broadbent) for having supported me.

[*Translation*]

I thank all hon. members for their support and I assure them of my wholehearted co-operation. I express the wish that, together, we can work under the eye of our fellow citizens for the unity of our country and the defence of democratic freedoms. In addition, I want to thank my electors of Laval-des-Rapides who were the first to trust me and who even now, I hope, will still support me in my new responsibilities. May I be allowed, despite the solemnity of the occasion, and perhaps because of it, to thank my husband and my son for their support, day by day, without which nothing in my political commitment would have been possible.

[*English*]

SITTING SUSPENDED

Right Hon. P. E. Trudeau (Prime Minister): I suggest, Madam Speaker, that this sitting be suspended until eleven o'clock this morning.

Madam Speaker: The House has heard the suggestion of the right hon. Prime Minister. Is it agreed?

Some hon. Members: Agreed.

Madam Speaker: This House stands suspended until eleven o'clock this morning.

At 10.20 a.m. the sitting was suspended until 11 a.m. this day.

● (1100)

SITTING RESUMED

The House resumed at 11 a.m.

* * *

● (1105)

OPENING OF THE SESSION

Madam Speaker read a communication from the Governor General's Secretary announcing that His Excellency the Governor General of Canada would proceed to the Senate chamber at eleven o'clock on this day for the purpose of formally opening the session of the Dominion Parliament.

A message was delivered by Colonel T. G. Bowie, Gentleman Usher of the Black Rod, as follows:

Mr. Speaker, it is the pleasure of His Excellency the Governor General of Canada that this honourable House attend him immediately in the chamber of the honourable the Senate.

Accordingly, Madam Speaker with the House went up to the Senate chamber. Then the Hon. Jeanne Sauvé, Speaker of the House of Commons, said:

May it please Your Excellency,

The House of Commons have elected me their Speaker, though I am but little able to fulfil the important duties thus assigned to me.

If in the performance of those duties I should at any time fall into error, I pray that the fault may be imputed to me, and not to the Commons, whose servant I am, and who, through me, the better to enable them to discharge their duty to their Queen and country, humbly claim all their undoubted rights and privileges, especially that they may have freedom of speech in their debates, access to Your Excellency's person at all seasonable times, and that their proceedings may receive from Your Excellency the most favourable construction.

The Honourable the Speaker of the Senate, addressing the Honourable the Speaker of the House of Commons, then said:

Madam Speaker, I am commanded by His Excellency the Governor General of Canada to declare to you that he freely confides in the duty and attachment of

the House of Commons to Her Majesty's person and government, and not doubting that their proceedings will be conducted with wisdom, temper and prudence, he grants and upon all occasions will recognize and allow their constitutional privileges.

I am commanded also to assure you that the Commons shall have ready access to His Excellency upon all seasonable occasions, and that their proceedings, as well as your words and actions, will constantly receive from him the most favourable construction.

Then His Excellency the Governor General of Canada was pleased to open Parliament by a speech from the throne.

● (1200)

And the House being returned to the Commons chamber:

Madam Speaker: I have the honour to report that the House having attended on His Excellency the Governor General in the Senate chamber, I informed His Excellency that the choice of Speaker had fallen upon me and, in your names and on your behalf, I made the usual claim for your privileges, which His Excellency was pleased to confirm to you.

* * *

OATHS OF OFFICE

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

Motion agreed to and bill read the first time.

* * *

SPEECH FROM THE THRONE

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

Honourable Members of the Senate:

Members of the House of Commons:

I have the honour to welcome you to the First Session of the Thirty-second Parliament of Canada.

During the course of the last few weeks, both my wife and I have come through a period of convalescence and I take this opportunity to express our deep gratitude for the good wishes we received from fellow-Canadians from all parts of the country.

Canada recently received the visit of The Prince of Wales, who undertook engagements in Vancouver and Victoria two weeks ago. In May, The Duke of Edinburgh will attend the Fifth Commonwealth Study Conference which opens in Kingston on May 18. In July, Princess Margaret will take part in celebrations marking the seventy-fifth anniversary of the entry into confederation of the provinces of Saskatchewan and Alberta.

Canada has very close and enduring ties with The Netherlands and I am greatly looking forward to representing our country at the accession to the Throne of Her Royal Highness Princess Beatrix of The Netherlands in Amsterdam on April 30.

I have had the pleasure of visiting all the provincial capitals and the Northwest Territories during my first year in office. My wife and I are now looking forward to certain engagements in the Yukon and in smaller communities across our vast and beautiful land. Discovering Canada and meeting Canadians increases daily our awareness of the great natural and human resources of the country in which we are privileged to live.

We observe today not only the beginning of a new Parliament but the start of a new era. As Canada enters the 1980s, we confront serious challenges, but we look forward to even greater opportunities. Like our forebears, this generation of Canadians will be equal to the test. We will meet and overcome the challenges ahead for the history of this land has proven, again and again, that everything is possible if our will to go on building together is strong.

Canadians expect much of this Parliament. The country asks for action and action now. The first task is to clear the accumulation of essential legislation left from previous Parliaments. This backlog must be dispatched expeditiously so that the affairs of the state may be put in good order. To that end, my government is relying on the good will of members and senators of all parties.

This Parliament must also act quickly to put in place a program for the future. In the recent general election, my ministers received a mandate for a program which will provide security, equity, and opportunity for the Canada of the 1980s. In the course of that campaign, my ministers made a number of pledges which will form the core of this Parliament's work. You will be asked to consider a program of action designed:

—to respond to individual needs by promoting greater security for the elderly, expanded opportunities for the young, and equality for women;

—to achieve security of energy supply at a fair price for all Canadians;

—to promote a national development policy that will provide jobs, stimulate growth, build upon regional strengths, and increase Canadian ownership and control of our economy;

—to strengthen national institutions, while at the same time making them more responsive to provincial and regional goals;

—to ensure that Canada plays a vigorous part in the world beyond our borders.

All these commitments will be kept; these pledges redeemed; the mandate fulfilled.

The character of our people should inspire confidence in the ability of Canada to meet the challenges of the 1980s. We have the capacity and the imagination to make this a decade of opportunity rather than a decade of doubt. But there is one question which clouds the horizon and obstructs the view. It is the question of the unity of our country.

Will Canada still exist as a country at the end of this decade, or will it have been broken up by the tensions of our past and recent history? Will we continue to build our future together as Canadians, or will we give in to the siren song of regional isolationism?

In every part of Canada there are forces which are driving us apart rather than bringing us together. Canada's tradition is one of sharing, but in every region this principle is under assault. In the Atlantic, disadvantaged for so long, the promise of new resource riches has already led to squabbles about their future distribution. In central Canada there are some who fear that the economic strength of this region is somehow slipping away, and this in turn has led to envy and bitterness. In the west, many believe that their problems are ignored, their voices are unheard, and their contribution is unrecognized.

To all these forces of discontent my government has one clear response. Canada will endure, grow and prosper. The men and women of this country have always realized that their participation in a society that spans the northern half of North America is infinitely more exciting and enriching than confining themselves in any one province or one region. The renewed federalism, to which my government makes a fundamental and all-embracing commitment, will not only strengthen individual and collective rights and freedoms, it will also ensure that Canada remains:

—a strong country, with first claim on the loyalty of all its citizens;

—a country that regards diversity as an asset, not a liability;

—a country whose people share their wealth first with those who need it most;

—a country that encourages initiative, welcomes daring, and promotes enterprise;

—a country which opens its eyes, its mind, and its heart to the larger community of nations, refusing to regard its own national borders as the outward limits of the universe.

Doubt must be cast aside, uncertainty must end, the forces of disintegration—whether they be economic or political in origin—must be opposed in every part

of the land. That is why my government hopes that the referendum, to be held in Quebec some time during the coming weeks, will be a time when Quebeckers affirm their will and their right to be fully Canadian, a time when all Canadians will reaffirm their desire to live together in the country to which we all belong, and which belongs to all of us.

Because my government wants to strengthen the spirit of Canadian unity and nurture the seeds of renewal, it promises to interpret a vote of No to sovereignty-association as a vote for the rebuilding of the Canadian federation. My government also promises to give effect to a No vote by mobilizing all the forces at its command in order to ensure the renewal of the federation in a spirit of respect and justice for all.

I. *Putting People First*

Canadians are a sensible people. They understand that these are difficult economic times throughout the world. They know too that Canada cannot insulate itself completely from the effects of global inflation coupled with recession. In responding to these turbulent conditions, my government will be guided by the two main principles at the core of the program my ministers placed before the people.

The first is that Canadians will accept sacrifice to meet the economic challenges of the 1980s, but they will not accept injustice. Canadians have always faced up to difficult decisions—and if necessary they will do so in the future—but only if the burden is shared equitably.

The second principle is equally critical. Canadians recognize the need to live within their national means and they understand that in doing so the state cannot meet every demand or satisfy every group. Therefore, in employing the limited resources available, my ministers will help first those who need help most.

In particular, my government recognizes the need to protect those Canadians most affected by unacceptably high interest rates. My government will act to assist those unable to bear the burden of renegotiating their home mortgages in the present abnormal situation so that the spectre of foreclosure will be avoided. My ministers are convinced that this objective can be achieved without the government embarking upon a major subsidy program. Farmers and small businessmen are also hit especially hard by rising costs, and my government is sensitive to their plight. To assist the individual entrepreneur, the ceiling for loans under the Small Businesses Loans Act and the Farm Improvement Loans Act will be raised to $100,000. Other measures of assistance will also be introduced.

Inflation strikes hardest at the old and those least able to take care of themselves. You will be asked to give urgent consideration to legislation raising the Guaranteed Income Supplement to the Old Age Security pension by $35 a month per household by July 1 of this year. This measure will primarily benefit single pensioners, the vast majority of whom are women. By fulfilling this commitment, Parliament will be providing needed assistance to over 1.3 million elderly Canadians.

Beyond providing immediate relief for elderly people with low incomes, my government intends to convene a National Pension Conference in the fall of 1980. Work must begin immediately to design better methods of providing flexible, portable, and secure pensions both in the private and public sectors. To start this process, my government will soon release a major study on the Canadian pension system.

One of the essential objectives of this government is to put more people to work. Young people, women, natives, and the handicapped face special problems in finding jobs. To meet the needs of these groups, my government will expand its employment program while using its resources more efficiently. There will be an increased effort to develop critical trade skills so as to better prepare today's labour force for tomorrow's jobs.

Expanding native opportunities and training women for new occupations will receive strong emphasis.

Members of Parliament will have a major role in advising on the selection of job creation projects, and my government will enter into a new partnership with voluntary agencies and local organizations in a program of community service.

Additional attention will be paid to the employment problems of the handicapped whose special difficulties cross all regional, sexual, and cultural boundaries. Amendments to protect the rights of the handicapped will be made to the Human Rights Act.

The role of women in Canadian society is undergoing marked improvement, and government initiatives must reflect and support that change. As a major employer in Canada, my government will play a leadership role by implementing affirmative action measures in the public service. My government believes that there is no room in Canada for sexual discrimination of any kind.

The serious problem of violence against women will also be addressed along with other amendments to the Criminal Code, and efforts will be made in concert with the provincial and territorial governments to improve health and social services for women who are victims of violence. It is time, too, to move cannabis offences to the Food and Drugs Act and remove the possibility of imprisonment for simple possession.

II. *Security of Energy, at a Fair Price*

My government's energy policy is critical to the success of all its economic policies. Energy policy is as important for Canada in the 1980s as railway policy was in the 1880s. Like railway policy in that earlier era, energy development has the potential to create growth and prosperity across Canada.

My government believes that the price of oil in Canada must be based upon Canadian conditions and circumstances, and not upon the vagaries of a turbulent and unpredictable world market. We need a made in Canada price. A new blended price will therefore be established, which will progressively incorporate the costs of the Oil Import Compensation Program, while at the same time maintaining a single national price for consumers. The blended price will reflect the right of producing provinces and corporations to a fair return for their resources and their investment.

Discussions have already begun with the governments of the producing provinces and will be vigorously pursued toward an agreement consistent with my government's energy policy commitment, as endorsed by the people of Canada. My ministers do not intend to impose an 18-cent increase in the excise tax on transportation fuels, and the made in Canada price will result in a lower price to consumers than the one proposed in the budget of the previous administration.

A Petroleum Price Auditing Agency will be established to investigate and report to the government and people of Canada on oil company costs, profits, capital expenditures, and levels of Canadian ownership.

In spite of Canada's large energy resources, which put this country in the extremely favourable position of being a major energy exporter, we remain partially dependent upon imported oil. My government is determined to reduce that dependence by promoting conservation and by stimulating the production of new domestic energy supplies.

To improve conservation of oil and gasoline in transportation, you will be asked to approve legislation setting mandatory fuel efficiency standards for automobiles. Measures will also be introduced to encourage higher standards of home insulation, and the existing home insulation program will be improved.

In co-operation with provincial governments, other steps will be taken to encourage more rapid substitution from oil to other energy sources in order to substantially reduce the significance of oil in meeting our energy needs. Policies will be introduced to encourage consumers to switch from oil to natural gas or electricity for home heating. My government equally favors the earliest possible construction of a natural gas pipeline to Quebec City and the maritime provinces, and awaits with interest the report of the National Energy Board on this project.

Petro-Canada will be maintained and expanded as an instrument of public policy. My government has already increased the budget of the corporation by $80 million this year, and our national oil company will also receive a renewed mandate to engage vigorously in oil purchase negotiations and agreements with foreign suppliers.

You will be asked to approve a new Canada Oil and Gas Act, which will provide new preferential rights for Petro-Canada and other Canadian companies on federal lands, and establish new and more demanding requirements for exploration and development of these promising frontier areas.

An alternative energy corporation will be created with a mandate to stimulate the development of new and renewable energy sources to replace oil.

My ministers believe that, if given the opportunity, Canadian companies and investors would involve themselves more heavily in the energy field. My government, therefore, adopts the specific goal of at least 50 per cent Canadian

ownership of the petroleum industry by 1990, and will soon take the first steps to achieve this objective.

III. *Developing our Economic Potential*

Canada's resource base will be used as the basic building block of a vigourous industrial policy. A paramount objective of my ministers is to develop economic policies that will provide jobs, spur growth, improve regional balance, and promote Canadian ownership and control of the economy.

It is the intention of my ministers to continue the policies of expenditure restraint and improved government administration which were suggested by the Lambert report and initiated by the previous Liberal administration. My government will reduce the federal deficit in a planned and orderly manner, but not to the exclusion of other objectives such as reducing unemployment and promoting industrial growth. Improving the efficiency of the federal government is as important an objective of these reforms as reducing the deficit. My ministers believe that Canadians want more effective government, not necessarily less government.

Food and agriculture are going to be increasingly important to the Canadian economy in the 1980s. To further strengthen the industry, my government plans to create a Canadian Agricultural Export Corporation to expand markets for Canadian producers. A meat import act will be introduced to protect both consumers and producers.

Transportation is a vital part of industrial strategy. My government will ensure that the Canadian transportation system has the capacity to meet the economic challenges of the 1980s. My government regards the production, transportation, handling, and marketing of prairie grain as a national priority. Rail facilities will be upgraded, and port facilities improved. You will also be asked to consider, on an urgent basis, legislation concerning the transportation of dangerous goods.

In the fisheries sector, Canada's harvest is expected to increase substantially in the years ahead. To ensure the maximum return to fishermen and fish-processing companies, my government will undertake major initiatives to further enhance the quality of fish products and to ensure orderly marketing.

Licensing regulations will be changed to permit fishermen to benefit fully from the resources of the 200-mile zone, and legislation will be introduced to guarantee adequate investment in the fishing sector through partial cost recovery and reinvestment of enhanced earnings. To further assist fishermen, the ceiling for individual loans under the Fisheries Improvement Loans Act will be raised to $150,000.

Canada's capabilities in science and technology lie at the heart of our competitiveness as a trading nation. My government will encourage more young people to pursue a career in research through a new technology employment program, and will encourage and insist that industry do more research and development work in Canada. My government reaffirms its commitment to increase Canada's over-all expenditures on research and development to 1.5 per cent of the value of the gross national product.

To improve the ability of Canadian industry to compete abroad in order to create jobs at home, my government will establish a national trading company. My government also intends to make assistance programs more accessible to small business, to simplify application procedures, and to better co-ordinate programs.

To improve our system of collective bargaining, a Labour Information Bureau will be created to provide an impartial clearing house for the statistics and data required for negotiations. A fresh start will be made in the labour management relations of the Post Office by turning that department into a Crown corporation.

My ministers believe that the stake of Canadians in their own economic destiny must be strengthened. Government procurement will be used vigorously, in a manner consistent with our international commitments, to encourage the creation and expansion of independent Canadian-owned enterprises.

The Foreign Investment Review Act will be amended to provide for performance reviews of how large foreign firms are meeting the test of bringing substantial benefits to Canada. As well, amendments will be introduced to ensure that major acquisition proposals by foreign companies will be publicized prior to a government decision on their acceptability. The government will assist Canadian companies wishing to repatriate assets or to bid for ownership or control of companies subject to takeover offers by non-Canadians.

IV. *Strengthening National Institutions*

To increase the confidence of Canadians that their national institutions can respond effectively to their needs, my government will propose a program to make Parliament both more efficient and more responsive.

You will be asked to appoint a committee of Parliament to examine the electoral system in order to ensure that the highest degree of representativeness and responsibility is achieved and that the confidence of Canadians in parliamentary institutions is strengthened.

As part of its commitment to renewed federalism, my government will revive the process of constitutional reform. My ministers are committed to the full development of Canada's two major linguistic communities and to the enhancement of our mosaic of cultures. My government will seek to constitutionally entrench a bill of civil and human rights, including language rights.

Members of Parliament, whatever their party, agree on the need to guarantee to Canadians greater access to information of concern to them. Freedom of information legislation will be introduced to provide wide access to government documents. The right accorded to ministers to withhold government documents from courts of law under Section 41(2) of the Federal Court Act will be removed.

Legislation will also be presented to extend the rights of access by individuals to their personal information held by the government and to provide greater protection for privacy by further restricting the use that may be made of that information.

Also, in response to the recommendations of the Marin commission, the RCMP Act will be amended to formalize internal discipline and grievance procedures, and to provide for an external authority to review public complaints about the behaviour of any member of the RCMP.

It is my government's hope that these measures will serve in the years ahead as a fundamental bond of trust between government and people.

V. *An Active Foreign Policy*

My government takes office against the most sombre international background of recent years. Events in Iran and Afghanistan have done great damage to international laws and institutions and undermined confidence and stability.

In response, my government intends to conduct an active foreign policy. Canada will rely upon its strong ties of friendship throughout the world. Part of our international response must be a determination to increase the ability of the NATO alliance to provide security for its members and to advance the cause of peace, and my government is committed to doing its full part. In keeping with that commitment, my government has decided to proceed with the purchase of a new fighter aircraft.

But while recognizing the need for Canada to strengthen alliance security, the dangers of nuclear holocaust cannot simply be forgotten. If anything, these dangers are heightened by current tensions and by the continuation of the arms race. Canada's imperative is clear. This government must continue its strategy to suffocate the deadly growth in the nuclear arsenals of the world. We must, and we will, actively co-operate in international efforts to negotiate agreements on verifiable means of arms control and disarmament, and seek to rally others to a cause that is no less than human survival on this planet. To assist in this process, a new position of Ambassador for Disarmament will be created within the Department of External Affairs.

Before concluding, I address a special message to members of the House of Commons from the three westernmost provinces.

It has been said in recent weeks that the three westernmost provinces have no elected voice in the governing of this country. That is not true. Parliament is the supreme law-making assembly of Canada, and every Canadian is represented in the House of Commons by his or her duly elected member.

Like all of your colleagues in the House of Commons, you who represent the people of Saskatchewan, Alberta and British Columbia, have a responsibility to represent your constituents to the nation. You also have an extra responsibility in the present circumstances to represent the nation to your constituents. It is a task no one else can fulfil. My government is prepared to co-operate fully in helping you to achieve this.

Members of the House of Commons:

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

Honourable Members of the Senate:

Members of the House of Commons:

May Divine Providence guide you in your deliberations.

[*Translation*]

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

That the Speech from the Throne which His Excellency the Governor General delivered today before both Houses of Parliament be taken into consideration later this day.

Motion agreed to.

* * *

● (1210)

[*English*]

INTERNAL ECONOMY COMMISSION

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

The Governor General transmits to the House of Commons a certified copy of an approved order in council appointing the Hon. Pierre De Bané, Minister of Regional Economic Expansion, the Hon. Yvon Pinard, President of the Queen's Privy Council for Canada, the Hon. Donald Johnston, President of the Treasury Board and the Hon. Paul Cosgrove, Minister of Public Works, to act with the Speaker of the House of Commons as commissioners for the purposes and under the provisions of chapter H-9 of the Revised Statutes of Canada, 1970, intituled: An act respecting the House of Commons.

* * *

[*Translation*]

STANDING COMMITTEES

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

That a committee be appointed to prepare and report, in accordance with Standing Order 65, lists of members to compose the standing and standing joint committees of this House; that the committee be composed of Messrs. Baker (Nepean-Carleton), Guilbault, Hopkins, Kempling, Knowles, Pinard and Turner.

Motion agreed to.

* * *

[*English*]

HOUSE OF COMMONS

APPOINTMENT OF CHAIRMAN OF COMMITTEES OF THE WHOLE

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

That Lloyd Francis, Esq., member for the electoral district of Ottawa West, be appointed Chairman of Committees of the Whole House.

Motion agreed to.

[*Translation*]

APPOINTMENT OF DEPUTY CHAIRMAN OF COMMITTEES OF THE WHOLE

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

That Denis Ethier, Esq., member for the electoral district of Glengarry-Prescott-Russell, be appointed Deputy Chairman of Committees of the Whole House.

Motion agreed to.

[*English*]

APPOINTMENT OF ASSISTANT DEPUTY CHAIRMAN OF COMMITTEES OF THE WHOLE

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

That Rod Blaker, Esq., member for the electoral district of Lachine, be appointed Assistant Deputy Chairman of Committees of the Whole House.

Motion agreed to.

* * *

[*Translation*]

BUSINESS OF SUPPLY

Hon. Yvon Pinard (President of the Privy Council): Madam Speaker, I move, in accordance with Standing Order 58:

That this House at its next sitting consider the business of supply.

Motion agreed to.

SITTING SUSPENDED

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, I would suggest that the sitting be suspended until 2 p.m. this day.

Madam Speaker: The House has heard the suggestion of the right hon. Prime Minister. Is the House agreed?

Some hon. Members: Agreed.

Madam Speaker: Accordingly, the sitting is suspended until two o'clock this afternoon.

At 12.16 p.m. the sitting was suspended until 2 p.m. this day.

● (1400)

SITTING RESUMED

The House resumed at 2 p.m.

SPEECH FROM THE THRONE

ADDRESS IN REPLY, MOVED BY MRS. ÉVA CÔTÉ AND SECONDED BY MR. DOUG FRITH

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

Mrs. Eva Côté (Rimouski): Madam Speaker, in my opening remarks, may I extend my respects to His Excellency the Governor General and his wife who are both vivid symbols of the vitality of this nation. My profound admiration also goes to our new Speaker and it is a feeling I cannot keep for myself especially in the present circumstances. Surely, when it comes to the rights of remote areas and their inhabitants, eastern Quebec's communities will find themselves well represented here in the person of this tireless defender of our ideals of justice, in this bulwark of awareness. In addressing myself to you, Madam Speaker, I most particularly wish to convey to you my gratefulness for your attitude which, if I may say to our collegues, is perhaps not unrelated to my presence in this House.

By granting the privilege of moving the Address in Reply to the Speech from the Throne to the member for Rimouski-Témiscouata, the Prime Minister and his cabinet colleagues inspire me with a great deal of respect for this gesture on their part and this demonstration of their obvious interest for the citizens of Rimouski and Témiscouata who have displayed their unswerving trust in me during the last federal election.

I also want to salute my many colleagues who, both during the election campaign and since my coming to Parliament, have, in a spirit of true generosity tried to understand the precise meaning of the repeated, sometimes noisy and certainly continuous interventions voiced for too many years by the representatives of the regional capital of the lower St. Lawrence. The Rimouski-Témiscouata constituency is bordered on the north by the St. Lawrence. Its neighbour to the west is Kamouraska-Rivière-du-Loup and to the east, Matapédia-Matane. It shares its southern border with New Brunswick and Maine. It encompasses and exemplifies the ways and characteristics of those regions whose people are filled with a necessary spirit of vitality and a form of assertive pride which we will more simply call dignity. The temperament of these people is a product of historical, geographic and sometimes political circumstances. Believe me, it took much determination on their part to reconcile their patriotic love of that beautiful part of the country and their reason for living with all the means suggested, often thoughtlessly, by those in power.

It took much courage on their part to ensure their chances of prosperity. They had to think of ways and means of their own and like them. They had to make do, so to speak. Those men and women had to demonstrate a good deal of dignity to set up an imposing number of regional or sectorial groups to consider and make feasible the most realistic ways of developing the available resources, be they physical, technical or human. There are countless examples of experiments which have been reproduced in other Quebec regions and even the rest of Canada. Let us mention only the Eastern Quebec Development Board, the Regional Development Council, the many co-operatives and resource development corporations and other such organizations all trying to satisfy the urgent need for an efficient and useful participation by all their members.

• (1410)

More particularly, let us recall the studies conducted by the Eastern Quebec Planning Bureau previous to the signature in Rimouski, in 1968, by both the Quebec and the Canadian governments, represented at the time by the late Premier Daniel Johnson and the present Prime Minister of Canada, of agreements for the regionalization of budgetary envelopes totalling $411 million to develop and consolidate regional infrastructures. Therefore, the will to innovate of our fellow citizens from Rimouski and Témiscouata is beyond question. However, our region and eastern Quebec as a whole have yet to achieve prosperity. Of course, local interests have made several proposals for the maximum use of our resources and have checked them against our individual and collective requirements. Yet, an inventory of our available resources leads us to believe that the funds allotted not only to the Rimouski constituency, but also to the vast area comprising the lower St. Lawrence and the Gaspé peninsula will necessarily be increased.

Let no one believe, however, that I underestimate the legitimate needs of our fellow Quebeckers across on the North Shore, in the constituencies of Charlevoix and Manicouagan. In our region, the development of one shore has traditionally been linked to the development of the other. In other words, Madam Speaker, I call on the members for these areas to show the same solidarity and team spirit as their constituents. Their example has been far-reaching and the consultations already started should prompt us to sustain our efforts. Aware of our commitment, the Prime Minister has already met us half way by proposing two economically oriented departments in our area, namely, the Department of Regional Economic Expansion and the Ministry for Small Businesses. Can this be a sign of the times? It might be seen as the recognition of the fine work done by past and present generations, and perhaps even of their wise choice of a representative to the Canadian Parliament.

It also shows an awareness of the tremendous economic heritage that constitute the natural resources of our area—the lumber, mining, fishing, farming industries and so on. It is a reasonable admission of the new trends in the management of our economy highlighted in the Speech from the Throne. In the government's statement on the various elements of the industrial policy and the supporting energy policy, the measures to promote the development of alternative energy sources

will urge our entrepreneurs to turn to active and readily accessible resources on which we can depend, particularly in our area. Our hydroelectric resources in northern Quebec are not remote and are very competitive. A rational use of the industrial waste from our forestry and fishing operations is quite possible. We have an abundance of those resources and the Canadian government is ready to support our efforts to use them.

We should always keep in mind that we are a young nation and that there is still much to be done. Those who succeed admit that it is mostly a matter of attitude. In the weeks and months to come the Government of Canada will specify the framework for the co-operation and true leadership it must demonstrate to give a new impetus to our economy. The government will give citizens better access to the services they need to accommodate their legitimate desire to contribute to social and economic development. Small and medium-sized businesses which are critical to our regional economy and to all of the province of Quebec, will benefit from better financial incentives.

● (1420)

The people of Rimouski and Témiscouata are happy to hear that the Canadian government is firmly committed to promote the development of port, air transport, rail and road facilities to increase interregional trade. The emphasis on electronic communications and the whole field of telecommunications will enable these devices to penetrate deeper into this country.

Farmers can also look forward to better financing conditions when applying for a loan. The food marketing policy for export markets is in keeping with a long-standing wish. Such measures adequately meet the needs of my constituency as a whole, because Rimouski-Témiscouata is first and foremost a rural constituency. Madam Speaker, the throne speech heralds the consistency and renewed emphasis which the government will place on the promotion of the economic and social status of women.

Madam Speaker, such fervour is not only a formal recognition of our presence in this House, but an acknowledgment of the change that is taking place in our modern society which at times was reluctant to grant us a full role. Is it through sheer force of numbers or the quality of our actions over the last few years, that our institutions have become more responsive to our presence, or is it the kind of reaction of which Quebec is now giving us an eloquent example which enables us today to oppose intransigence with a new spirit of oneness? The fact is that today we occupy a choice position in the major objectives of this Parliament, and the Canadian government is committed to assume effective and moral leadership in the development of such conditions which are required to protect the rights of more than half of this country's citizens.

Madam Speaker, the receptiveness of the government to the needs of handicapped citizens and its admitted will to extend training and labour market integration programs move me deeply. What a great joy for me after more than ten years of hard work to promote this cause!

The government party is determined to promote a liberal society where the advantaged are encouraged through government intervention to share their economic and social wealth with those of us who are less fortunate or those of us who, after a lifetime of dedicated work have a right to see active generations contribute to recognize their efforts. So the announced measures to increase the guaranteed income supplement are amongst the most evident confirmations of the type of social goals the Government of Canada intends to pursue even though some people believe that, because of our general economic situation, we should without hesitation destroy the very foundations of our collective way of life. Housing conditions are encompassed in that liberal vision.

The Government of Canada will prefer to rationalize the control and management systems applied in some areas of government thereby restoring the conditions for a better administration. Let us simply say that for people in some areas like the one I represent, it is the beginning of an era where authorities could adjust to tangible dimensions and to the positive kind of regionalism which contributed so much to Canada's prosperity.

Madam Speaker, besides enthusiastically endorsing this new orientation and the sense once more asserted by the government of its responsibilities, it is still my firm intention to co-operate in preventing that this country of reason—which did not serve us that badly in the past after all—be divided by a phony gradualism such as the one proposed by the party in office in Quebec. Far from denying the fact that Canada is now facing a certain unrest with respect to its political structure and institutions, I think that the Canadian government, more particularly in the forthcoming weeks or months, will have to claim louder than ever before that we need "a totally fresh start" and that we must reformulate the consensus which presided over the federative union of the ten member-states which make up our country.

The establishment of two independent states north of the American superpower would yield catastrophic consequences for both founding peoples of our nation. I am even led to believe that the rifts within the French Canadian nation would likely be more serious. We should never forget that our permanent status as French Canadians in North America will be a constant reminder for us to be industrious. In this regard, it would seem more realistic for us to admit that the existence of a Canadian government may in the final analysis constitute a solid safeguard against the real threat against us which does not come from the east or the west and even less from the north, but rather from the south. And surprisingly so, the secession menace brings our fellow citizens in the other provinces to the same conclusion. So, Madam Speaker, we must

say No to this badly formulated invitation by the Quebec government.

A Yes would mean saying No to the efforts all the provinces are now willing to make to get out of the deadlock; a No to the ostensible PQ project would confirm our intention to carry on with our efforts to update and modernize the structures and institutions of our country. That they must be rejuvenated, no one will deny; but that they should unfairly be called obsolete and good for the trash can, never. To condemn as young a country as ours to death, when, as I said earlier, everything remains to be done, would be gross error of judgment.

The people of Rimouski-Témiscouata will never accept that so many struggles by so many generations might come to naught by soothsayings characterized by uncertainty and defeatism; we worked hard to get what we have today, but we choose to consider the results we have achieved rather than the inevitable constraints we had to put up with in order to get them. We did not run away from the advantageous contributions made by the other regions of our country. We have sought their contribution and made our own. But we did not give up.

Madam Speaker, to those who try to strengthen their specious argument by putting forward the prognosis formulated by our so-called "cousins" who deserted us two centuries ago, I shall reply that our Quebec will be neither French nor anything else but Canadian. Madam Speaker, I thank you for your worthy attention, and I move, seconded by the hon. member for Sudbury (Mr. Frith), that the following address be presented to His Excellency the Governor General of Canada:

To His Excellency the Right Honourable Edward Richard Schreyer, Chancellor and Principal Companion of the Order of Canada, Chancellor and Commander of the Order of Military Merit, upon whom has been conferred the Canadian Forces' Decoration, Governor General and Commander-in-Chief of Canada.

May it please Your Excellency:

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

● (1430)

[*English*]

Mr. Doug Frith (Sudbury): Madam Speaker, may I be the first to congratulate officially my colleague from the province of Quebec, the hon. member for Rimouski (Mrs. Côté), for having the honour to have been chosen to move the Address in Reply to the Speech from the Throne.

It is as well an honour and a privilege for me and the constituents of Sudbury to have the Prime Minister (Mr. Trudeau) ask me to second the Address in Reply to the Speech from the Throne.

Sudbury has been honoured in years past by having as its representative the previous Speaker of the House, the Hon. James Jerome. I am certain that I speak for all members of the House when I congratulate him for the unbiased manner in which he presided over the House of Commons, and I wish him success in his new role as Associate Chief Justice of the Federal Court of Canada.

Some hon. Members: Hear, hear!

Mr. Frith: I am equally certain that the traditions of this House will be upheld during your tenure as Speaker and that you will preside with the qualities mentioned by the Prime Minister when he selected a previous Speaker, Lucien Lamoureux. At that time he stated that a Speaker—

—must enjoy our respect without losing our affection. He must be firm yet sensitive, a master of language and a good listener . . . . be prepared to cite a precedent, and to know when to distinguish it . . . . He needs the skills of a judge and a diplomat. He should combine the talents of a tightrope walker, a juggler and, occasionally, a lion tamer.

Madam Speaker, I am certain you will be equal to the task.

Some hon. Members: Hear, hear!

[*Translation*]

Mr. Frith: I was admittedly somewhat astounded when I was asked to deliver my maiden speech on the opening of Parliament. As all other new members, no doubt, I am proud of having been chosen by my constituents to represent and promote their interests within that ancient and noble institution which is Parliament.

[*English*]

By tradition a new member of Parliament, chosen to move or second the Address in Reply to the Speech from the Throne, describes the social, economic and cultural matrix of his constituency. Let me be brief. The Sudbury region is the geographic, business and cultural centre of northeastern Ontario. The region comprises some 165,000 people, houses the largest nickel producer in the world, the only university in northwestern Ontario, and provides excellent regional medical facilities to northern Ontario residents.

The ethnic breakdown of the regional population is approximately 37 per cent Francophone, 36 per cent Anglophone, a large Italian population, and a wide and exciting cross-section of other ethnic groups. In short, Sudbury is a microcosm of Canada.

The past three to four years have been difficult ones for Sudbury. As a result of slumping nickel markets, massive lay-offs occurred in 1977, and we have recently endured the effects of a long, protracted strike. I mention these facts because I believe that, as a result of these adversities and hardships, the Sudbury region has found innate values to weather the storm, and we can apply the lessons learned to the challenges facing Canada in the eighties.

The commencement of a decade has often been a time to reflect on the past and pursue programs for the future. In 1980 one message is crystal clear. This Parliament must institute proposals which will contribute long-term answers to regional disparities in our country and not simply apply band-aid solutions. This government must develop a comprehensive industrial strategy that albeit it will give very little comfort in

the short run, will ensure this generation of young Canadians meaningful contributions to our economic and social institutions.

The most important lesson Sudbury has learned in the past few years is the need to diversify its economic base. Only through diversification can we lessen our dependence on a single depleting resource. We realize that significant changes must take place in the economic infrastructure over the next two decades in order to address this recurring problem that is faced by many Canadian towns and cities.

My saddest moments occur when meeting young, energetic Canadians who, through no fault of their own, are unable to obtain satisfying employment in their field of learning and are forced to waste their talents in other areas. That is why I was so heartened this morning to note in the Speech from the Throne that it is the intention of this government to place high on its list of priorities the industrial strategy that we so badly need in this country. There was also mention of a new technological program for young people to develop their own talents in their areas of professional and technical expertise.

One subject which requires immediate attention is Canada's commitment to the level of research and development. In the November, 1978, budget introduced by the present Minister of Justice (Mr. Chrétien) a beginning was made to provide larger tax write-offs to stimulate research and development. This process must be accelerated. It is a well-known fact that Canada lags far behind other western industrialized nations in the percentage of gross national product used to stimulate research and development. We, as a nation, must place a high priority in this field because it is only through a significant increase in the dollars spent on research and development that we can hope to attain worldwide expertise in new technological bases which in turn generate employment opportunities for Canadians. It will be a combination of a bold industrial strategy and enhanced levels of research and development that will alleviate regional disparities in Canada.

Cardinal Suenens, the Belgian cardinal, once declared, "Happy are those who dream dreams and are prepared to pay the price to make them come true." Well, I have a dream. I dream of a country, understanding of its parts and confident of its whole, welcoming its cultural and linguistic differences, and sharing its economic diversity. I chose to use the word "understanding" rather than the word "tolerating" because I dislike the verb "tolerate". How often have we heard the phrase, "I can tolerate western Canada's ambitions" or "tolerate French Canada's aspirations"? I do not wish to tolerate them; I want to understand them, and to understand them one must live with them, if not in their own habitat, at least to begin to commiserate with their hearts.

As a person raised in northern Ontario I have witnessed the export of our youth to other areas of Canada in search of employment because opportunities in their particular professional or technical area of expertise did not exist in one-industry towns. Most northern Ontario communities depend on the economic fortunes of single, depleting resources. For too long I have witnessed our resources shipped to rich areas south for processing, leaving northern Ontario, 112 years after confederation, the victim of a hinterland economy.

Two weeks ago in an address to the Empire Club in Toronto, Sheik Yamani of Saudia Arabia stated that his country preferred to deal with multinational oil companies rather than state-owned oil companies, for the very selfish reason that multinational oil companies exchange technologies for the resource. By the use of bartering the resources of his country for new technologies, Yamani will create technologies that foster employment for future generations of Saudia Arabians. Should we as Canadians, therefore, expect less from Albertans? Theirs too is an economy based on a self-depleting resource, and as a person from northern Ontario I understand too well their aspirations to develop new technologies and employment opportunies for the next several generations of young Albertans.

Some hon. Members: Hear, hear!

● (1440)

Mr. Frith: This development of the various regions of Canada need not be at the expense of others. Surely as Canadians we realize that a strong western and Atlantic Canada are as important to Confederation as a strong central Canada. The development of new technological bases in western Canada can be fueled by the manufactured machinery of central Canada. We must begin to understand that by strengthening the parts we strengthen the whole, and that by promoting regional cannibalism, we begin the road to self destruction. The strength of confederation has been the ability of the federal system to share and redistribute the resources of the various regions of Canada in order to preserve an economically and socially progressive federation.

[*Translation*]

Of course, the eighties will put the federal system to a serious test and whether it is the alienation feeling in the west or separatism in Quebec, the same challenge remains—the federation will have to meet the new regional needs while representing the entire country.

Madam Speaker, I reside in the largest officially bilingual area in Ontario after Ottawa, of course, the national capital. I say so with pride because the people of Sudbury have learned to appreciate and accept the enrichment of the French culture and language. Thanks to its large French-speaking and multicultural population, Sudbury has become a cosmopolitan area endowed with a bilingual university, a French and English theatre, a French newspaper as well as French radio and television stations.

[*English*]

In contrast, as a person who represents part of the province of Ontario I am somewhat embarrassed by the treatment of the Francophone population in the province of Ontario when it comes to the schooling of children in Penetanguishene.

Some hon. Members: Hear, hear!

Mr. Frith: But I would like to have a message go forth in this country that not all of Ontario is representative of the Penetanguishene problem. Not without our own problems, we have introduced in Sudbury the Canadian concept of federalism. It has been a great success, with large numbers of parents of all ethnic backgrounds schooling their children in the French immersion program of our educational systems. With this background, perhaps I feel with more intensity than others the importance of the impending referendum in Quebec.

Often one hears many ethnic Canadians say, "I am a Canadian first". Well, I too am a Canadian first, but I am a worried Canadian, worried about the wording of the referendum, worried about its outcome, and worried about the complacency I feel exists outside Quebec with regard to the importance of the referendum.

One of the advantages of being elected to the Commons is to meet members of Parliament from various regions of our country and to come to learn from our differences, as well as to cherish our common ground. In recent weeks I have met several of my colleagues in the Quebec caucus. I asked one of them what role he would play in the referendum in his province, and he replied that he was darned if he would defend national unity in Quebec. To be frank, Madam Speaker, he did not put it that politely and I was beginning to wish I had never asked the question. He went on to add that he would be delighted to build national unity in Quebec. Such a similarity in words, and yet poles apart in philosophy! I was very happy to hear a member of the Quebec caucus put it that way, that rather than defending national unity he will work as hard as he can to build it.

Some hon. Members: Hear, hear!

Mr. Frith: I would urge all members of the House, regardless of political affiliation, to make themselves available and to become involved in that crucial vote in the province of Quebec, to prove to the people of Quebec that there is a choice other than René Lévesque's and the Parti Québécois' idea of a French-speaking Quebec and an English-speaking Canada.

The choice is as follows. Here let me quote the final two paragraphs of an article entitled "The Canadian Journey", which read as follows:

> There is a more promising choice. A country's political framework and values are not something to be knocked down this Monday and built anew by next Friday. They are most like a garden, to be nurtured in harmony with the landscape. The Canadian landscape began to shift two decades ago and now the season has come for change.
>
> It should begin with recognition that the existence of two great language communities and many regional and cultural realities, which we so often insist are problems that cripple us, are in fact opportunities that can enrich and free us. For "they" in the end is all of us.

Let us not forget it.

Some hon. Members: Hear, hear!

Mr. Frith: I, therefore, take pleasure in seconding the Address in Reply to the Speech from the Throne.

Some hon. Members: Hear, hear!

Right Hon. Joe Clark (Leader of the Opposition): I propose, Madam Speaker, that the debate be now adjourned.

Madam Speaker: Is it the pleasure of the House to adopt the motion?

Some hon. Members: Agreed.

Motion agreed to.

[*Translation*]

Hon. Yvon Pinard (President of the Privy Council): Madam Speaker, I move that this House do now adjourn.

Madam Speaker: The House has heard the motion moved by the hon. President of the Privy Council (Mr. Pinard). Is it the pleasure of the House to adopt the said motion?

Some hon. Members: Agreed.

Motion agreed to.

Madam Speaker: The motion is adopted. This House stands adjourned until tomorrow at 2 p.m., pursuant to Standing Order.

The House adjourned at 2.46 p.m.

HOUSE OF COMMONS

Tuesday, April 15, 1980

The House met at 2 p.m.

● (1405)

ROUTINE PROCEEDINGS

[*English*]

FINANCE

REQUEST FOR COMMITTEE STUDY OF INTEREST RATE POLICY—MOTION UNDER S.O. 43

Hon. John C. Crosbie (St. John's West): Madam Speaker, I rise, under the provisions of Standing Order 43, on a matter of urgent and pressing necessity.

In view of the fact that record increases in interest rates in Canada have occurred since March 3, with the Bank of Canada rate rising from 14 per cent to 16.2 per cent, with the approval of the government, and that record increases in interest rates of the banks, mortgage companies and financial institutions have occurred as a result, with adverse effects on employment, business, especially small business, and consumers, as well as the economy generally, I move, seconded by the hon. member for Joliette (Mr. La Salle):

That this House immediately order its Standing Committee on Finance, Trade and Economic Affairs to be set up, and that that committee undertake an immediate review of the interest rate policy of this government and of the Bank of Canada, and that for this purpose the governor of the bank and the Minister of Finance appear before it to explain their actions and what they will be doing to solve the problems which the governor of the bank himself said, regarding interest rates, are now causing for individuals and to business.

Madam Speaker: Such a motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

Some hon. Members: Shame.

An hon. Member: That is your motion.

An hon. Member: Talk about flip-flops.

HIGH INTEREST RATES—CALL FOR RESIGNATION OF MINISTER—MOTION UNDER S.O. 43

Hon. Michael Wilson (Etobicoke Centre): Madam Speaker, I rise on a matter of urgent and pressing necessity under the provisions of Standing Order 43.

In a television program broadcast on February 10, 1980, and in my presence, the Minister of Industry, Trade and Commerce (Mr. Gray)—former finance critic of the opposition in the last Parliament—stated his abhorrence of the high interest rates in this country and his intention to resign if a government of which he was a member did not lower the interest rates. Therefore, in view of the fact that interest rates have increased four times in the past five weeks since this government took power, and to be consistent with the positions of principle which he has taken in the past, I move, seconded by the hon. member for Burlington (Mr. Kempling):

That the Minister of Industry, Trade and Commerce do forthwith honour the commitment he made before many Canadians, and resign, in order to maintain his credibility in this House and the confidence of its members.

Some hon. Members: Hear, hear!

Madam Speaker: Such a motion requires the unanimous consent of the House. Do I have the unanimous consent of the House?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

VETERANS AFFAIRS

PRORATA PENSIONS FOR WIDOWS OF VETERANS ON DISABILITY PENSION—MOTION UNDER S.O. 43

Hon. Stanley Knowles (Winnipeg North Centre): Madam Speaker, under the provisions of Standing Order 43, and seconded by the hon. member for Oshawa (Mr. Broadbent), I move:

That this House welcomes the assurance given by the Minister of Veterans Affairs prior to the opening of this session that he would be introducing an amendment to the Pension Act to provide prorata pensions for widows where the veteran's disability pension was below 48 per cent, and this House urges the minister to introduce such legislation forthwith, it being understood that it would be dealt with very quickly by this House of Commons.

Madam Speaker: Such a motion requires the unanimous consent of the House. Do I have unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

S.O. 43

● (1410)

AIR TRANSPORT

EPA APPLICATION FOR HALIFAX-TORONTO ROUTE—MOTION UNDER S.O. 43

Mr. J. M. Forrestall (Dartmouth-Halifax East): Madam Speaker, under the provisions of Standing Order 43 I wish to move a motion of some urgency. As a result of the decision of the Canadian Transport Commission last Wednesday not to grant Eastern Provincial Airways authority to operate the Halifax-Toronto route, and considering the very serious adverse economic implications of this decision on the economies of a number of Atlantic communities, I move, seconded by the hon. member for Halifax West (Mr. Crosby):

That this House records its support for Eastern Provincial Airways in its appeal application to the cabinet, thereby ensuring the continued stable economic growth of many communities in eastern Canada.

Madam Speaker: Such a motion requires the unanimous consent of the House. Do I have the unanimous consent of the House?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

NATIONAL UNITY

SPEECH FROM THE THRONE—CALL FOR RESIGNATION OF GOVERNMENT—MOTION UNDER S.O. 43

Mr. Arnold Malone (Crowfoot): Madam Speaker, I rise on a matter of urgent and pressing necessity under the provisions of Standing Order 43.

In light of the vicious, insulting and divisive Speech from the Throne which can do nothing except further alienate western Canadians, I move, seconded by the hon. member for Wetaskiwin (Mr. Schellenberger):

That in the interest of the unity of the nation, the Prime Minister and his cabinet resign.

Some hon. Members: Hear, hear!

Some hon. Members: Oh, oh!

Mr. Crosbie: Take Herb with you.

Madam Speaker: Order, please. Such a motion requires the unanimous consent of the House. Do I have the unanimous consent of the House?

Some hon. Members: Agreed.

Some hon. Members: No.

INDUSTRY

MANUFACTURE OF NEW FIGHTER AIRCRAFT—LOCATION OF PLANTS—MOTION UNDER S.O. 43

Mr. Mark Rose (Mission-Port Moody): Madam Speaker, I rise, under the provisions of Standing Order 43, on a matter of urgent and pressing necessity.

In view of the fact that the signing of the new fighter aircraft contract is reported to have deprived British Columbia, and particularly the community of Mission, in my riding, of some 450 possible jobs, and since out of an estimated $2.9 billion in industrial benefits, only some $400 million is to be spent outside of Ontario and Quebec, I move, seconded by the hon. member for New Westminster-Coquitlam (Miss Jewett):

That the Minister of Insustry, Trade and Commerce, and the Minister of National Defence, if and when arrangements are completed for the manufacturing of the new fighter aircraft, take steps to ensure that a fairer share of the industrial benefits shall be allotted to provinces other than those in central Canada.

Some hon. Members: Hear, hear!

Madam Speaker: Such a motion requires the unanimous consent of the House. Do I have the unanimous consent of the House?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

AWARDS AND DECORATIONS

REQUEST KENNETH TAYLOR RECEIVE ORDER OF CANADA—MOTION UNDER S.O. 43

Mr. Tom Cossitt (Leeds-Grenville): Madam Speaker, I rise, under the provisions of Standing Order 43, to request the permission of the House to move a motion which is of such a non-political nature and in accordance with the views on all sides of this House, and seconded by a member of the Liberal party, that I hope it will receive unanimous consent.

I refer specifically to Mr. Kenneth Taylor, the former Canadian ambassador to Iran, and his courageous performance in that country which has been a credit to Canada, and also the fact that he has contributed greatly to Canada-United States relations and has been honoured by a special medal struck on the authorization of both Houses of the American Congress. I move, seconded by the hon. member for Ottawa-Vanier (Mr. Gauthier):

That the House of Commons respectfully recommends to the selection committee of the Order of Canada that it consider dispensing with the customary procedures and recommends to His Excellency the Governor General of Canada that Mr. Kenneth Taylor be invested with the Order of Canada.

Some hon. Members: Hear, hear!

Madam Speaker: Such a motion requires the unanimous consent of the House. Do I have unanimous consent?

Some hon. Members: Agreed.

An hon. Member: No.

An hon. Member: Who said "No"?

* * *

● (1415)

CANADIAN PACIFIC RAILWAY

WINNIPEG—RELOCATION OF MARSHALLING YARDS—MOTION UNDER S.O. 43

Mr. David Orlikow (Winnipeg North): Madam Speaker, I would like to move a motion under the provisions of Standing Order 43, seconded by the hon. member for Winnipeg North Centre (Mr. Knowles).

Whereas the recent spill of 10,000 gallons of methanol in the CPR rail yards in Winnipeg could have had very serious dangerous effects on the people of Winnipeg; and whereas it is likely that there will be other spills of dangerous chemicals in the CPR rail yard which is situated right in the centre of the city; and whereas the removal of the rail marshalling yards would free-up 200 acres of land in the core of the city for redevelopment and would stop the blight spreading around the rail yards, I would move:

That this House calls on the Minister of Transport and the Minister of Employment and Immigration to meet as soon as possible with representatives of the city of Winnipeg and the province of Manitoba to plan for the movement of the CPR marshalling yards out of the city, it being understood that the federal government would be prepared to pay a substantial portion of the cost of moving the rail yards.

Madam Speaker: Such a motion requires the unanimous consent of the House. Do I have unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

ORAL QUESTION PERIOD

[*English*]

FINANCE

REQUEST FOR COMMITTEE STUDY OF INTEREST RATE POLICY

Right Hon. Joe Clark (Leader of the Opposition): Madam Speaker, my question is to the Deputy Prime Minister and Minister of Finance. I was surprised that his colleagues deliberately rejected the adoption of a motion couched in exactly the terms of a motion they proposed in the previous parliament in relation to a parliamentary inquiry into interest rates, particularly since the government has adopted a floating bank rate, about which the governor of the Bank of Canada expressed serious reservations during the hearings last fall. I wonder if this simply reflects contempt for a parliamentary inquiry, or whether there is some other reason why the Minister of Finance has encouraged his colleagues to stop that kind of an inquiry.

I wonder whether the minister will tell me specifically if he will reconsider that position, whether he would be prepared to recommend that the finance committee be struck, and whether he would be prepared to appear with the governor of the Bank of Canada so there could be a full and public inquiry by members of this House into all matters of policy relating to interest rates.

Hon. Allan J. MacEachen (Deputy Prime Minister and Minister of Finance): Madam Speaker, I was aware that the motion moved by the hon. member was in the precise terms of the motion moved by my colleague, the Minister of Industry, Trade and Commerce. In fact, I have watched these gentlemen so frequently that I can anticipate pretty well what they will do, and what they did today was to move the motion that the Minister of Industry, Trade and Commerce moved last session. I thought they might have followed a more imaginative course and done something different, but they did not.

I have decided that it might be better to give a little more consideration to the kind of motion the House might adopt. I am not opposed in principle to giving the standing committee a further opportunity to consider the changed interest rate situation, including the floating rate, and when the committees are set up I will give consideration to a reference.

Mr. Clark: Madam Speaker, the minister, with the kind of evasiveness with which he has dealt with economic problems in the country, has indicated that he is not opposed in principle. Does he support in principle the idea that this Parliament has the right to an early opportunity to review interest rate policy? Will he give us a commitment, now, that he will seek the immediate striking of the Standing Committee on Finance, Trade and Economic Affairs and that he will, personally, seek and support an immediate reference of all questions relating to interest rate policy, including his appearance and the appearance of the governor of the Bank of Canada before that committee? Will he give us that clear, concise and unequivocal assurance now?

● (1420)

Mr. MacEachen: Madam Speaker, I know that the President of the Privy Council will be setting up the standing committees, and I have already undertaken to the Leader of the Opposition that I will give consideration to making a reference to the committee so that that committee will have an opportunity to examine the whole question of interest rates. Perhaps we will be able to hear from the former minister, whose policy is about the same as mine.

Some hon. Members: Hear, hear!

Mr. Clark: Madam Speaker, I regret that the Minister of Finance is unwilling to give a straightforward answer to a simple question. Let me try him on another simple and straightforward question: will the minister give a commmit-

ment to this House, now, that he will bring in a full budget before the end of May, and will he give us a date for that budget?

Mr. MacEachen: Madam Speaker, in the interest of simplicity, the answer is no.

Some hon. Members: Oh, oh!

RISING INTEREST RATES—DETRIMENTAL EFFECT ON ECONOMY

Hon. John C. Crosbie (St. John's West): Madam Speaker, I have a question for the Minister of Finance, who I hope will copy me in all that he does. If he does, then he will serve this country well.

Some hon. Members: Hear, hear!

Mr. Crosbie: On October 25, 1979, the bank rate went to 14 per cent. At that time, the finance critic for the Liberal party said in the House of Commons committee on finance, trade and economic affairs:

—it will mean the loss of thousands of jobs, increases in the cost of living, it will bring the housing industry to a halt, it will put housing beyond the reach of most middle and lower-income Canadians, it will hurt small business and it will hurt farmers, and will add to the cost of food.

The hon. member therefore intimated that the Liberal party had other solutions. Why, in the light of this objection last fall, did the Minister of Finance allow the interest rate to go to 16.2 per cent within four weeks of his assuming office on March 3? The minister has allowed the rate to go up another 2.2 percentage points. How could he allow this, in view of the statements made by the finance critic last fall? What is the solution which the finance critic had last fall but which the Minister of Finance does not seem to be able to advance?

Hon. Allan J. MacEachen (Deputy Prime Minister and Minister of Finance): Madam Speaker, I know that the hon. gentleman will be a model to me, but one aspect of his career that I will not follow is to have my first budget defeated by the House of Commons.

Some hon. Members: Hear, hear!

An hon. Member: Bring one in.

Mr. MacEachen: I do not intend to go into the past history of debate in the House of Commons. It will be a natural tendency for opposition parties to oppose high interest rates and to seek alternative solutions to the higher interest rates. The hon. gentleman will follow that practice, and I have no complaint about that customary role taken by opposition parties.

However, it is the responsibility of the government, and particularly of the Minister of Finance, to follow a policy that is in the best interests of the Canadian economy, and the policy that is presently being followed is in the best interests of the economy. If the hon. gentleman or hon. members from any party in the House have alternative monetary policies to the one currently being followed by the governor of the Bank of Canada, which I support, then I would be happy to consider those policies.

Mr. Dick: Give it to the committee.

Mr. Crosbie: Madam Speaker, the hon. minister has said that he is following the course which is the best for the country and the course which I adopted last fall when I was in power. How does he, then, explain the hypocrisy of his party, which opposed that policy when in opposition and which now says that it is the best policy for the country? How does the minister explain the fact that on December 13, 1979, he voted us out of office with his non-confidence motion which said we failed to lower interest rates? How does he explain that action?

• (1425)

Mr. MacEachen: Madam Speaker, the hon. gentleman should remember that the motion which defeated the government last December was moved by the New Democratic Party.

RISING INTEREST RATES—JUSTIFICATION THEREFOR

Mr. Edward Broadbent (Oshawa): Madam Speaker, it is obvious that my Conservative friends to the right are just a little concerned that the Liberals have increased the interest rate four times, which means they have matched the Conservative record in a briefer period of time. I should like to ask the Minister of Finance—

An hon. Member: What does that have to do with the price of bread?

Mr. Broadbent: —since his colleague, the Minister of Industry, Trade and Commerce, told the House last October 26 that every half point the interest rate goes up, it costs businesses in Canada $375 million, does the Minister of Finance agree with that assessment; and, if so, how does he square it with the absurd opinion that he just offered to the House, that this high interest rate policy is good for the Canadian economy?

Hon. Allan J. MacEachen (Deputy Prime Minister and Minister of Finance): Madam Speaker, obviously the higher interest rates that we are experiencing in this country are harmful to certain segments of the population: no one denies that. They are particularly damaging to small business, to farmers, to home owners—

An hon. Member: Who is that?

Mr. MacEachen: —and it is for that reason—

An hon. Member: Who are they good for?

Mr. MacEachen: —that we announced in the Speech from the Throne our intention to take some steps to help home owners who are presently renegotiating their mortgages.

I say to the Leader of the New Democratic Party that if he can propose any alternative monetary policy, in light of the very high interest rates now prevailing in the United States, in

light of the interconnection between the capital markets of Canada and the United States, and in light of the trade that exists between our two countries, then I will be very happy to discuss it with the governor of the Bank of Canada; but I do not want to hear any of the irresponsible utterances which he made from one end of Canada to the other during the election campaign.

Mr. Broadbent: Madam Speaker, I will be very happy to deal with the request of the Minister of Finance for advice, and later this afternoon he will receive some.

INTEREST RATES POLICY ENUNCIATED IN SPEECH FROM THE THRONE

Mr. Edward Broadbent (Oshawa): I should like to go to the Prime Minister now, since we have had reference to irresponsible campaign speeches. In light of what the Prime Minister said in the House of Commons last October 29, and I quote:

At what point will the government look at these alternatives, rather than following the American interest rate up to 13 per cent, 14 per cent and God knows how high?

And considering the Prime Minister's promise during the campaign that if elected, his party would have a lower interest rates policy than the Conservative Party of Canada, how does he account for the fact that interest rates have gone up four times since he assumed office, and the categorical rejection of a lower interest rates policy in the Throne Speech that was brought down yesterday?

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, the Leader of the New Democratic Party has, no doubt unintentionally, misled the House. I never promised that when we formed the government we would lower interest rates. I was asked that question specifically, and I said I could not give that undertaking.

Mr. Crosbie (St. John's West): Herb Gray gave it—three seats down.

Mr. Broadbent: Due to the courtesy of the Prime Minister, I think he misunderstood my question. I did not say in my question that the Prime Minister indicated he would lower interest rates; I indicated that he campaigned on a promise of lower interest rate policies than the Conservative party. He is shaking his head, but that is certainly what most Canadians understood.

RISING INTEREST RATES—EFFECT ON MORTGAGES

Mr. Edward Broadbent (Oshawa): I should like to go to the Minister of Finance with a final supplementary question. Considering that with reference to the then high interest rate of 14½ per cent, his colleague, the Minister of Employment and Immigration, said the effect of this was to crucify Canadians—with mortgage rates at 14½ per cent—how does the Minister of Finance view the current interest rate policy as it affects mortgages, which are now up to 17½ per cent?

• (1430)

This means, for some 350,000 Canadians who have to renew mortgages this year, that their monthly bill will go up, on the average, $200 a month or almost $3,000 a year.

An hon. Member: How about that?

Mr. Broadbent: Does the Minister of Finance consider that an acceptable position for the Government of Canada?

Hon. Allan J. MacEachen (Deputy Prime Minister and Minister of Finance): Madam Speaker, I understood the question was addressed to the Prime Minister. I have examined the number of home owners who may be renewing their mortgages this year, and it approximates 350,000. Of that number, it appears to me that a very large proportion can bear the regrettable increases in mortgage payments if we accept the customary ratio of debt to household income. Obviously, it would be an additional burden, but that proportion will be able to carry the burden.

There is a group that, because of the fact their incomes have not increased and because their equity in their homes has not increased, or the value has not appreciated, will face a particular difficulty, and it is to this relatively small group that we are addressing our attention, to ensure that they will be helped to get over this very difficult period.

* * *

INDUSTRY

HIGH INTEREST RATES—EFFECT ON EXPORT BUSINESS

Hon. Michael Wilson (Etobicoke Centre): Madam Speaker, my question is for the Minister of Industry, Trade and Commerce.

An hon. Member: The late Herb Gray.

Mr. Wilson: The rise in interest rates in Canada and the United States is of great concern to exporters in this country. In view of the fact that the Export Development Corporation quite recently raised about $250 million U.S. at an interest rate of 14 per cent to fund commitments made by that corporation at interest rates between 9 per cent and 10 per cent, are these high interest rates in any way affecting the ability of the Export Development Corporation to fulfil its mandate in support of Canadian export business?

Hon. Herb Gray (Minister of Industry, Trade and Commerce): Madam Speaker, I think the Minister of State (Trade) would want to deal with that question.

Some hon. Members: Oh, oh!

An hon. Member: Reduce the rate, Herb.

Oral Questions

HOUSING

PROGRAM TO ASSIST HOME OWNERS

Mr. Doug Lewis (Simcoe North): Madam Speaker, I have a question for the Minister of Public Works with respect to the average Canadian home owner who has been totally abandoned in the Speech from the Throne and it is, perhaps, rather in spite of or despite the previous answer given by the Minister of Finance.

In view of the fact that the average Canadian home owner who is renewing a mortgage today is faced with the spectre of mortgage payments which he just cannot afford, as well as the spectre of foreclosure—which is referred to in the Speech from the Throne—does the minister have a broad program of relief which is in any way comparable to the legislation which was introduced into the last Parliament by the Conservative party?

Hon. Paul J. Cosgrove (Minister of Public Works): Madam Speaker, the Speech from the Throne, I believe, speaks for itself inasmuch as it addresses the problem of a group of home owners that we think are not a majority and probably are not the average home owner in this country.

As you know, shortly after becoming Minister of Public Works I addressed a group of home owners who came under a program which was introduced by the former Liberal government. Our intention was to address those first who needed help the most. I think it is fair to say to my friend that our philosophy and our objective in the program, of which we will announce specifics at a later date, will follow that same policy.

Mr. Lewis: Madam Speaker, while the Canadian home owner waits for this "later date", has the government any legislation which will in any way produce relief which is comparable to the $375 which Canadian home owners could have received in April or May after filing their income tax returns this month? That was under the legislation which we introduced and which was defeated by the Liberal party and its allies, the NDP, last fall.

Mr. Cosgrove: Madam Speaker, again for the sake of brevity, the short answer is no.

An hon. Member: Thank you.

Mr. Cosgrove: No doubt the government's programs will be assisted by the opposition parties as the legislative program of the government generally goes forward.

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PUBLIC SERVICE

HIRING QUOTAS FOR WOMEN

Miss Pauline Jewett (New Westminster-Coquitlam): Madam Speaker, to move on to another topic, I would like to ask a question of the President of the Treasury Board. As the minister responsible for implementing the affirmative action measures to improve the position of women in the public service of Canada, measures that were promised in the Speech from the Throne—will the minister give his assurance that these measures will include hiring quotas for women at all levels of the public service?

Hon. Donald J. Johnston (President of the Treasury Board): I thank the hon. member for that question, Madam Speaker. The affirmative action that we plan in Treasury Board is a broad-based affirmative action. It does not include, at this time, a quota system for hiring women in the public service.

Miss Jewett: Madam Speaker, may I, then, turn to the minister responsible for the status of women, who is also the Minister of Employment and Immigration, and ask him if it is not his understanding that affirmative action to improve the condition of women in the public service of Canada in fact includes, among many other things, hiring quotas?

Hon. Lloyd Axworthy (Minister of Employment and Immigration): Madam Speaker, I would like to point out to the hon. member that at the present time, under the affirmative action program, there is the establishment of certain targets, which is quite a different concept from quotas, but there are targets that are established by each department and Crown corporation. These are registered with the Treasury Board and so monitored.

We are preparing a review of the affirmative action programs that affect both the public sector and the private sector. Submissions will be made to cabinet this spring when that review is completed, and the kind of enforcement actions that we think are most effective will be implemented at that time.

* * *

CONFLICT OF INTEREST

GUIDELINES FOR CABINET MEMBERS

Hon. Ray Hnatyshyn (Saskatoon West): Madam Speaker, my question is for the Prime Minister. Can the minister assure the House that he has satisfied himself personally that there is nothing in the background, either from a legal or a moral point of view, of any of his ministers which would make it unsuitable for them to be members of his cabinet?

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, I have followed the usual procedure when asking and inviting a minister to be part of cabinet: I have assured myself from a security point of view that there are absolutely no objections. From a moral point of view, I have relied upon the work of the ministers that they were not in any conflict of situation positions.

Mr. Hnatyshyn: Madam Speaker, is it the intention of the Prime Minister to require his ministers to comply with conflict of interest guidelines? If so, when does he anticipate that particular compliance will be met, and when will he make a statement with respect to compliance by members of cabinet?

Mr. Trudeau: Madam Speaker, I have already discussed the guidelines that this government intends to apply with ministers. I have reviewed our previous guidelines which applied under the Liberal administration, I have looked at the guidelines which were brought in by the Conservative government, and I have attempted to take the best from both.

I will be announcing, certainly before a fortnight, exactly what the terms of those guidelines are. I will tell the House immediately that I have departed in some instances from the Conservative guidelines, particularly in the matter of applying them to spouses and children.

* * *

AGRICULTURE

HIGH INTEREST RATES—EFFECT ON FARM OPERATIONS

Hon. John Wise (Elgin): Madam Speaker, my question is directed to the Minister of Agriculture and it deals with interest rate levels. During the election campaign the minister expressed his concern and, indeed, he expressed his dissatisfaction with interest rate levels at that time. Since assuming office—as has been indicated by my colleague—interest rates have increased four times in five weeks. The throne speech yesterday recognized the problem but provided no direction and no relief.

● (1440)

I want to ask the Minister of Agriculture, what immediate action can Canadian producers expect from the minister to enable producers to simply maintain their existing farm operations and to plan a portion of their 1980 crop?

Hon. E. F. Whelan (Minister of Agriculture): Madam Speaker, I am sure there are many agricultural programs which the hon. member discovered a while ago. There are even plans that make advance payments to farmers interest-free. I can name one in his area of Canada: soybean producers received $15 million interest-free. There are many other programs along that line. A portion of the interest rate of the Farm Credit Corporation, for example, was raised more during his term of office than during mine. There are many people in other parts of the commercial world of Canada who would love to have the Farm Credit Corporation rate of 13 per cent, which accounts for 70 per cent of all long-term agricultural loans made in Canada.

In many parts of Canadian agriculture we are much more fortunate than our competitors in the United States who compete in many markets with us. For example, they pay a much higher rate of interest, pay more for their fuel, fertilizers, pesticides, herbicides, and so on.

Mr. Wise: Madam Speaker, it is obvious that the minister while in opposition recognized the problem, but today when he is in office he wants to ignore it. Indeed, his first action as Minister of Agriculture was to raise the rate of Farm Credit Corporation loans to a record high.

Is the minister going to stand by and propose nothing and do nothing while producers in this country liquidate land, equipment and other assets simply to have enough capital to plant a portion of the 1980 crop? What is he going to do? Will he just answer the question yes or no, if he can.

Mr. Whelan: Madam Speaker, there are many people in Canada looking for a yes or no answer. The answer to this question would be that the things I have been responsible for have meant a "yes" for many farmers. They will be able to stay in business. With the programs we are developing, when he sees them being developed in the next few weeks he will agree that yes, this minister does care and this government does care.

* * *

[*Translation*]

INCOME TAX

DEDUCTIONS ALLOWED SPOUSES WORKING ON FARMS

Hon. Roch La Salle (Joliette): Madam Speaker, my question is directed to the Minister of Finance. It deals with an important sector, that of family farms. Although the matter was omitted in the Speech from the Throne, will the minister reintroduce the measure included in our budget, which measure was promised, seconded and supported by his colleague, the Minister of Agriculture, allowing the deduction, for income tax purposes, of salaries paid the spouse who works on the farm? In addition, will that policy apply to non-incorporated businesses so that fishermen and several other businessmen might also benefit from it, as we planned in our budget?

[*English*]

Hon. Allan J. MacEachen (Deputy Prime Minister and Minister of Finance): Madam Speaker, I agree with the hon. member that it is necessary to decide whether the present government is to proceed or not proceed with a number of proposals that were contained in the December 11 budget. Some of these proposals, like the one mentioned by the hon. member, were of a substantive character; others were of an important but technical nature.

Currently, I am examining the situation. I hope to advise the House as soon as possible what position I will want to take on these matters, including the one raised by the hon. gentleman.

[*Translation*]

Mr. La Salle: Madam Speaker, I should like to put a supplementary to the Minister of Agriculture and ask him if he still intends to recommend to his colleague that the salary paid to the spouse who works on the family farm be allowed as a deduction for income tax purposes.

[*English*]

Hon. E. F. Whelan (Minister of Agriculture): Madam Speaker, I have every confidence that my colleague, the Minister of Finance, will be a fair man.

Oral Questions

INDUSTRY

JOBS AVAILABLE IN AUTOMOBILE INDUSTRY

Mr. Ian Deans (Hamilton Mountain): Madam Speaker, I have a question for the Minister of Industry, Trade and Commerce dealing with the ailing auto industry. Given that the Ford Motor Company are going to mothball their casting plant, with a loss of 900 jobs, and that they are going to cut, at Oakville, another 1,500 jobs—cut one shift completely out of the process—can the minister tell the House what conditions there were attached to the $68 million incentive that Ford received which guaranteed that Ford would maintain the job levels that were in Ontario and Canada at the time the moneys were advanced?

Hon. Herb Gray (Minister of Industry, Trade and Commerce): Madam Speaker, the contract between the federal government and the Ford Motor Company presently has a clause in it that this information will not be released without the consent of the company. I have asked the company to give its consent so that I can provide the information to the House. This is a matter of deep concern to me and my colleagues. I will be meeting with representatives of the UAW tomorrow to discuss this matter, and I will have further information for my hon. friend as soon as possible.

Mr. Deans: Might I ask the minister what action he proposes to take to provide some kind of future for the 20,000 auto workers currently laid off, and the many others whose jobs are in jeopardy as a result of mismanagement both by Chrysler and Ford?

Mr. Gray: Madam Speaker, I have begun a series of talks with the presidents of the automobile manufacturing companies with a view to getting new commitments from them for additional activity in Canada, particularly in the area of job creation, research and development and production. Also, I met with the UAW and with the independent parts manufacturers. I intend to go on and have similar meetings with the presidents of the parent companies, with a view to beginning formal consultations under the provisions of the auto pact with the American government, with the objective of having a better operation of the pact in the interests of Canadian workers.

* * *

SMALL BUSINESS

MEASURES RESPECTING FBDB LOANS

Mr. Stan Darling (Parry Sound-Muskoka): Madam Speaker, I wish to direct a question to the Minister of State for Small Businesses. The minister is no doubt aware that at the present time Federal Business Development Bank loans continue to be locked in for periods of five years. Such an arrangement is particularly unsatisfactory in light of the fact that the current interest rate on FBDB loans is 19 per cent.

My question to the minister is this: have any measures been recently introduced which will allow for an individual aspiring to obtain a new Federal Business Development Bank loan, or having to renegotiate an old one, to enter into an arrangement whereby the interest on the loan could be renegotiated on a more frequent basis? I trust the minister is acutely aware that the existing regulations governing the repayment of such loans have been the cause of considerable anguish for a large number of Canadians. It is grossly unfair that an individual—

Madam Speaker: Order, please. Will the hon. member please come to his question.

[*Translation*]

Hon. Charles Lapointe (Minister of State, Small Businesses): Madam Speaker, I thank the hon. member for his question. I should like to remind him of what was indicated in the Speech from the Throne yesterday with regard to the Small Businesses Loans Act, that is we shall raise the maximum amount of the loans from $75,000 to $100,000. With regard to new measures or policies concerning the Federal Business Development Bank, my colleague, the President of the Privy Council will be tabling a bill in the next few days providing for the refinancing of the bank's equity funds. We shall also look into the proposal made by the hon. member.

[*English*]

Mr. Darling: Has the minister taken, or does he propose to take, any steps with regard to the bill introduced by the previous government to provide the Federal Business Development Bank with $500 million capital? The bill failed to receive third reading in the previous Parliament.

● (1450)

I am wondering if the minister has been advised about the numerous applicants who are going to be denied any additional money or applications. Even at these staggering rates there are a great many who will still want to negotiate Federal Business Development Bank loans.

[*Translation*]

Mr. Lapointe (Charlevoix): Madam Speaker, as I indicated in my previous answer, in a few days the President of the Privy Council will table a bill partially based on the previous bill.

* * *

IMMIGRATION

MEASURES TO ASSIST CUBAN IMMIGRANTS

Mr. André Maltais (Manicouagan): Madam Speaker, allow me to congratulate you on your appointment to the position of Speaker of this House. I think that all French Canadian men and women are quite pleased with your nomination.

My question is directed to the Minister of Employment and Immigration. Considering the drama in which some families

are involved, thousands of Cuban families would like to emigrate to Peru. Does Canada intend for humanitarian reasons to provide some leadership to solve that problem? If so, what steps will Canada take to assist those people?

[*English*]

Hon. Lloyd Axworthy (Minister of Employment and Immigration): Madam Speaker, I would like to thank the hon. member for the question and indicate to the House that the government of Peru has contacted a number of governments, including our own, asking for assistance in the resettlement of "asylees" from Cuba and those who are presently located in the Peruvian embassy.

At the present moment they are in unusual circumstances because they do not fit the strict international definition of refugees; but considering the very severe suffering that is going on, and deprivation that is taking place, the Government of Canada has indicated to the Peruvian authorities and to Cuban authorities that we are prepared to take, at this point, up to 300 "asylees" from that area and also to provide federal financial assistance in resettlement programs when necessary. We are also prepared to consider further measures once the situation clarifies itself, but we are taking that initial step.

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EXTERNAL AFFAIRS

BOYCOTTING OF OLYMPIC GAMES IN MOSCOW

Mr. Arnold Malone (Crowfoot): Madam Speaker, my question is directed to the Prime Minister. I would like to ask him if he would announce today that Canada will support the United States in the Olympic boycott.

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, the hon. member probably heard us make our position clear on this matter during the campaign.

Mr. Crosbie: What is it? Come off it, Pierre; get your skis on.

Mr. Trudeau: We believe that the invasion of Afghanistan is something which not only should be condemned by our country and like-minded countries, but we also believe it is very important to found our policy on the vote of 104 nations at the United Nations which on January 14 condemned the invasion of Afghanistan.

Our policy on the Olympics and on other matters has not just been to take stands of our own, and in this matter I have indicated in a recent letter to President Carter that we would support him in the measures he announced and that we would join him in those measures. However, it is also important for us to bring other countries along so that we maintain this front of 104 nations or as many nations as possible to continue in our condemnation of the Soviet invasion of Afghanistan.

Mr. Malone: Madam Speaker, for a moment I thought I was going to have to say that silence may not be golden; it might be just plain yellow.

Some hon. Members: Oh, oh!

Mr. Malone: I would like to ask the Prime Minister now if he can tell us how many of the 104 nations he has coming on stream to give that support to the United States when they so desperately need it, as does the world.

Mr. Trudeau: Madam Speaker, I might point out to the hon. member that it does not take much courage just to announce that you are going to boycott the Olympics.

An hon. Member: Try it.

Mr. Trudeau: And it would not have much effect, either, on the presence of the Soviet troops in Afghanistan.

Some hon. Members: Hear, hear!

Mr. Trudeau: It is perhaps a more difficult policy, but a more important one, to ensure that this united front of nations against that invasion be maintained in as large a proportion as possible, and that is what we are working at.

* * *

CANADIAN WHEAT BOARD

LOSSES TO FARMERS DUE TO U.S. EMBARGO ON GRAIN TO U.S.S.R.—GOVERNMENT POLICY

Mr. Stan J. Hovdebo (Prince Albert): Madam Speaker, my question is for the Minister of Transport, who is the spokesman for the Canadian Wheat Board in this House. In view of the fact that the decision by the Carter administration to put an embargo on the shipment of grain to the Soviet Union has already hurt the Canadian farmer to the extent of 80 cents per bushel since December 28, 1979, will the minister tell us if this government plans to follow the policy suggested by the previous administration to make up these losses to farmers so that the nation as a whole—not just grain producers—will pay for the effects of this embargo?

Hon. Jean-Luc Pepin (Minister of Transport): Madam Speaker, this is a very debatable subject, but my information and knowledge at this time is that western farmers are not being affected by the policy that Canada has had with respect to the export of grains to the Soviet Union.

Mr. Hovdebo: Madam Speaker, in the light of that answer, my supplementary question is directed to the Prime Minister. Is it this government's intention to continue the policy brought about by the previous administration to support the grain embargo on additional sales of grain to the Soviet Union? If so, will the Prime Minister assure this House that grain producers will not be the only victims who will have to bear the brunt of that policy?

Right Hon. P. E. Trudeau (Prime Minister): Indeed, Madam Speaker, that is our policy.

* * *

INCOME TAX

BENEFITS TO NORTHERN RESIDENTS—GOVERNMENT POLICY IN RESPECT THEREOF

Mr. Doug Neil (Moose Jaw): Madam Speaker, my question is for the Minister of National Revenue. In view of the uncertainty regarding income tax issues in the north with respect to the fringe benefits traditionally granted to northern residents, will the minister assure this House that this government will bring in an amendment to the Income Tax Act, or a ways and means motion to give validity retroactively to the present moratorium?

Hon. William Rompkey (Minister of National Revenue): Madam Speaker, we have placed a moratorium on the collection of taxation on northern benefits until January, 1981. That applies for the taxation year 1980. We are looking at the year 1979. We have stopped assessments on the year 1979. Officials are now working to clarify exactly how this moratorium will apply, and I am hoping I can make a comment within the next week or so.

* * *

AGRICULTURE

PAY-OUT TO BEEF AND PORK PRODUCERS

Mr. Peter Elzinga (Pembina): Madam Speaker, my question is for the Minister of Agriculture. I wonder if the minister could indicate to the House what the date of the announcement will be as to whether there is going to be any pay-out under the Agricultural Stabilization Act for the beef and hog industry.

Hon. E. F. Whelan (Minister of Agriculture): Madam Speaker, I am sure the hon. member is well aware that by law we have to make a payment for the pork industry. We may make one for the beef industry. That has not been decided. But before the end of April I hope that an announcement can be made for the pork industry.

* * *

FORESTRY

EMPLOYMENT OF IDLE WORK FORCE DUE TO HIGH INTEREST RATES

Mr. F. Oberle (Prince George-Peace River): Madam Speaker, my question is to the Minister of the Environment in his capacity as having jurisdiction over forestry. The forest industry is one of the first industries which suffers as a result of a massive downturn in economies and high interest rates, and thousands of forest workers are unemployed at the present time.

The question is whether it has occurred to the minister to discuss with his colleague, the Minister of Employment and Immigration, and his provincial counterparts the prospect of engaging this idle work force in the task of forest renewal, planting and restocking millions of acres of unproductive forest land.

Hon. John Roberts (Minister of State for Science and Technology and Minister of the Environment): Madam Speaker, we as a government do, indeed, attach considerable importance to the revitalization of the forest industry and, indeed, the continuation of the thrust which has been developed by the past two ministers responsible for forestry. I spoke about that subject a few days ago, and I would be happy to send the hon. member my speech. In any case, I will take up the suggestion he has made to me and discuss it with my colleague.

• (1500)

Mr. Oberle: Madam Speaker, I have read the minister's speech and I want to compliment him on his commitment to follow the policy which the former government laid down for a forestry strategy for Canada. Can he tell the House whether it is his intention immediately to give us the name of the assistant deputy minister who should be appointed to restore the position of the Canadian forestry in the public service?

Mr. Roberts: That matter is under very active consideration. I cannot give the hon. member a name at the present time, but I hope to announce one in the very near future.

* * *

PRIVACY

OPENING OF MAIL BY RCMP

Mr. Svend J. Robinson (Burnaby): Madam Speaker, my question is for the Solicitor General, whom I should like to congratulate on his appointment. The Solicitor General stated recently that he has made up his mind that the RCMP need the power to open first-class mail, and that he is "rushing to cabinet" to bring in legislation to grant this power—a very serious interference with the right to privacy of Canadians.

Will the Solicitor General assure the House that he will take no action on this matter at least until the McDonald commission has reported; and will he tell the House what evidence he has, if any, to support the granting of this serious power to the RCMP?

Hon. Bob Kaplan (Solicitor General): May I thank the hon. member for his good wishes and also for the opportunity to correct the record. I am not rushing legislation forward; I am quite content to wait for the recommendations of the McDonald commission, and I am particularly pleased to indicate that, as hon. members know, the McDonald commission will

be making its core report by the end of the summer, and its final report and be winding up, if they can maintain their schedule, by the end of this year.

As to the evidence of the desirability and the need for letter-opening under controlled circumstances and with proper safeguards, I hope to be able within the next few days to make the kind of presentation that hon. members would like on that subject.

Mr. Robinson (Burnaby): My supplementary question, Madam Speaker, is to the right hon. Prime Minister, in the absence of the Minister of Justice, who is, I am sure, as concerned as we are on this side of the House about upholding the rule of law. Will the right hon. Prime Minister tell the House whether he intends to recommend to his Minister of Justice the prosecution of those members of the RCMP who have authorized the breaking of the law, section 43 of the Post Office Act, in the illegal opening of first-class mail?

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, I will be happy to discuss this matter with the Minister of Justice. I am sure he will want to follow the practice of our previous government; that is to say, that whenever we have evidence of any breaking of the law by an RCMP officer, through the McDonald commission or in any other way, we would communicate that information forthwith to the attorney general of a province whose responsibility it was to enforce the criminal law. I am sure the Minister of Justice will continue to do the same thing.

* * *

POINT OF ORDER

MR. COSSITT—MOTIONS UNDER S.O. 43

Mr. Tom Cossitt (Leeds-Grenville): Madam Speaker, I rise on a point of order, about a 30-second point of order concerning the matter of motions under Standing Order 43 in general and which is brought to my mind by the motion I introduced on the subject of Mr. Kenneth Taylor earlier this afternoon. I am asking respectfully for clarification from the Chair in regard to one specific point about Standing Order 43.

I was under the distinct impression that the slight negative shaking of the head by such a person as the right hon. Prime Minister (Mr. Trudeau) does not constitute a legitimate "no" and that an audible verbal "no" must be heard before a motion of that nature can be ruled out of order. If it is in order, I would like to ask if I can have the unanimous consent of the House to revert to Standing Order 43 so that members of the House will have an opportunity to prove specifically that the old saying that a prophet is without honour in his own land does not apply to Mr. Kenneth Taylor.

Some hon. Members: Hear, hear!

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, may I say on that point of order, since the hon. member for Leeds-Grenville (Mr. Cossitt) has mentioned my

name, that I can assure him I said nothing. But I can inform him of what was going on in my mind at that point, and this may guide you, Madam Speaker.

Some hon. Members: Oh, oh!

An hon. Member: Subliminal perception.

Mr. Trudeau: We have here an example of where a good motion might be proposed by a member on either side of the House and at times the government might say "no" to that motion, not because it disagrees with the substance of the motion but perhaps because we do not find it opportune to discuss the motion at that particular time; or, alternatively, the motion calls for very intricate considerations, and that is the case in this matter.

The Order of Canada, I happen to know—and I am sure the right hon. Leader of the Opposition (Mr. Clark) knows the same—was set up so as to ensure that it would be detached from the political process, so as to ensure that the Order of Canada would be given upon the direction of a committee chaired by the Governor General and his representative, the Chief Justice of Canada, in a way that politicians in particular, but also other pressure groups, would not be able to command upon whom the order would devolve. I feel that before issuing an order from the House to that very select committee chaired by the Governor General and the Chief Justice we should consider whether or not it is within our prerogative to do so. I would submit that it is not at this time.

Right Hon. Joe Clark (Leader of the Opposition): Madam Speaker, I would simply like to say on this point of order that I would not at all contest the views and the testimony put forward by the present Prime Minister (Mr. Trudeau). I suggest that he would do well to reread the motion which was put forward. He would find that the motion which was presented to this House simply suggested that there be a respectful request by this chamber to the Governor General to consider the matter. If he would reread that motion instead of reacting automatically to motions put forward by members whom he might not personally like, the procedures of this House could progress.

Madam Speaker: From where I sit in this chair I am more aware of the noes that I hear—and I did hear some noes. Therefore, the time for presenting motions under Standing Order 43 having expired, we will now proceed to orders of the day.

ROUTINE PROCEEDINGS

[*English*]

WAYS AND MEANS

DESIGNATION OF ORDER OF THE DAY TO DEBATE WAYS AND MEANS MOTIONS

Hon. Lloyd Axworthy (Minister of Employment and Immigration): Madam Speaker, pursuant to Standing Order 60, I am tabling a notice of a ways and means motion to amend the Employment Tax Credit Act, and I request that you designate an order of the day for consideration thereof.

* * *

SPEECH FROM THE THRONE

CONTINUATION OF DEBATE ON ADDRESS IN REPLY

The House resumed from Monday, April 14, consideration of the motion of Mrs. Côté for an address to His Excellency the Governor General in reply to his speech at the opening of the session.

Right Hon. Joe Clark (Leader of the Opposition): Madam Speaker, in beginning let me repeat formally, now that your election is an accomplished fact, the congratulations of hon. members of my party and underline the respect which we hold for you. Let me express on behalf of my colleagues in the official opposition that we look forward to working closely and co-operatively with you in ensuring that this House functions effectively and democratically and serves both the national interest and the national will.

[*Translation*]

I would like to take this opportunity to congratulate the new member for Rimouski (Mrs. Côté). She made an eloquent speech yesterday and I hope she will often have the opportunity to address the House.

● (1510)

[*English*]

I would add as well my congratulations to the hon. member for Sudbury (Mr. Frith) who follows distinguished shoes into this House. I will say to him that I did not agree with every nuance of what he said, but he said it well. This House is a place where positions should be clearly stated and disagreements occasionally recorded.

Also I think it is appropriate for me as I begin to express the admiration which I know all of us feel for the manner in which Their Excellencies, the Governor General and Mrs. Schreyer, have conducted themselves. Since this Parliament last met, they both have been afflicted with hospitalization, and yet that has not at all deterred them from the very effective carrying out of their important responsibilities to the nation.

The Speech from the Throne indicates that Canadians expect much of this Parliament. Let me be a little more precise. Canadians expect a great deal of this government. As I have noted elsewhere, our problem when we were a government was that we had a program but not a majority necessary to implement that program and to get it through. This government has a clear majority. It has a long association with office and it has no excuse for delay in facing its full responsibilities and in dealing directly with the problems and the potential of the country.

I must say that I regret the Prime Minister (Mr. Trudeau) did not show more courage and more imagination in choosing a cabinet. Some of his old friends deserve to retire and some of his old prejudices have kept from cabinet members like the hon. member for Kenora-Rainy River (Mr. Reid), the hon. member for London West (Mr. Buchanan) and most particularly l'honorable député de Hochelaga-Maisonneuve (Mr. Joyal) who could have been of real service at this particular point in the life of this country in bringing this government closer to the mainstream of modern thought in the province of Quebec.

Despite the cabinet's collective weakness and weariness, I want to congratulate the members of the ministry on the honour and responsibility bestowed upon them. I wish them well and I give them notice now that this party will co-operate in the passage of constructive measures and will expect the government to accept its responsibility to deal quickly and honestly with the business of Canada.

We are at a time of crisis in Canada on several fronts. The government will be serving the nation badly if it pretends that only the referendum is important, or if it lets the interests of Canada suffer because of the ideology or the inflexibility of certain ministers. When speaking of ideology, I am thinking particularly of the Minister of Industry, Trade and Commerce (Mr. Gray), and when speaking of inflexibility I am thinking of its champion, the Minister of Energy, Mines and Resources (Mr. Lalonde). We have urgent problems concerning the unity of this nation, problems that were caused in no small measure by the past refusal of the Prime Minister to respond to the changing nature of this nation. I will return to that question later in my remarks, but let me serve now notice on the government that the importance of the referendum is no excuse for delaying action on economic policy, no excuse for delaying action on energy policy and no excuse for avoiding our international obligations. Indeed, delay in dealing with those acute problems may very well aggravate the tensions which now exist in the Canadian family.

First let me deal today with economic policy. Economists are predicting that our economy may have its lowest growth rate this year since 1954. A change in circumstances and the electoral commitments of the present government will add at least $4.5 billion to the budgetary deficit which was forecast by my colleague, the hon. member for St. John's West (Mr. Crosbie), when he brought down a budget in December. The attitude of the government toward the private sector is at best ambiguous.

The Speech from the Throne makes no mention at all of the economic charter signed by this Prime Minister and ten provincial premiers in 1978, an economic charter which, among

other things, specifically described "an expanding private sector as the major impetus for growth in the Canadian economy". But the throne speech and individual statements by economic ministers raise the spectre of new government agencies, new government intervention and new government costs.

Interest rates keep going up; the rate of foreclosures and bankruptcies has almost doubled in the last year. The present government voted against the budget or the economic realism which we introduced last year. They knew in December what they were against. They should know in April what economic policy they stand for. In our judgment they have an obligation to bring in a full budget at the earliest possible opportunity.

Some hon. Members: Hear, hear!

Mr. Clark: The Deputy Prime Minister and Minister of Finance today, in the single most direct statement he has made since he became Minister of Finance, and indeed probably in the single most direct statement he will make in his tenure, said; "No, we will not bring in a budget before May". What he apparently does not understand is that no one else in Canada whose decisions depend upon the planning and an understanding of the direction of the Government of Canada can plan until he knows the economic direction and the economic plans of the Government of Canada. The private sector cannot plan, provinces cannot plan, individuals cannot plan, investors cannot plan.

He cannot blame events. He cannot say that they were not prepared. Because they knew in December what they were against, they must know now what they are for. His deliberate delay is causing an intolerable burden for all of those Canadians who count on certainty in order to make their own plans so that they can make the nation grow.

Some hon. Members: Hear, hear!

Mr. Clark: Just so that the minister will understand what it means, every day of delay creates more uncertainty. Uncertainty is not some abstraction; uncertainty in the climate of the Canadian economy today means that it creates the risk of more bankruptcies and more foreclosures. The minister was congratulating himself on how few Canadians face foreclosure today. With his policies, with his delay, that number will increase. That is an inexcusable action on his part. It means more unemployment every day that he delays. It means less growth every day that he delays.

I understand that the Minister of National Health and Welfare (Miss Bégin) wants to have economic policy go one way, in a spending direction, and that the President of the Treasury Board (Mr. Johnston) may well want economic policy to go another way. But it is the duty of the government to resolve those differences, not to succumb to them. They knew enough in December to vote against a budget which gave a sense of economic direction and realism to the country. They must have known what they stood for when they voted against our budget. They have an obligation now to spell that out in a full budgetary and economic statement to the people of Canada, and to stop delaying, creating unemployment, creating bankruptcies and forcing foreclosures.

Some hon. Members: Hear, hear!

Mr. Breau: That debate is over.

Mr. Clark: I hear from the hon. member for Gloucester (Mr. Breau).

An hon. Member: Overlooked again.

Mr. Clark: Overlooked again in the selection of ministers. Indeed, I think he must hold the record in this House for being overlooked in the selection of ministers.

An hon. Member: What about the hon. member for Ottawa West (Mr. Francis)?

Mr. Clark: Excuse me, I did not mean to slight the hon. member for Ottawa West (Mr. Francis). But the hon. member for Gloucester, whose voice is obviously of so little influence in the cabinet that he cannot become a member of it, has made the interjection here that that debate is over. One of the points which must be made and must be understood by all of us who respect the integrity of the House of Commons is that it is simply not acceptable for someone like the present Minister of Industry, Trade and Commerce knowingly to go forward and make an undertaking that he would resign if interest rates went up, and then once he had secured the power that undertaking was designed to achieve, to go back on his word, to break his word.

Some hon. Members: Hear, hear!

Mr. Clark: I say to the hon. member that that debate is far from over, because that debate has to do with the fundamental question of honesty in this country and of integrity in the conduct of public business.

• (1520)

I was proud during the election campaign to stand for a policy that was an honest policy and that reflected the integrity of a government that was prepared to deal directly with the problems the nation faces, and I will be pleased during the next election campaign to go into the constituency of Gloucester if—

[*Translation*]

If the hon. member can be selected again by his party.

[*English*]

—and to repeat again the importance of having a national government and a national party that will stand for honesty, that will say the same things before the election that it says after and not carry on in a way that has been characterized by the Minister of Industry, Trade and Commerce (Mr. Gray) who said he would resign before the election and then, after he had won office, broke his word to the people of Canada.

Some hon. Members: Hear, hear!

Mr. Clark: Let me deal with the specific question of interest rates because the references in the throne speech to interest rate policy were cold comfort to hundreds of thousands of Canadians who are trying to cope with record high mortgage and borrowing costs. I am tempted to take a little more time this afternoon and review the hypocrisy on this issue of the Liberal party, but I will leave that for the people of Canada to judge every time they hear members of this administration speak.

Interest rate policy has changed in Canada in three ways since February 18. First, rates have gone up, and they have gone up faster during the past two months than they did in our nine months as a government. Second, while our government and our minister of finance faced up squarely and honestly to our responsibility as the ultimate managers of monetary policy, this government and minister of finance prefer to hide behind the gimmick of floating rates; a float which it will not even let the standing committee of this House of Commons examine; a float about which they refuse to let questions begin to be directed immediately to the governor of the Bank of Canada who had expressed reservations about that policy when a parliamentary committee was struck by our government; a float which is nothing but a gimmick to try to pass the responsibility for interest rates away from the government, where it resides, to the governor of the Bank of Canada.

Some hon. Members: Shame, shame.

Mr. Clark: Third, and most serious of all, while we brought forward specific measures that would cushion the impact of unavoidably high rates of interest on Canadians, this government is prepared to let the great majority of home owners, farmers and small businessmen burn while Allan MacEachen fiddles.

Some hon. Members: Oh, oh!

Mr. Clark: We proposed a major program of mortgage and property tax credits which, even in its first year, would have held to about 12 per cent the effective cost of an average mortgage renewed at current rates. The Liberals and members of the new coalition—the attempted coalition to our left, the NDP—voted against that measure. In its place, according to the throne speech, this government offers only the very vague promise of some kind of assistance that will be limited to those who have to "renegotiate existing mortgages", and who face "the spectre of foreclosure", to quote the Speech from the Throne.

What this government is offering, having cried such crocodile tears over interest rates in December, is minimal aid to home owners who literally have their backs against the wall, but nothing at all for Canadians whose current mortgage costs without any renegotiation already are too high. It is offering nothing for Canadians who have had to renegotiate their mortgages in recent months at abnormally high rates, and nothing for the thousands of Canadians who want to buy their first home but simply cannot afford today's mortgage costs. And this, ladies and gentlemen, from a government which created and literally pushed on to the people of Canada an AHOP program which is causing so much grief to so many Canadians and which stands today as probably the worst conceived and administered housing program ever inflicted upon this country.

Some hon. Members: Hear, hear!

Mr. Clark: That, Madam Speaker, is their helping hand to home owners, the helping hand of this government which is so concerned, it says, about injustice. It talks against it and then it imposes injustice on the people of Canada.

What is there for farmers and small businessmen? Again our government had brought forward in its budget a concrete measure to help those Canadians; a small business development bond that would have allowed small businesses and farmers to borrow up to $500,000 at roughly half the current market rates. Again the Liberals and members of the coalition—those two parties—voted that measure down. What does the government offer in its place? It offers a routine increase in loan ceilings under the Small Businesses Loans Act and under the Farm Improvement Loans Act, a proposal which offers small businessmen and farmers virtually no assistance where they need it and virtually no assistance in meeting the abnormally high cost of money.

Let me say one final word about economic policy, Madam Speaker. As was often the case with the Prime Minister during the election campaign, in yesterday's speech he tried to have it both ways in regard to the budgetary deficit. The government says it is committed to reducing that deficit but—the persistent "but"—not at the cost of all the new spending programs and new government agencies it wants to create. That is a familiar Liberal line. In fact, we heard that line in every budget for 11 years while the Liberal government ran this country into near bankruptcy.

I say to hon. members opposite that Canada simply cannot afford any more of that kind of irresponsibility. They will not reduce inflation—and surely that has to be the number one economic objective—unless and until they are prepared to bring government finances into balance and ease the inordinate claim the federal treasury has been making on the financial resources of this country.

I urge the Minister of Finance (Mr. MacEachen) to heed the words of his principal adviser, the governor of the Bank of Canada, who says in his annual report:

> —if large fiscal deficits are continued when the economy has little more effective capacity to increase output they will discourage such investment . . . If we in Canada want to reduce our international deficit on current account and thus our use of foreign savings we shall have to pay careful attention to the rate at which domestic savings are being absorbed by the fiscal deficits of our governments.

Perhaps it is because of advice such as that that the Minister of Finance so resolutely refuses to allow the Parliament of Canada to question the governor of the Bank of Canada.

[*Translation*]

Madam Speaker, in connection with energy matters, the energy policy of the government shows no sense of urgency.

Apparently they have no idea of the precarious position of Canada which so much depends on foreign oil, those oil supplies and prices which are indeed beyond our control. The energy self-sufficiency which we proposed as a government is not only a praiseworthy aim but it is absolutely necessary for national security and economic development. Among all nations of the world we have a unique opportunity to become self-sufficient in the field of energy.

The Speech from the Throne does not give much specific information about the position of the government on energy prices. Price is a matter of dollars and cents and it is high time that the government disclose to the Canadian people the cost of energy not only for this year but for the next three or four years.

[*English*]

It is time too, Madam Speaker, that the government comes clean with Canadians over its exact intentions in regard to the oil import compensation program. Again we have a reference in the Speech from the Throne, as we did during the election campaign, to phasing out the oil import compensation program. That program is going to cost the federal treasury at least $2.6 billion during the current fiscal year, and at current trends it will almost double by 1985. This is the program that ensures a single price across the country and subsidizes consumption in Quebec and the Atlantic provinces.

● (1530)

If the government intends to phase that program out, as it promised yesterday in the Speech from the Throne and as the Prime Minister promised during the election campaign, then who will pay the billions of dollars in extra costs? I see that there is present a member from Cape Breton Island, an area where there is a heavy dependence on imported oil. Will it be the people of Cape Breton who will be chosen and selected to pay that extra burden because they elected a Liberal government? Who will pay that extra $2.6 billion, a figure which will increase dramatically between now and 1985? Will it be a special burden imposed upon consumers in Quebec, Prince Edward Island, New Brunswick, Nova Scotia and Newfoundland, or is it the intention to spread that price across the entire country so that the price every Canadian pays for oil will go up much more dramatically than was proposed in the budget brought down last December by my colleague, the hon. member for St. John's West?

The government's so-called blended price, from what is known about it, would take an increase this year of at least $6 a barrel in domestic prices to offset the current cost of imports. The party opposite ran against a $4 increase, and perhaps they are planning a $6 increase for Canadians. If they wish to hide it this year they will dump it on the backs of Canadians next year. We in this country have a right to know the details. We have a right to have the minister of energy tell the truth to this Parliament and the people of Canada as to exactly what will be the price of oil and exactly how they intend to achieve that price.

Let me turn for a moment to the question of international affairs. In the throne speech the government proclaims that one of its basic goals is to ensure that Canada plays what it calls a vigorous role in international affairs. It seems to me that the government exhausted all of its vigour in simply stating that goal, because what follows in the speech shows nothing that is vigorous or even encouraging, except for the welcome confirmation that it intends to carry through the initiative started by the hon. member for Kingston and the Islands (Miss MacDonald), to strengthen the disarmament component in the Department of External Affairs.

The 1980s, Madam Speaker, will not be an easy decade in international affairs. It seems certain to be a period of virtually continuous regional instability. The world economy is fragile, and the intentions and the options of the Third World have hardly begun to be defined. Unhappily as well, there is every indication that relations between the super powers are deteriorating.

This is not a time when nations like Canada will have the luxury of flirting with soft-headed notions of neutrality. A starting point for Canadian foreign policy in the 1980s must be to know ourselves, to know, understand and respect the values and the goals of this democratic nation, and to make sure that the world knows exactly whom we regard as our friends and where we stand on basic issues.

Some hon. Members: Hear, hear!

Mr. Clark: We in this party are under no illusions whatsoever as to who are our friends. Our principal ally remains the United States of America, not because of the accident of geography, but because of the act of sharing basic goals and basic ideals. There are times and there are issues that go to the very heart of one's values, one's beliefs and one's friendships. We believe that now is one of those times.

That is why we responded as we did in Tehran. That is why we supported as a government, and continue to support as a party, a boycott of the Moscow Olympics. That is why I am appalled at the reluctance of this government to show any leadership or, what is worse, to show any conviction on the Olympic question or, indeed, in response to President Carter's request for additional pressure on Iran to free the hostages. We on this side of the House do not believe your real friends hide in the crowd until it is safe to stick their heads up.

I know that the Prime Minister has strong personal views on this matter. He has expressed them in the Soviet Union, and he also expressed them the night of his victory when he equated our relation with the Soviet Union and the United States of America. I suspect that it is the very influence and strength of his personal views, particularly given, for the first time in my recollection, a foreign minister who sits on the second bench of Parliament, a foreign minister who is a puppet on a string for the Prime Minister of Canada. I suspect that that is one of the reasons this government has refused to allow a full and open review of Canadian foreign policy.

As the House knows, we as a government were ready and prepared to have that kind of review because we believe that

Canadians should participate in deciding who our friends are in the world and what our stance should be in the world. This government takes an opposite position. They have stopped that review. My colleague from Kingston and the Islands and others in this party will conduct that open public foreign policy review across this country so that even if the government shuts its ears to the views of Canadians as to what should be the foreign policy of Canada, there will be an opportunity in this Parliament for members, and flowing from this Parliament for Canadians, to speak their minds about who are the friends of Canada and what should be our foreign policy.

Naturally, Madam Speaker, there are some items in the Speech from the Throne, to the degree that we can find their detail, which we on this side of the House can commend and support. We look forward to seeing the detail of the proposal with relation to pensions coming forward. We understand the campaign commitment of the party opposite was to increase the pension of every eligible senior citizen in the country, and we look forward to that measure being realized. I can say that if the measure proposed does correspond with the promise that was made, we can certainly support that measure in this House and we will support it expeditiously. If the government sets a deadline of July 1 and is serious about it, then certainly they will get very real co-operation from this side of the House in achieving that goal.

There are some other proposals which we can support because in so many cases, at least on the basis of the details in the Speech from the Throne, they appear to be measures that carry through to conclusion policies which we ourselves began as a government. I will reserve my approval for the freedom of information bill until I have had a chance to see it in detail, because this Parliament and the people of Canada have been misled so often by the Liberal party on the question of freedom of information that we cannot approve a bill until we see it.

We would prefer to have brought back the bill which we introduced. In any event, we hope that the bill this government introduces will be a bill that is faithful to the two main principles of our legislation, principles which we regard as absolutely fundamental. First, that exceptions to the general rule that all information is public should be narrow and specific; and, secondly, that there can be recourse to an independent tribunal in cases of dispute between a minister and Parliament or the people of Canada.

I do not want to see the idea emerge in legislation that was mooted so often in the Liberal party, that there should be some right residing in a minister or a public servant to stand between the right of the people to information and the interest of the government in keeping that information private.

I assume, again subject to seeing the actual legislation, that a number of other specific initiatives mentioned in the Speech from the Throne carry forward work which was begun by our government. That list would appear to include a meat import law, legislation concerning the transport of dangerous goods, improved privacy legislation, better support for the handicapped and a comprehensive program to improve employment opportunities for women, starting with the public service itself.

• (1540)

I note that there are proposals for a policy paper and a conference on pensions. I should just say in passing, Madam Speaker, that I am a little alarmed that while our government took every step it could, starting with a committee investigation into interest rates, to make full use of Parliament, there is already the evidence that this government is deflecting away to other agencies questions and inquiries which should be carried on in Parliament. They will not let Parliament look into interest rates as our government let Parliament look into interest rates; they will not let Parliament look into pension policy as our government proposed to let Parliament look into pension policy. Instead, they are taking matters that should be the concern of Parliament and putting them up to other institutions.

We fear that what we are seeing again is a manifestation of the Prime Minister's old idea that members of the House of Commons are mere nobodies, with perhaps the refinement proposed by the new House leader that we are nobodies who should work only four days a week. We think we are somebodies; we think there is a role and a right for members of Parliament, and we believe that members of Parliament should work a full week and not goof off on Fridays!

Some hon. Members: Hear, hear!

Mr. Clark: I also assume that the reference to an expanded community services employment program reflects the work that was begun by the former minister of employment and immigration.

There is one other major matter that I want to touch today, Madam Speaker. It concerns the fundamental unity and, indeed, the future of this unique nation. As we know, the government of Quebec has published a proposal for sovereignty-association, a proposal that is absolutely incompatible with the idea of federalism and, consequently, is absolutely unacceptable to members of this party and, I believe, of this Parliament.

Some hon. Members: Hear, hear!

Mr. Clark: I believe it essential that we take the opportunity to repeat that the concept of association is also unacceptable to the public of Canada outside the province of Quebec. That position has been made very clear by virtually every provincial premier, most recently by the Premier of Saskatchewan in an eloquent and forceful speech—that there should be no question at all in the minds of Quebeckers that the rest of Canada is not interested in sovereignty-association.

The Premier of the province of Quebec announced today the date for the referendum as May 20. He is seeking support—

Mr. Duclos: Did he consult with you?

Mr. Clark: No, he did not consult with me; did he consult with you?

An hon. Member: Does anyone consult with the hon. members?

Mr. Clark: I understand the difficulties of living in the fourth row after how many years in the House of Commons?

Mr. Duclos: Six years.

Mr. Clark: Six years. I consequently understand the hon. member's interest in consultation, particularly when he is a member of a party that engages so rarely in consultation with its private members.

If I might return to the question of national unity, free from heckling from Quebec federalists, let me say that the Premier of Quebec is seeking—

An hon. Member: Oh, oh!

Mr. Clark: Does the hon. member want me, perhaps because I come from western Canada, not to address the question of national unity? Is that the point of his frequent interventions? If the hon. member for Montmorency (Mr. Duclos) has a point, he might want to get on the Speaker's list and indicate why it is that he wants to stop me as Leader of the Opposition from speaking on questions relating to national unity here in the House of Commons.

Some hon. Members: Hear, hear!

Mr. Clark: The point of the referendum is that the Premier of Quebec and his government are seeking authority to negotiate with Ottawa on the basis of the document that has been published. This party, as members of the House know, is represented formally and strongly on the committee for a No, represented by prominent Progressive Conservatives from the province of Quebec. But I make the point to the House that the referendum in Quebec is a symptom of much deeper problems in the Canadian family, problems that are most acute now in the province of Quebec but that are acute and growing elsewhere in the country. Our federal system needs reform and indeed, Madam Speaker, the conventional view of the nature of this nation needs rethinking.

There have been several proposals for constitutional change to achieve a situation that would better reflect the Canadian federal reality. Claude Ryan has published one proposal. Various provinces have published elements of other proposals. Our government was preparing proposals and we are continuing that work in opposition.

It is far too early to say, Madam Speaker, which of those proposals will prove to be right. But we know one way that will not work, and that is the kind of insensitivity which was practised for 11 years by the Trudeau government and which, on the early evidence, is being renewed at least with regard to western Canada.

During its brief life as a government since February 18, this government has taken a series of actions which western Canadians are bound to interpret as being hostile to that part of Canada. The Minister of Energy, Mines and Resources acted unilaterally to reduce the price of tar sands oil, when both courtesy and common sense required consultation. The Minister of Transport (Mr. Pepin) is talking about breaking the agreement that our government achieved, an agreement that after years of talk and delay would have finally got facilities at Prince Rupert that could speed the movement of prairie grain to world markets. There is talk of bypassing elected members of Parliament from the west. There is talk of moving the grain transport co-ordinator from Winnipeg to Ottawa and making him subject to the minister responsible for the wheat board. There is talk of speeding up metric conversion, despite the opposition to that program that is known to exist in that region.

I confess, Madam Speaker, that I am both puzzled and alarmed by that series of actions by the Trudeau government. I am alarmed because it would be an error—a fundamental error—for anyone in any part of this country, and most particularly in this House of Commons, to underestimate the depth, extent and strength of frustration with the federal system and the federal electoral system that is felt now in western Canada.

Some hon. Members: Hear, hear!

Mr. Clark: It is dangerous, foolhardy and could jeopardize the federalist cause for this government to continue to take actions which are seen as hostile in that region, given that attitude which they should know exists.

I am puzzled, Madam Speaker, because it makes no sense to me that a government, which argues in Quebec about the sensitivity of the federal system, should act with so little sensitivity in western Canada.

Some hon. Members: Hear, hear!

Mr. Clark: As we in this party know from our own experience, Madam Speaker, when you are elected to government by part of the country, there is an acute obligation to reflect the whole country. The present Prime Minister has made the easy gesture in naming to cabinet senators to represent communities where his party is weak, even though he condemned me for starting that practice.

I hear him say he did not. He does not recognize the Francophone community of Ontario and indeed the Francophone community of Canada as a community. I do. I say to him, and I underline the point, that it takes more than senators so solve this problem. Our government sought to understand and repair the frustration that Quebec felt with the government in Ottawa, and our success was reflected, among other ways, by a decline in support for separatism during the period there was a Progressive Conservative government in Ottawa.

Some hon. Members: Hear, hear!

• (1550)

Mr. Clark: What troubles me, Madam Speaker, is that the Trudeau government is making no evident attempt to understand or to reflect western Canada; and I say simply to the

Prime Minister that if he truly wants to maintain and strengthen this federal and diverse nation, that attitude must change. The place for it to start to change will be in the policies of the Minister of Energy, Mines and Resources, the policies of the Minister of Transport and the policies of other ministers who, too often, have shown an arrogant insensitivity to the concerns and requirements of that part of the country.

Some hon. Members: Hear, hear!

[*Translation*]

Mr. Clark: Madam Speaker, Quebeckers and Canadians have a right to demand proof that this government have in fact relinquished their former attitudes, that they renounced their commitment to the status quo and that they finally have understood the concept of renewed federalism. Quebeckers and Canadians have a right to demand that the federal government's good intentions not be limited to the referendum period. They have a right to demand that after the referendum the Canadian government enter into a genuine dialogue with their provincial partners. In my view, all Canadians can still be convinced of this, including those who will be called upon to vote at the referendum if this government publicly recognize that Canada and Quebec are at a crossroads and that we now have an opportunity to renew our federation and put Canada on the road to the twenty-first century.

And Quebeckers and Canadians can still be convinced if this government finally accept the legitimacy of regional drives, if they stop perceiving them as mere signs of regional isolationism.

Why should we fear the emergence of regional identities? Quite the opposite, we should be proud of these, because they reflect constructive forces on which to build tomorrow's Canada.

Madam Speaker, the time has come to stop treating the just demands of provinces as pure bickering. Moreover, this government must be aware that the process in which Canada must engage is much more than a war of words, placards and propaganda. The issue's dimensions are of a fundamental nature. The question is whether or not Canada is ready to proceed on the road to renewed federalism, whether Canada will show through concrete actions that it is proceeding in that direction, whether the federal government will treat provinces as equal partners.

The government I led understood that and that is why in the short time we were in power we established a system of good relations with the provinces, we solved certain controversial issues and particularly we set in motion the process for a renewed federation.

A task force was set up to prepare the federal government's plan for a renewed federation and its terms of reference were made public. Even if we no longer have the same means, the work undertaken last year by Senator Arthur Tremblay is still continuing and it is my firm determination as Leader of the Progressive Conservative Party to submit to the people of Canada a comprehensive plan for a genuine renewal of the Canadian federation, because it is in renewed federalism that lies the key to our collective future, the key to the future of Canada as well as the future of Quebec. Indeed, it is because my party and I believe deeply in that that the Progressive Conservative Party of Canada joined the No forces to fight the proposed sovereignty-association being promoted by the Parti Québécois.

In the context of the referendum debate, our position has always been clear and unequivocal. We are for the renewal of the Canadian federation. But, Madam Speaker, the no of the Progressive Conservative Party has a real positive meaning—to say no is to say yes to the change we set in motion, yes to the renewal of the Canadian federation, yes to the future.

Madam Speaker, the Canada which Quebeckers are being asked to reject by the proponents of sovereignty-association, that Canada no longer exists. There was a time when Quebeckers were the only ones calling for a constitutional change. Today, the change is being called for by all provinces. There was a time when out of necessity only French-speaking members were bilingual. Today, that has changed radically. English-speaking members from all areas of this country, from Kingston, Stratford, Vancouver, Toronto, Woodstock, Oshawa and even Alberta, have chosen to learn French.

There was a time when it might have been a disadvantage to be French-speaking in the public service or in business. Today, that is not a disadvantage, it is an advantage, and that is another change in Canadian life.

Madam Speaker, every community changes, evolves, becomes surer of itself as it grows. Quebec has evolved dramatically since the quiet revolution. So has Canada. Quebeckers have realized the many changes that have occurred in their province since 1960. The same thing happened in Ontario, Alberta, Saskatchewan, Newfoundland. One must also keep in mind that in this vast country, with its oil, its natural resources, its cultural diversity and its open spaces, change has only begun and that change offers us all unique opportunities.

Of course, these opportunities exist throughout the country and they can be rejected through fear of the future. But what would have happened to Antonine Maillet if she had been afraid of the future and had refused to publish her works? She would certainly not have been awarded the Prix Goncourt. What would have happened to Paul Desmarais if he had refused to have confidence in the future? He would certainly not have transformed a small family business in Sudbury into a great financial empire in Montreal.

What would have happened to Gilles Villeneuve if he had not had confidence in his talent and had not agreed to compete? He would certainly not have become a champion racer. When you have confidence in your potential, why confine your future within overly narrow boundaries? When you are proud

of yourself, why be afraid? When you are a Quebecker with all the resources and the vitality of an original culture, why limit your horizons and refuse to build a vast, youthful and prosperous country?

● (1600)

[*English*]

We have in all of the questions that face this House of Commons, a House of Commons in which there is a majority government, urgent obligations upon us all. If the government accepts, as I hope it will, the view of Parliament that we tried to introduce during our period as a government, that initiative should flow from all corners of this House and should not be confined to the ministerial benches, two results will ensue. One, there will be a greater richness, variety and accuracy of initiatives on which this House can rely. Second, there will be greater opportunity for the rich resources of knowledge, background, information and instinct that comes here from all corners of the land.

I hope that that lead which we established will be followed by this government. However, even with that, the major obligation rests with the occupants of the treasury benches. They are the ones who control the business of government. They are the ones to bring forward budgets or who, as today, refuse to bring forward budgets when they should be brought forward.

There are urgent matters before this nation. There should be urgent matters before this House. Unfortunately, the Speech from the Throne published yesterday indicated no sense of urgency about the economic crisis facing Canadians. It indicated no sense of urgency about the realization of the goal of energy self-sufficiency for this nation. It indicated no sense of the possibilities and the responsibilities available to Canada in the larger world community. For that reason, Madam Speaker, I move, seconded by the hon. member for Joliette (Mr. La Salle):

[*Translation*]

—that the following be added:

This House regrets to inform your Excellency that your advisors have failed

(1) To assure Parliament that a full budgetary presentation will be made before the end of May;

(2) To provide adequate assistance to home owners, farmers and small businessmen against high interest rates;

(3) To attach any real importance to reducing the federal deficit as an essential measure to combat inflation;

(4) To offer policies to promote energy self-sufficiency; and

(5) To provide effective leadership in international affairs, including unequivocal support for a boycott of the Moscow Olympics.

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, I can only subscribe to the feelings expressed in French by the Leader of the Official Opposition (Mr. Clark) at the end of his speech. He pointed out, and we share his opinion, how important it is for the fulfilment of our country not only to have access to both official languages but also to have a Parliament and a population that are increasingly anxious to take advantage of that enrichment which is bilingualism. I would have hoped that as far as his part of the country is concerned, the Leader of the Official Opposition would have at least attributed to us the goodwill he would like us to attribute to him as far as Francophones are concerned. I regret that, in the examples he gave he wanted to indicate that our government denied how important it was to work toward unity in this country and understand as much as possible the yearnings, ideals and fears of the various regions of the country. He failed to mention that our government has tried as much as his party while it was in power or in the opposition to find a solution to that serious problem of alienation in our country. I regret that his examples were based on rumours rather than reality, that they even reflected error rather than truth. The Leader of the Official Opposition tells me to give a few examples. Well, he accused the Minister of Energy, Mines and Resources (Mr. Lalonde) of failing to consult his Albertan counterpart when he decided not to cut, as the Leader of the Official Opposition said, the price of oil coming from the tar sands, but to limit its increase. Well, on the contrary the minister assures me that he did consult his counterpart.

The Leader of the Opposition also gave other examples in the field of transport. The Minister of Transport (Mr. Pepin) here tells me that all these examples are false. The Leader of the Opposition took care to say "there is talk". It may well be that "there is talk" but it is nothing but groundless rumours. In any case, I do not wish to start this session by disagreeing with the Leader of the Opposition on what may well be minor details. On the contrary, I want to assure him that our parties are in total agreement about the feelings he has expressed and about his will to make Parliament work actively and optimistically towards greater Canadian unity. He also gave a somewhat apocalyptic description of the present situation. I agree with him that we are living in difficult times. But I think it is important that at the beginning of a new session of Parliament we remember that Canada remains one of the most fortunate countries of the world.

As the world gets smaller and smaller, as good or bad news from the antipodes are transmitted and analysed within the hour on the streets of Montreal and Edmonton, Canadians are realizing that Canada along with a very small number of nations stands at the top of the pyramid of human happiness and that all the other nations have much less material wealth and freedom, so few of all those institutions that allow men and women to prosper freely in this human life.

This reality, Madam Speaker, must be recalled, because all those other peoples see and imagine Canada as some kind of far away oasis on the horizon, as a land of unbelievable happiness that is not only blessed with earthly wealth, but where people live fraternally in peace, safe from war, and enjoying institutions that aim at always expanding that freedom. And I think the great majority of those countries long for

the day when they will be able to share even some of this happiness.

But the Leader of the Official Opposition is nonetheless right when he says that Canadians expect a great deal from this Parliament, from this government. All members of the House and of the Senate are undoubtedly aware of the responsibility they have of not thwarting those expectations. And I can assure the Leader of the Official Opposition that we, on our side, are keenly aware of our responsibilities and that we will do everything we can so that the dangers that exist in all areas of the world have as little effect as possible on Canadians.

● (1610)

[*English*]

We are entering a very dangerous decade, as the Leader of the Opposition rightly stated, and many lethal currents are swirling about our shores. The Leader of the Opposition alluded to dangers in other parts of the world, and I can tell him that not only when he was the prime minister but also now that he is in opposition we share the feelings he expressed about the dangers to the peace of the world of such events as we have witnessed in the past months: the invasion by military might of the sovereignty of another country; the crushing by oppressive regimes of liberties and very often the very lives of peoples in other countries; and the very dangerous events which can fall from chaotic economic conditions throughout the world which limit our freedom of action and our freedom to pursue our own economic happiness. These are great dangers, but in a sense the greatest enemy is the enemy within, not the enemy without. I remember something Pogo used to say: "We have met the enemy, and they are us".

An hon. Member: "He is us".

Mr. Trudeau: I have looked up the quotation, and it is "they are us".

I believe that the Leader of the Opposition was correct in spending a good part of the time of his speech indicating that indeed in Canada there is this growing doubt about our ability to continue to act as one strong nation, and before looking at who is responsible for that I think it is important that we at least have a fair diagnosis of what is happening. We do see Canadians fearing that other Canadians will be a danger to them. We see provinces closing their doors to capital or labour or goods from other provinces. We see some Canadians acting as though the language and culture of other Canadians was a threat to them. We see Canadians slamming the door one in the face of the other and putting impediments before the free movement of people—I suppose even of ideas and culture—throughout this land, and I think that is the greater of all the dangers present in this coming decade. That is the danger that can bring a proud Canada to its knees if we in this Parliament do not sense our responsibility in acting together and expressing the national will and the national interest.

I was very pleased to hear the Leader of the Opposition when he was commending you, Madam Speaker, and complimenting you on the role which you have courageously undertaken, and I join in those compliments. But I was pleased also to hear the Leader of the Opposition say that you and we in this chamber are here to uphold the national inerest and the national will. That gives me reason to be hopeful that this enemy within will soon be vanquished.

I had occasion to express that hope many times during the eight weeks of campaigning which we all went through when I sensed that in every part of Canada the majority of Canadians see as their first loyalty their loyalty to Canada before their loyalty to their regions. Very often we hear Quebeckers or Albertans say "I am a Quebecker" or "I am an Albertan"; but if you really press them and examine them, they will always say "I am a Canadian first and a Quebecker second" or "an Albertan second".

Some hon. Members: Hear, hear!

Mr. Trudeau: It is this loyalty to the whole country upon which we must build if we want to vanquish this enemy within, this gnawing doubt, this uncertainty as to whether or not we will continue in ten or 20 years to act as a strong, united nation. It is this loyalty to the whole country that we in this chamber have the duty to nourish and develop, and certainly we on the treasury benches and in this party will make every effort in that direction.

If, indeed, we are insensitive in some areas—and if it is not mere rumour but reality—I say in advance that we will try to make amends for that; we will try to show a better understanding of whatever group in society or whatever region of the country feels that it was not justly served by this government.

[*Translation*]

When I listened yesterday to the mover and seconder of the Address in Reply to the Speech from the Throne, I was proud to hear two new members voice their conviction with such eloquence, not only because they represent a part of the country that they hold dear but also because they managed in their maiden speech in this House to express their desire to serve not only their constituents, but also to serve the best interests of Canada, of the whole country, and to put their policy proposals in the context of a broader Canada which they are here to serve like all of us. And if we in this House do not constantly remind each other that this loyalty to Canada must prevail against the loyalty to the region, to the province or even to the constituency, well, who will do it for us?

● (1620)

[*English*]

We are the only group of men and women in this country who can speak for every Canadian. We are the only group, the only assembly in this country, which can speak for the whole nation, which can express the national will and the national interest. I think it is important that, in the discharge of our

duties as the government or as the opposition, we look to that and that when we disagree, that that disagreement not be based on regional interests, on the fact that it might be the duty of provincial governments to serve, but be based on the concept of the whole which we try to serve in our different ways. Because, after all, what is the feeling of belonging to a country, which we call citizenship, and what is the feeling of loving a country, which we term patriotism? They have less to do with our debates, the policies and laws and even the constitution of this country. They have less to do even with the geography and the history of this country, which in a sense are collective notions, history being the recital of things that we have done together in the past.

I think patriotism has to be brought down to a much more individual level. A person loves his or her country and is loyal to it if he or she feels that she can get a fair deal in that country, if he or she feels that in any part of that country they will be able to fulfil themselves to the maximum of their possibilities. That will happen to them regardless of where they were born and regardless of how long they or their ancestors might have lived in this country.

The feeling of being a Canadian, that individual feeling which we must cultivate, the feeling of being loyal to something which is bigger than the province or the city in which we happen to live, must be based on a protection of the basic rights of the citizen, of an access by that citizen to a fair share of the abundance of wealth in this country and to the richness and diversity of its laws. In that sense, the national interest must prevail over the regional interest, difficult as it is for some of us sometimes to set aside our feelings as citizens of this town or inhabitants of that province, because the provincial governments and other groups are there to speak for their interests. That is their duty and that is what they are elected for. But we are elected to speak for all of Canada, and if a person cannot feel that in any part of the country he or she will get a fair share, then they will transfer their loyalty from the whole to the particular part of the country in which they choose to live.

That is the enemy within—when loyalties are no longer to the whole but there is a conflict in loyalties; when we seek protection of our wealth, our rights or our language not in the whole country but in a region or a province of that country. That is how we come to shut doors in each other's face, because we feel we will not get a fair share in every part of the country.

I admit that the concept of a fair share may be defined differently according to one's ideology, one's political beliefs; but I think that when you bring it down to certain basics, we in a democratic society would all agree that it must at least mean that no one will have cake unless everyone has bread. And perhaps, on a more sophisticated level, we could express that, as was done in the Speech from the Throne, by saying that it is our duty to help first those who need it most. Perhaps in our society, as I am looking once again for a common denominator among all parties, we would all agree that equality of opportunity at least must be offered to every citizen, no matter in what part of this country he or she was born or he or she chooses to live.

Some hon. Members: Hear, hear!

Mr. Trudeau: That concept of sharing can only be guaranteed, I repeat, if there is a national government which is prepared to state that the national interest must prevail in any situation of conflict over regional differences.

Some hon. Members: Hear, hear!

Mr. Trudeau: I think it is important to indicate in an aside that in a federal form of government like ours one cannot hold—and I am not holding—that the national government is the sole voice or that the national Parliament is the sole instrument of the national interest in every area. On the contrary, the Canadian Constitution provides that the exercise of sovereignty will be divided and that in some matters, such as resources or education, the national interest will be the aggregate of provincial interests. But even there, when the Fathers of Confederation, the founding Fathers, wrote the constitution they made sure that even in areas of provincial jurisdiction, if they were exercised in a way which was contrary to the national interest, it was the right, and I suppose we should say the obligation, of the national government to uphold the national interest. That is why we find in the Constitution of Canada such things as the declaratory power, the reservation and disallowance powers, the spending power and the right to make orders in matters of education as provided by section 93, subsections (3) and (4).

I am not saying that these rights cannot be limited or bargained away. As a matter of fact, our government, beginning in 1968 and 1969, proposed ways of limiting the spending power. Our government, as recently as at the federal-provincial conference in February of 1979, proposed ways of limiting the declaratory power. But what I am saying is that when there is a conflict of interest, not of laws which will be judged by the courts, the citizens must be convinced that there is a national government which will speak for the national interest and will ensure that it does prevail.

● (1630)

In spite of this divisiveness in Canada, in spite of the mounting alienations described by the hon. Leader of the Opposition, in spite of the fact that diversity must be recognized and is recognized by the very form of our federalism, in spite of the fact that there always can be some negotiations in the matter of constitutional reform which will try to remove feelings of alienation, we have to come back to the basic realization that if we are in federal politics and choose to sit in this chamber rather than in provincial chambers, first we must look to the expression of national interests rather than provincial ones.

Once again this is not a new doctrine, but I think it is increasingly challenged. I was somewhat worried by the tone of the Leader of the Opposition when once again he accused us of insensitivity, but where he was really saying that the

national policies we were following were not acceptable in this or that province. He himself said that his government had been successful in reconciling these regional differences. He knows and we all know that he was not successful in reconciling, for instance, the views of the provinces of Ontario and Alberta on energy pricing. Perhaps there is no way of reconciling them. Perhaps the Leader of the Opposition is now sitting over there because he found out that his national policies—and I respect them as such—were not understood as such and were not accepted certainly by the government of Ontario in the matter of energy. That is one very real difficulty.

I repeat, we can disagree with the policies of the Leader of the Opposition on energy or other economic matters, but we will not criticize them for attempting to express what is good for the whole country. Nor would I expect him to criticize our policies on that basis. If the citizens of Canada want to feel really free in this country, they have to enjoy the basic freedom of movement, the freedom to move or the freedom not to move.

In the matter of resources, if the only way of having access to the wealth coming from a particular resource would be to move to its proximity, then indeed we would be losing one of our basic freedoms. If a citizen of Alberta, for instance, when he is offered a job in Ontario or Nova Scotia, thought he was giving up all claim on the wealth of that province, he would lose something of his freedom to move and he would say, "What happens if I go away? Do my children still have a claim on the heritage fund?" What happens to the family in Newfoundland who likes to live in Newfoundland but knows that if they move to some other part of Canada they may become wealthier sooner?

We have found answers to that over the decades in this country. We have found answers by equalization grants, by grants for regional development, by bringing in policies to help the aged, the unemployed and those who are handicapped to make sure that once again citizens of Canada get their fair share in any part of this country. It is in this spirit that we in this government intend to seek policies which will try to reconcile, or at least diminish, the differences between the interests of Ontario and Alberta, or of Quebec and British Columbia, or of any other part of Canada. It is in this spirit that this government will bring in laws, because we are convinced that if we have the will we can preserve this strong Canadian country; we can conquer the enemy within.

[*Translation*]

Ernest Renan once said that a nation is an everyday plebiscite and in that sense millions of Canadians have every day been expressing their support for Canada for more than a hundred years. They have spoken of their membership in this country which is based on sharing, on exchange, on brotherhood; through a form of plebiscite they have voted in favour of this country. And now, in the province of Quebec, we are living very historical times where Quebeckers will have to answer the question put to them in the plebiscite or referendum. That of course requires a greater sense of responsibility on their part, while giving them the opportunity to express their views on Canada, their views on the place that Quebec can and must take within Canada.

I for one had hoped that even the Parti Québécois would show more sincerity and more courage in this historical moment. As far back as January, 1977, I expressed the hope that the referendum question would be clear, that it would come soon and that it would be definitive, so that we could leave the issue aside for a generation at least. Unfortunately, the referendum question was slow in coming. It has been about three and a half years since the election of the Parti Québécois; it is not definitive since it is obvious in the very wording of the question that there will eventually be a second referendum, and it certainly is not clear since it is based on a deliberate ambiguity on the part of the Parti Québécois which knew full well that if it simply asked: "Do you, yes or no, want independence?" Quebeckers would say no.

Do PQ supporters want independence, yes or no, Madam Speaker? And if they want independence, why did they not put it squarely to the people of Quebec? They wanted to take them in by proceeding, as they say, by steps, but that is in the mind of everyone a systematic and voluntary ambiguity. I will have the opportunity as a Quebecker, along with other members, to work for the No campaign and express my views clearly on this issue when I go to the province of Quebec and I talk to Quebeckers as a Quebecker.

It is my duty today as Prime Minister of Canada to say, as the Leader of the Opposition did most eloquently, what position we will be taking in the event of a yes or no in the referendum.

Madam Speaker, I repeat that it is not the intention of the Government of Canada to go and wage the referendum battle. Quebeckers in the House will be doing that, and I am sure they will do so well and convincingly. As a government, I believe we have to explain to Quebeckers who will be called upon to vote yes or no what our attitude will be as the Government of Canada in the event of a yes as well as a no. That is what I intend to do in a few minutes if the House will bear with me.

Let us first consider the case of a Yes answer. Let us assume a majority of Quebeckers vote Yes in the referendum. The Premier of Quebec, Mr. Lévesque, will have to start by recognizing that his mandate to negotiate sovereignty-association is a very ambiguous one, as I said earlier. He must first recognize that to associate one must associate with someone. As the Leader of the Opposition pointed out so appropriately, all the premiers noted, sometimes individually and sometimes collectively like the four western premiers, that they were not interested in sovereignty-association. They entirely ruled out the possibility of association, in particular, first because it would be against their interests, as Premier Blakeney said as recently as last week. Association would not be interesting for his province if Quebec were to separate because economically

he would not get the same sense of sharing as he does with Canada as a whole.

It is very obvious in the comments made by all those premiers that they have no sympathy for a government bent on destroying the nation and that if they were to associate they would certainly not associate with an independent state that had caused the breaking up of our country. Mr. Lévesque and his government said very clearly that sovereignty and association should be achieved at the same time, as it is clearly expressed in the referendum question, and that at the same time Quebec should maintain an economic association with Canada. And to be even clearer, Premier Lévesque emphasized that several times. I have here his speech of October 10, 1978, where he said, I quote:

There is no question in our mind of first achieving sovereignty and of negotiating association later on. Sovereignty and association must therefore be achieved together and concurrently.

Moreover, in the white paper published only a few months ago, one finds the following on page 77:

Sovereignty cannot go without association: they are inseparable.

Madam Speaker, imagine the feelings of the provincial first ministers who have no economic or cultural interest in negotiating association and who have absolutely no reason to agree to association. By asking this question, the Péquiste government has given them every reason to say no. By saying no, not only are these provinces acting in their interest, but they are also ensuring that Quebec will not achieve sovereignty since, once again, we have been assured that one will not come about without the other. Since Mr. Lévesque will not succeed, if the answer is yes, in dissociating from those with whom he seeks to associate, he will probably come to the federal government, where he will be received with the same courtesy that he has always shown me, and he will say: Do you, the federal government, want sovereignty-association with Quebec? I shall have to tell him first of all that Canada is a sovereign and independent country and that common markets are set up by sovereign and independent countries.

I do not know whether we shall eventually establish one, but since for the moment Quebec is not a sovereign and independent country, there is no way of discussing association with Quebec. On the contrary, Quebec is part of a federation which is itself an association. This federation can be changed and improved, but it is not an association of the common market type which the Canadian government could negotiate with the Quebec government since, in our view, Quebec is not an independent country.

In this case, perhaps Mr. Lévesque will say: Well, since we cannot discuss association, let us discuss purely and simply sovereignty. Obviously, the reply will be: Mr. Lévesque, you do not have a mandate to discuss purely and simply sovereignty because you did not ask this question purely and simply in your referendum. You therefore have no mandate to discuss sovereignty, and as Canadian Prime Minister, I do not have myself a mandate to discuss this with you since your concept of sovereignty is in fact defined in your question as the exclusive power to make your own laws, to collect your own taxes and to establish your own external relations. Not even two months ago, the people in Quebec, together with the rest of the country, unequivocally elected a government to sit in Ottawa precisely to make laws for the entire country, to collect taxes and redistribute them throughout the country and to look after external relations. We have therefore just received from the people in Quebec a mandate to exercise sovereignty for the entire country.

• (1640)

Since this will be a dialogue between two persons without mandates to discuss sovereignty, it seems to me, Madam Speaker, that Mr. Lévesque will perforce be nonsuited. And it is my forecast that this nonsuit will probably prompt some Péquistes to say: "You see, there is no possible talks with the federal government. The other provinces are not reasonable, they will not have discussions with us. You voted Yes on referendum day, but now you are being humiliated by a partner who will not recognize your Yes vote; he will not even negotiate with you."

Then people will say: "The only way out is to slam the door and look for ways to reach independence, period!" You see, Madam Speaker, how the No answer that will be given to the PQ choice by all parties in this House, the No answer that has already been given to the PQ choice by provincial premiers, will be interpreted by some as a No answer to the people of Quebec, and this is what I would like to caution Quebeckers against. Those who will be casting a Yes vote to the referendum should know at the outset they are proceeding into a dead end. They must know at the outset that a Yes vote can only lead to a political and legal impasse, because as I have shown there can be no association without partners, of which there is none. And independence cannot be achieved without association, which is why it will not be achieved.

More serious still than that attempt that will be made by some PQ supporters to interpret such criticism as an insult to Quebeckers, this answer we are giving in advance, is that this dead end will prevent us from renewing our federalism. It will prevent us from putting aside once and for all those constitutional arguments about government levels and the powers exercised by each, which go on at the expense of the people because they are leading all active elements—all creative elements in the Quebec people—into a dead end to which we see no way out.

Another serious matter is that there will be another referendum because the Quebec premier is stating in the question itself that there will be another referendum. He says so in many of his speeches, that there will be eventually another referendum, which means there can be no end to the uncertainty. This uncertainty weighs heavily not only on Quebec but

on all of Canada. It has unfavourable economic repercussions on employment and the development of our resources, because nobody will be any wiser as far as Canada's future is concerned. But rather than amplifying on this, which I may have other opportunities to do, let us now see what will happen if a No answer is given to the referendum question. As much as I would like to suggest there would then be nothing but order and beauty, luxury, quiet and bliss, as the verse goes, nothing unfortunately is more doubtful. A No vote by the Quebec people would mean, at any rate for the time being, that sovereignty-association would no longer be discussed. It would mean, as I believe the Leader of the Official Opposition, myself and doubtless the leader the New Democratic Party would have it, that the Quebec people want renewed federalism. But who will be the interlocutor for this renewed federalism, Madam Speaker? The PQ government would destroy federalism, so we really cannot expect it to have a constructive attitude in the search for new formulas.

Before building a house to meet the needs of a family, it must be first decided that family life is wanted. Now, as we know, the ultimate goal of the PQ ideology is to sever Quebec from Canada; we cannot then bank on them to hold very productive negotiations in the field of new federalism. So, I repeat, even a No vote may not necessarily lead to the renewed federalism everyone wants. There is doubtless one way of ensuring it, and that is a massive No, a No that rings so loud and clear that the PQ government would understand that Quebeckers truly do not want to separate from Canada, and that they had better buckle down to the task of renewing federalism instead of destroying it.

• (1650)

[*English*]

That is the knot that we find in the chain that is presented by the kind of question which has been proposed. If the answer to the question of the referendum is Yes, then we are in a dead-end situation because, and I repeat, nobody wants or can associate in a common market type of association with a Quebec which will not be independent by virtue of its very question. Nobody can negotiate the independence of Quebec since the premier of Quebec will not have a mandate to negotiate it unless he gets association and since we as a government have just received from the province of Quebec a massive mandate to make laws for the province of Quebec along with the rest of the country.

What is important at this stage of our political life is to put an end to the uncertainty that Quebec has been in since the PQ party was elected in November, 1976. Once again, that is why the only chance that we can have of obtaining that would be a massive No vote on the referendum. I am not prophesying any result on the referendum; I am only analysing what the attitude of the federal government will be and must be. I do feel that at this time in the life of Canada it is important, if we are going to build bridges between every part of Canada, that we get rid of that doubt. And I repeat, that doubt is not only expressed by the separatists in Quebec, but also by what is hopefully still a small minority across the land who have been closing doors or burning bridges and protecting their particular interest over and above the national interest.

We in this Parliament have a great duty to try and express as fairly as possible the national will of all Canadians. Certainly on this side of the House we have a great compelling faith that it can be done, because we know that in most societies problems which are caused by human beings can be solved by human beings. We are confident that we can find ways to ensure that every part of Canada sees that it is represented in some way, not only in the Parliament of this country but in the government of this country, whatever that government happens to be.

• (1700)

The Speech from the Throne proposed that we look into ways of ensuring this better representation. The Leader of the Opposition attempted, with what means he had when he was prime minister, to represent Quebec in his government. We attempted with what means we had to represent parts of Canada where we had no elected members. They are insufficient.

There are other ways of doing it. We had in Bill C-60 in a previous Parliament proposed that this kind of representation come through the Senate. Propositions have been made by Pepin-Robarts and various premiers that we look at forms of proportional representation. The idea was even discussed after the last election. We hope that a committee of Parliament will look into every way in which our electoral system, or indeed our parliamentary system, can be changed to make sure that the government can not only speak for the whole country but can be seen by each part of the country as speaking for it. Other countries have other systems and perhaps they achieve that better; I do not know. But I hope that this committee will look not only at proportional representation but various forms of electoral or parliamentary change which could ensure that there is an expression of national will when a government speaks.

I do not discard the idea of an eventual national referendum. If that is the only way in which we can get the people of Canada to affirm their loyalty to Canada over and above their regional loyalties, then I think we should not put the idea aside. Eventually I hope to have occasion to discuss that idea with leaders of other parties and perhaps with the premiers. Perhaps we can find some simple question having to do with constitutional reform upon which there would be a large enough measure of agreement to have a positive vote for Canada in a national referendum. But that is not for today nor indeed perhaps for this particular session, although I hope it might be for this Parliament.

In conclusion, I think we all must realize that our economic problems, the questions we must solve in foreign affairs, the challenges we meet in the development of this country in every way, in the exchange of cultures, can only be discussed fruitfully in the context of a strong Canada. And Canada must be

strong not only militarily, though that is important, and not only economically, though that is vital, but Canada must be strong in the hearts of its people. Canada must be strong more than in its institutions; it must be strong in the kind of adherence that each individual citizen makes to the common good, to the national will.

[*Translation*]

Only if we have the national will to share in the common destiny of the country as a whole, only if we are willing to build in justice and freedom a Canada of a meeting of ethnic groups, a Canada where economic and cultural sharing are open and generous, only when we have accomplished that, Madam Speaker, will we have, in this legislature, accomplished the duty entrusted to us by our electors.

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

SUBJECT MATTER OF QUESTION TO BE DEBATED

Madam Speaker: Order, please. It is my duty, pursuant to Standing Order 40, to inform the House that the question to be raised tonight at the time of adjournment is as follows: the hon. member for Hamilton Mountain (Mr. Deans)—Industry, Trade and Commerce—Jobs available in automobile manufacturing.

ROUTINE PROCEEDINGS

[*English*]

SPEECH FROM THE THRONE

CONTINUATION OF DEBATE ON ADDRESS IN REPLY

The House resumed consideration of the motion of Mrs. Côté for an address to His Excellency the Governor General in reply to his speech at the opening of the session.

Mr. Edward Broadbent (Oshawa): Madam Speaker, at the outset of this Parliament, at this particularly poignant period in our history, we should be committing ourselves to the kind of future greatness that our combination of peoples and nature makes possible—a greatness whose character rests neither on numbers nor on power, but on the quality of life we make possible for all those who live within our borders.

At this moment in particular, then, our goal must not be merely the temporary patching up of immediate flaws or grievances that we find in the land; our goal should be nothing less than the setting out of objectives which will enable us a decade from now not only to look back and say that Canada is indeed more decent in its arrangements and more exciting for all its members, but is indeed still one country because of the things we started to do in 1980.

We in this Parliament, Madam Speaker, have an obligation to the people of Canada to provide the leadership and policies that will make this reality possible. We must do so not only because that is what a democratic mandate ought to be about in general, but because as the Prime Minister (Mr. Trudeau) and the Leader of the Opposition (Mr. Clark) recognized, particularly at this moment, such policies, such actions, are necessary to garner and maintain support among all our regions and peoples which is so essential to Canada at this time.

[*Translation*]

Quebeckers will have to vote on the political future of their province and of Canada on May 20. They have two possibilities: sovereignty-association and Canada. Quebeckers will say Yes to Canada if they think that we want deep changes and that we reject the status quo. Like other Canadians but more strongly, they demand changes in Quebec. In this session, they expect us to act. It would not be enough to insist on the economic benefits offered by Canada to convince Quebeckers, but at the same time I want to stress that it is not enough to have taken action. It is also necessary to convince them that we want fundamental changes to build a society that is more just for everyone in Canada.

[*English*]

The Speech from the Throne and the Prime Minister have suggested certain laudable goals that might take us in this direction. The Prime Minister focused in a serious and thoughtful way on some of the abstract principles involved in a *Oui* or *Non* vote on the question that is before the people of the province of Quebec, and in a general, abstract way on some of the considerations that are involved in developing a sense of loyalty or patriotism in the regions.

There are some matters he did not touch upon which I think are so central to the argument, so important to the reality of genuine feelings of national unity, that I intend certainly to touch upon them, because the argument cannot be left in abstract form. If we learned anything from the recent debate in the province of Quebec on the question before that assembly, we should be convinced that logic, and reason, while having an important role to play, are quite inadequate in terms of winning the hearts and minds of a people to move in a certain direction in history.

• (1710)

Therefore, Madam Speaker, I want to put my argument in somewhat recasted form to deal with the framework that the Prime Minister provided for the argument. When we talk about patriotism and about a sense of fairness being connected, as the Prime Minister suggested, that we are likely to be patriotic and have a sense of the legitimacy of the whole of our country if we have a sense that fairness is in fact occurring where we happen to live, in our work place or in our region,

then I will agree with that part of the argument because it is one that we in this party have made for a long time.

But through you, Madam Speaker, I want to ask the Prime Minister to consider his own throne speech in the context of that framework, to reflect a bit upon our recent history when he was Prime Minister and to make some judgments about the accuracy of his own statement today that his own government, through its actions, had moved in rather decisive ways to create feelings of patriotism and feelings of fairness in these regions. In my view, the problems singled out in the throne speech—that of foreign ownership, that of the need to have improvements for women in Canada, that of the need for an industrial strategy—are all problems that are not new in Canada. In fact, they are not new in the sense of being addressed by the government that we have today.

Canadians know that in reality we do not have a new government today. What we have is the same Prime Minister and the same party that has continuously governed for 12 years except for a nine-month interlude. Canadians know that the programs enunciated in the Speech from the Throne are in fact being enunciated in the Speech from the Throne precisely because of the inadequacy of the government that we had for the past 12 years, and that it was the Liberal government itself that created the need for its own throne speech yesterday.

Some hon. Members: Hear, hear!

Mr. Broadbent: I ask the Prime Minister to reflect on his own speech when he says that patriotism is related to a sense of a fair deal, and to ask himself how the people of the various regions of Canada who are considering this very important and historic debate today are going to respond to that when they think about his own government.

How are they going to respond to the promises when they consider the following: that it was a Liberal government that created its own problem of a lack of a sense of patriotism, to use the Prime Minister's words, or a feeling of "the enemy within" to use his phrase applied in a new context. For example, Madam Speaker, if you were a western Canadian on the prairies in the last few years and you did not get a commitment for the speedy implementation of the Hall royal commission, and because you did not there was prolonged alienation from western farmers who had a sense of grievance that was not being dealt with by the Liberal party, how would you feel? Or if you were a Cape Bretoner in Sydney in the last six, seven, eight, or nine years and you knew you had the potential steel resources, the coal and the labour force, but you had a central government that failed to address the needs of the people and the human reality of getting stable jobs that could have been provided by serious capital investment in the steel industry that only the national government and not the government of Nova Scotia could provide, then how would you feel about such a situation? How are people going to feel toward a government now that talks about doing something for an industrial strategy when their own sense of alienation and of being cut off as a Cape Bretoner was, in part, a very direct byproduct of the failure of this government to act?

Or if you are one of the 20,000 unemployed auto workers who are in part symptomatic of the reality that the province of Ontario, for the first time in Canadian history, is becoming a have-not province because it has not had an industrial strategy worthy of the name, how are you going to respond to a Prime Minister who talks in very abstract terms today about the need to overcome a sense of personal or regionally restricted grievance? Madam Speaker, it seems to me that you are not likely to respond with a great amount of enthusiasm—if I can put it that way—to the new commitment that we presumably got in the throne speech yesterday.

It is not just the question of a farmer on the prairies, or a potential steelworker in Sydney who is unemployed, or an auto worker in Ontario who is unemployed. There are general categories which the Prime Minister mentioned that I think are more devastating as examples of the reason that we have tension.

The Prime Minister committed himself and his government in 1971 to the view that redistribution of wealth was a hallmark of his party. If it is so, it is the wrong kind of hallmark because during the period he was Prime Minister we redistributed wealth all right, but upwards. After a decade, instead of the poor in Canada being reduced as a statistical entity, their proportion increased numerically.

In 1968, again to deal with the issue that he brings appropriately before us today in his speech, he raised the question of regional development. What happened? In Atlantic Canada both the number of new jobs and percentage of new investment declined in comparative terms with the rest of Canada throughout the decade during which the present Prime Minister governed this country. So we did not get regional development. We got an exacerbation of regional economic circumstances after the present Prime Minister's decade in power.

Similarly in the throne speech concern was expressed about women and inequality. The reality again is that women in our country have, after years of the present government, a large gap between their salaries and those of men because this government talked in abstracts and did nothing about it in ten years. In fact, the gap has widened somewhat not narrowed, in the past decade.

A resource-based economy is indeed central to what the Prime Minister has said, because there are feelings of regionalism in northern Ontario and in much of British Columbia. There are feelings of regionalism in every part of our country that is dependent on resource extraction and export of those resources abroad. These people do not feel they are getting a square deal from Ottawa or from their national government.

A few years ago, in 1968, the Prime Minister said we had to diversify our economy and get away from dependence on the export of resources. Again, the reality is that in 1978, after ten years of Liberal government, our dependence on the resource sector has grown from 51.6 per cent to 54.5 per cent. Instead of making us less dependent, we became more dependent.

I could go on and cite other examples but I will not at this point. The important point about all of these items, as well as

the others I could cite, is that not only did the Liberals fail completely to deliver on these worth-while goals during the past decade, but they did so from within the framework of being able to act if they had wanted to.

There are a number of examples, among them inflation and unemployment in general across the country, where a government of Canada is very much influenced by world circumstances; but every one of the examples I have referred to—and they were deliberately selected for that reason—were areas of policy that the Government of Canada could have acted upon and produced measures that would have reduced some of the problems—apart from their inherent justice that the Prime Minister talked about—if it had wanted to act. The reason we have problems in these areas is because the party opposite did not do in 1968 what it promised. So why should we believe them today?

● (1720)

I want to spend half of my time in this important debate on the question of national unity, more narrowly defined in the sense that I want to talk about the referendum. Before doing so, I want to say something about certain particular items that could get immediate action, but which we have had no sign we are going to get from the present government. We got it in the throne speech and, if I may say so, we got it from the Prime Minister today, a nice general framework. If one is complacent and concerned simply with the intellectual framework of arguments, one might go away very impressed and say yes, there is a demonstration of an understanding in broad terms of our problems.

Politics, however, is quite different from that. Politics requires something other than a broad understanding. Politics requires action to meet the real needs of human beings if you want to get the general results.

What are some of the real problems and sources of regional discontent that bear directly on the question of national unity and are not getting action? Interest rates, of course, is one of them. The Conservative party criticized the Liberals on this question before last May when they got into power. I accept in one sense that if you operate within that philosophical framework, you may change your policy. There are some policies they may have to change and maybe they should be a little more hesitant about making commitments in advance.

The Conservatives promised a low interest rate policy. When they got in, they increased interest rates four times. The Liberals in the most recent campaign blasted the Conservatives for their high interest rate program. Now they are in power and they too have increased interest rates four times. I want to indicate that these problems are not abstract.

I want to deal with the reply today of the Minister of Finance (Mr. MacEachen) when he asked whether there is an alternative, and I will come to that in a minute. The situation is alarming because not only in Canada but because of the monetary policies of absurd and irresponsible government in Great Britain, and now in the United States, this kind of economic thinking, which I thought went out forever in 1920, is creating the foundation for a major depression on a world-wide scale. That has been widely recognized.

Some hon. Members: Hear, hear!

Mr. Broadbent: Just look at some of the indications in our own country. In the logging industry in British Columbia as of yesterday more than 5,000 workers were out of a job, most of them since January. In Saskatchewan today farmers are losing control of their farms, not in high numbers yet but in record numbers for modern times. Young men and in some cases women can no longer go into farming because of high interest rates.

The home ownership situation in our land is now truly calamitous. Once home ownership was a dream for Canadians. In 1980 that dream is turning into a nightmare, and I do not exaggerate. For those who are going to be renewing their mortgages, and most people with mortgages are young families with income levels that qualified them for minimal subsidies in the last few years—I am told there are about 350,000 mortgages coming up for renewal—the average increase in monthly payment is going to be 54 per cent in one year. That is about $200 a month on a typical mortgage, or almost $3,000 a year.

If the government does not act decisively, and not just for those at the bottom end of the income scale but for every Canadian in this mortgage crisis situation, more people will lose their homes in 1980 than in any period since the depression, and any government should be seriously and humanly concerned about that reality.

Some hon. Members: Hear, hear!

Mr. Broadbent: I point out to the Minister of Finance that just two weeks ago in Newfoundland for any fisherman wanting to buy a boat the interest rate went up 2 per cent. I understand that with that 2 per cent increase in the interest rate on a 65-foot longliner, a Newfoundland fisherman will be required to catch 250,000 additional pounds of fish just to pay for that increase.

For the first time since the depression credit unions and caisses populaires are having their very existence threatened because of the high interest rate situation. With regard to small businesses, bankruptcies increased 25 per cent in the first two months of this year. The logging industry on the west coast, fishermen in Atlantic Canada, auto workers in Ontario, credit unions, caisses populaires, small businesses and now medium-sized businesses are all under threat because of the absurd interest rate policy of this government, and that means human beings are under threat.

The Minister of Finance asks what can be done. I say to him that Germany, Switzerland and Japan have a low interest rate policy, though as he knows, the rate has gone up somewhat.

Mr. MacEachen: Quite a bit.

Mr. Broadbent: In most cases it is about half what it is in Canada. When you have an inflation rate of 20 per cent in the United States and an inflation rate in Canada of 10 per cent,

you do not have to rely on the old argument that we have to move anywhere near the Americans in terms of interest rate policy because the real rate on return in Canada is higher than in the United States.

I say to the Minister of Finance that I will provide him with a list of economists if he wants to listen to some progressive people, instead of following the move to the right that has taken place in economic circles in recent years. In that way he can learn something from others and do something that is good for the people of this country. One of our spokespersons in this debate will dwell on that issue at considerable length.

Then there is the issue in the throne speech that has immediate consequences, that of controlling Canadian gas and oil resources. I thought it was a misprint when I originally read my text. The Liberals said they would commit themselves to obtaining 50 per cent ownership of our petroleum industry by 1990. What a challenge! What leadership! Every other country in the world with oil resources, such as Venezuela, Mexico and countries in the Middle East, have long since taken over completely their oil industry, and that is precisely what we in Canada should be doing. However, in ten years with the Liberals, Canadians will have 50 per cent. That is the marvellous Liberal approach that I am sure will characterize all of the other so-called progressive points found in the throne speech. The NDP says that ten years is not good enough. We should have virtually total control of our industry in this country within five years, not half in ten.

Some hon. Members: Hear, hear!

Mr. Broadbent: Another practical measure is in the farming area. In addition to bringing down interest rates, which would help farmers, a number of suggestions have been made that the government should act on and which would be useful. One was proposed by Environment Canada, pointing out that if we developed our own greenhouse industry like a number of other countries have, we could be using heat from our power plants that is now wasted and save a billion dollars annually in imports of fruits and vegetables. A billion dollars is very important in terms of the effect on our balance of payments.

• (1730)

A particular which received almost no attention at all in the throne speech and which was totally ignored by the Prime Minister today was the fate of more than one million unemployed Canadians. We in this party are not going to stand back, forget, and make them part of a forgotten generation of unemployed. When there are a million unemployed there is a human reality, and there is an economic reality in terms of the lost production of goods and services. Indeed, we need a budget soon which will have its prime focus on creating jobs for Canadians who want to work and not receive handouts.

In short, apart from the nice general framework provided for by the Prime Minister in his argument, he should have given us some visible testimony that he is going to move in dealing with our concerns. He is right that a sense of patriotism or a feeling of national loyalty is dependent upon our own economic well-being where we happen to live, and if he had provided that kind of commitment for action in his speech today, I for one, and many more Canadians, would be considerably happier than we are at this moment.

There are a number of other areas which require serious action by this Parliament in the coming decade. I say frankly that at this point my party is facing these, but there is no easy answer. We are developing policies ourselves, but I want to list some of these because whether we are in the Progressive Conservative Party of Canada, the Liberal party or the New Democratic Party, in our parliamentary work in the next few years we should be seriously concerned about the problems which are associated with maintaining a sane and healthy environment for our people in an advanced industrial age.

This country has uranium resources. What kind of over-all policy do we have for the development of uranium, with all its horrific possible implications if we export it for nuclear war? At the same time what can we do with countless nations around the world which do not have the alternative sources of energy which we have?

Then there is the very important question of military spending, which must be of concern to all of us. One of the disturbing events which came up during the election campaign, which is symptomatic of new developments in the relationships between the United States and the U.S.S.R., is the heightening of their tension. I for one as a human being am deeply disturbed by the commitment of both the United Statets and the U.S.S.R., to new and massive spending in the military field.

I am deeply disturbed by reports which are now being put out in both the U.S.S.R., and the United States of America that they could survive nuclear wars. We have to be concerned because just a few years ago in both of those countries—and notably in the United States—there was expression of deep concern about even talking of the possibility of nuclear war. There was appropriate human concern about the holocaust that would be involved. However, the terminology has now shifted, and mililtary people in both those great powers are convincing themselves and, in the documents that they are producing for the first time, are beginning to try to convince their populations that a nuclear war is survivable.

We have to be deeply concerned about heading off that kind of conflict. To say the least, that is a considerable understatement. In that context it is not just the nuclear development that we are concerned about. We are concerned also about the level of military spending as a whole particularly in the context of the problems of the Third World. There was a commission headed by a very distinguished world citizen, Willy Brandt, which completed its report recently. It pointed out the growing inequality between the north and the south, and pointed out in this context the real danger for the poorer part of mankind of the allocation of so much of our resources to armament.

As a Canadian I want to illustrate the point because we ourselves are in the process of spending massively in the military field. On the basis of data produced by the Brandt commission I have made calculations regarding the F-18

which we are going to be purchasing in Canada. Many members of Parliament in all parties have been concerned that when that decision is made the economic benefits should be shared in the country. That is a reasonable argument, but the relevant question is whether we should be spending money at all at this point in history for that kind of murderous weapon.

For each one of those planes we buy we could, instead, be providing 60,000 tons of rice for people who are starving in the Third World. For the price of each one of those aeroplanes we could be providing 30,000 pharmacies to the Third World, where drugs or medical care of a sophisticated nature are almost non-existent. That is for only one aircraft. Just think what we could be doing if we had a priority other than spending money in the military domain!

I stress that this is a problem for mankind. It concerns the west, it concerns the east bloc, and the point I am making is that there are increasing amounts now being allocated as part of the gross national products in each of the major powers for armaments. Surely it is a time to renew once again major efforts to bring about disarmament for mankind.

Some hon. Members: Hear, hear!

[*Translation*]

Mr. Broadbent: Madam Speaker, I would now like to broach the subject of national unity, a subject which concerns not only Quebeckers but all of us. I can say that members of my party share with Quebeckers their independent spirit, their national pride and their love for their heritage but if we want these feelings to blossom we need a solid foundation for our two peoples. My party recognizes that Quebeckers have the right to choose freely their political future; the choice is theirs not ours. As far as we are concerned, the constitution must reflect the country's reality; if it no longer does, then it must be changed. Society evolves and political structures must adapt to its evolution. The Canada of the last century must give way to the Canada of the eighties. As a social democrat party, we must first choose the values we want to implement in our society; then we can decide what constitutional arrangements would be best to reach this goal. Here are some concrete examples of these values: the right to live and to work in one's own language, as language is a fundamental aspect of the personality; the right to hold an interesting and stable job; equality between sexes; security for retired people; Canadian control and development of our own resources. And finally, the effective redistribution of the economic benefits provided by our country.

Madam Speaker, because of the ideological changes that have taken place since the sixties, I think most Quebeckers agree now on these principles. The question is now to decide what form of constitutional system is best: independence, sovereignty-association or a renewed federalism. But now I want to deal with the recent debate held in the Quebec National Assembly. Recently I read the interesting and moving speech made in the National Assembly by Mr. Claude Charron, parliamentary leader of the PQ. In his speech, Mr. Charron cited many examples of the mismanagement of what he called "the old regime". He recalled the indecision about the future of the Guy-Favreau complex, about Mirabel airport, the lotteries, the convention centre in Montreal, the automobile industry. During that debate, several other ministers of the Quebec government denounced the objectionable dealings of the old regime, the problems with the soft sectors, the shipyards, research and development and other such problems. Madam Speaker, my colleagues and myself fully agree with Mr. Charron and his colleagues on this point.

Mr. Trudeau: What's wrong with Mirabel?

Mr. Broadbent: I regret to have to say to the Prime Minister that Mr. Charron and his colleagues are quite right. These are true examples of complete failures of the old regime.

Mr. Trudeau: Not at all.

Mr. Broadbent: Strangely enough, the Parti Québécois did not specify that this old regime was the Liberal government. The reason is quite clear, they did not want to stress the fact that these problems have been created by politicians, namely by the Liberals, and are not the result of federalism, because they wanted—

Mr. Trudeau: But do you agree with what they said?

Mr. Broadbent: The Prime Minister does not like that argument, but it is a fact.

Mr. Trudeau: Do you agree?

Mr. Broadbent: The Prime Minister agrees—

Mr. Trudeau: But do you agree on lotteries, on Mirabel and on everything Mr. Charron has said?

Mr. Broadbent: Yes, I agree on those arguments, as I have already said. The Prime Minister has made his speech, may I continue my remarks now?

Mr. Trudeau: Indeed!

Mr. Broadbent: The members of the Parti Québécois did not say that the Liberals had made the same mistakes in the other provinces. True, we had a problem with airports, not only at Mirabel, but in Pickering. There is no doubt that we have problems in some soft sectors in Quebec; there are also problems in some sectors in the maritime provinces or in the province of Ontario, but the members of the Parti Québécois did not say that for two reasons.

It is obvious to me as a New Democrat, Madam Speaker, that the federal political system is not responsible for those mistakes. Those who are at fault are those who governed the country during all those years, and those people are almost

exclusively the Liberal Party of Canada. Madam Speaker, the system is not responsible for those problems, the politicians are. It is the Liberals who did not do anyting about foreign control over our resources. It is the Liberals who did not accept Quebec nationalism. It is the Liberals who did not set up an industrial strategy, not only for Quebec, but for the whole of Canada. Those are facts. For me, Madam Speaker, and for many Canadians in other provinces, a federal Canada does not mean a liberal Canada. But at the same time, as I said, I do not agree with the PQ philosophy—

Mr. Trudeau: Ah, yes, only the arguments.

Mr. Broadbent: Ah, ah, you agree now. Those mistakes can be avoided without destroying federalism. Furthermore, we can find a more efficient solution for our two peoples with a new federalism.

We of the New Democratic Party believe in a new federalism, a federalism that is fair for all regions. It is not enough to give linguistic equality to our two founding groups to arrive at a just society. But I want to point out that we support that principle and we agree entirely with the objectives of the Languages Act. Of course. The right to work in one's language is basic but you need to have work to be able to do that.

I think it is possible to create a new, more equalitarian Canada not only in the linguistic area but also in all other areas. That is the *raison d'être* of social democracy not only here in Canada but also in Norway, Germany, Sweden and also in Quebec. Canadians must finally be able to share Canada's immense wealth. That can be done within a new agreement.

The NDP represents among federal political parties the more diverse, the more progressive ideas. We believe in the development of our country by ourselves. We do not fear change or new ideas in social, cultural, economic and political areas. And in the provinces where we formed the government, we made the necessary changes. Basically, we are federalists because we think that form of flexible government is the one which allows to bring about the reforms we are hoping for. We do not want to rule instead of the provinces. On the contrary, we want to establish clearly the right for the provinces to control their natural resources and their communications. They have a fundamental role to play, and particularly Quebec due to its unique character.

We have stated several times in the last few years that we agree on the social and economic objectives of the Quebec government. For example, on the following policies, I want to tell the Prime Minister that we agree.

● (1740)

[*English*]

Madam Speaker: Unfortunately, the hon. member's time has expired. Has he the consent of the House to continue?

Some hon. Members: Agreed.

[*Translation*]

Mr. Broadbent: I want to tell the Prime Minister that we agree on the following programs of the Parti Québécois: the income supplement program, the automobile insurance program, the incentive program for small and medium-sized businesses, the nationalization of the asbestos mines, the free access to the Quebec territory for recreation, hunting, fishing and other purposes, the objectives of the language act, the health insurance plan. To us those programs are acceptable. Those are several examples of programs the Quebec government implemented within the federal system. Those are the facts. It is thus possible, Madam Speaker, to change considerably the social and economic structures of the Quebec society within a federal system. You simply have to change the parties, especially if the federal government is social democrat.

For my part, Madam Speaker, I do not believe that the answer to the constitutional problems of Quebeckers and Canadians lies in sovereignty-association. Why not? There are many reasons for this. It is obvious that no provincial government will support such an association; there will be a permanent conflict between the two sovereign governments. But in my view and that of my party, there is a basic argument against this concept: It would not be a fair arrangement for the ordinary citizens of western and Atlantic Canada. I would like to explain why, Madam Speaker.

At the present time, Saskatchewan farmers, British Columbia lumbermen and Newfoundland fishermen purchase products manufactured in Quebec and Ontario. They can buy these same products at a lower price outside Canada. These products are now protected by import tariffs and quotas. Western and eastern citizens accept this situation because people in Ontario and Quebec pay taxes not only to Toronto and Quebec City, but also to Ottawa. This is the reason.

The Parti Québécois wants one without the other. It wants the tariffs and quotas, but it does not want Quebeckers to pay their share to Ottawa. Madam Speaker, I would like to ask Quebeckers if they would accept such a situation if they were Saskatchewan farmers or Newfoundland fishermen. I do not believe they would because it would not be equitable. Quebeckers want justice like all other Canadians. Once again, is everyone aware that we can say yes to Quebec without saying no to Canada? I am convinced that English Canada is willing to review its whole position within Canada and to negotiate a new agreement. I hope that the present debate will bring us closer to each other. It would be a sad thing if a misunderstanding were to lead to a situation where any agreement would be impossible. There have been inequities in the past. It is obvious, Madam Speaker, that we cannot make up for these inequities, but it must also be said that a lot of progress has already been made in Canada. Much has yet to be done, especially in the areas of economic equality, equality of the sexes, control of our resources and employment.

Madam Speaker, together we can build a Quebec and a Canada which will be fair and exciting for everyone, there is no doubt about it.

● (1750)

[*English*]

I would like to conclude by moving an amendment to the motion, Madam Speaker. I move, seconded by the hon. member for Winnipeg North Centre (Mr. Knowles):

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

"and this House regrets in particular the failure of the government to change the monetary policies in effect since 1975, and to instruct the governor of the Bank of Canada to take immediate steps to lower the interest rate by at least two percentage points."

Some hon. Members: Hear, hear!

[*Translation*]

Mr. Desmarais: Madam Speaker, may I call it six o'clock?

Madam Speaker: It being six o'clock, I do now leave the chair until eight o'clock this evening.

At 5.55 p.m. the House took recess.

● (2000)

AFTER RECESS

The House resumed at 8 p.m.

[*Translation*]

Mr. Louis R. Desmarais (Dollard): Mr. Speaker, it is with deep emotion that I rise to make my maiden speech in this House before such a distinguished audience. I feel privileged, Mr. Speaker, to have the opportunity to address my colleagues from the floor of this historic House which has guarded and preserved the rights and privileges of all Canadians since confederation.

First, I want to tell my constituents in Dollard how much I appreciate the honour they bestowed upon me by electing me as their representative in this House. To all the people of Ville-Saint-Laurent, Dollard des Ormeaux, Roxboro and Pierrefonds, I reiterate my deep gratitude for all the help, support and co-operation they gave me so generously.

I should also like to extend my most sincere congratulations to Madam Speaker for the expression of confidence she received from the House. With the electors from the riding of Laval-des-Rapides I feel honoured that their representative should have been chosen by the House to preside over its business.

At the same time I wish to tell my colleagues how pleased I am to be with them today and follow in the footsteps of the parliamentarians of today and yesterday who contributed so much to make Parliament what it is today. I am very grateful to my colleagues on this side of the House for their warm welcome. I am looking forward to working with them as a team.

[*English*]

I do not hesitate, Mr. Speaker, to express myself in personal terms in this my maiden speech to this House. Reflections on human feelings, individual sentiments and personal characteristics, in so far as they contribute to a better understanding of individual needs are common to the Liberal traditions which my party hold.

We are living in confusing, discouraging, frustrating times. Rising costs, falling productivity, the incredibly complex organization of big business, big labour and big government have reduced the individual to a quivering mass of doubt and uncertainty. We see the most powerful of the world's nations reduced to helplessness before the threats of a group of terrorists in Iran, and we ask what is the meaning of power?

We see Soviet tanks roll into Afghanistan in a brutal and arrogant takeover of a nation. We watch and wonder at this aggression, and we watch and wonder all the more when retaliation consists of an American threat to boycott the Olympic games. It is an exaggeration to suggest that there is a feeling of helplessness growing among ordinary citizens when they witness the helplessness of a major power.

There is a feeling that somewhere along the line we have lost control. Events have overrun us and developed a momentum of their own. This uneasiness exists in spite of the fact that big business has provided us with ever-increasing wealth. Big labour has made sure that the work force gets its share of economic benefits, and big government has so organized the social structures that, in its role of referee, it finds itself in a position where it must attempt to maintain order and a due proportion in the returns allocated to its important and not always silent partners.

[*Translation*]

In spite of all those developments, today Canadian citizens are more and more isolated from the powers that be. They are entirely dependent upon government, business and labour superstructures which are the framework of our democratic society. It seems to me, Mr. Speaker, that the majority of our constituents fall into that category of helpless citizens when dealing with large bureaucracies. Those defenceless taxpayers are but pawns in the power play between the major representatives of the community and they have no opportunity for effective action except for exercising their right to vote every four years. This is a very frustrating situation.

Mr. Speaker, I am far from declaring illegitimate or unacceptable the government business and labour democracies that have developed in our society over the last 50 years or so. Obviously the structural gigantism of government, business and labour is a normal and unavoidable phenomenon in an advanced democratic society, particularly in a country like ours where the people are scattered over a vast territory.

Modern governments are virtually the only ones able to provide various services such as communications, postal service, welfare and others.

[*English*]

In a society as intricately structured as ours, the difficulties encountered by government in perceiving and resolving the interests of the individual citizens are many and complex. The result is that, from many points of view, individuals today, although enjoying a large degree of constitutional freedom, are nevertheless placed under growing constraints in the conduct of their own affairs.

It is true that political parties and governments throughout the western world, since World War I and before, have been preoccupied with the need to improve the human condition. The purpose of the policies and programs to which almost all parties without exception paid lip service was to ensure that the substance of liberty and benefit of freedom in real terms—that is an adequate standard of living with a right to equal opportunity—should be available to all.

● (2010)

Chimeric as such objectives might seem in the light of what is happening in the world today, the true democrat, the true liberal, the true believer in human freedom will not despair. Nor will he ever relinquish the hope of making it possible for all men to enjoy the fruits of the creative society; that is, a society in which leisure to contribute and create is brought about, not by forced unemployment but by an arrangement of working conditions and social awareness, enabling people to enjoy the benefits accrued through an incredibly complex system of worldwide industrial relationships.

That system has now developed to a point where it has reached a peak of efficiency never equalled in history in producing everything except human contentment. In the process we may be in danger of surrendering our heritage for a mess of multinational pottage. It may be this realization which explains the nostalgia movement, the good earth movement and the no-growth movement. But you cannot have no-growth industrially and politically without having no-growth intellectually and morally. The slogan, "Stop the world, I want to get off", is not applicable in political affairs.

Let me say right away that, in the history of this nation, succeeding Liberal administrations, with different leaders and sometimes differing policies and programs, nevertheless have been remarkably consistent in creating the necessary infrastructure to cope with basic human needs of food, clothing and shelter, and, I might add, the additional ingredients of hope for a better tomorrow.

[*Translation*]

Governments must often take initiatives which should come from the private sector but which the latter is unable to take in due time because of its shortcomings. Let us take, for example, corporations such as Polysar, Eldorado, Panarctic and Petro-Can. Combined with ever-increasing responsibilities in all fields of social activity these types of government initiatives are such that day by day, the modern state is becoming a terribly heavy bureaucracy which finds it difficult to perceive the needs of the ordinary taxpayer. Big business is motivated by the same demands as big government. Our consumer society has created needs which small and medium-size businesses fail to meet because of the pace of modern living. Consequently, big business tends to spread to all sectors of industrial and commercial activities. In doing so, little by little it eliminates small business, thus forcing an increasingly large number of workers to retrain or to collect unemployment insurance. As with any human structure, commercial firms have always tended to develop into large power conglomerates; very often, these conglomerates tend to withdraw to their ivory towers and therefore to become further and further removed from the people. They become less and less able to recognize the true needs of individuals which they have been entrusted to serve and whose welfare should be their ultimate goal.

The citizen himself is practically prevented, even through his government, from exerting any influence on such large and complex corporations as Exxon, General Motors, ITT and other multinationals whose position is similar to that of city-states in the Middle Ages, that is beyond and outside the effective control of governments. In spite of all the abuse heaped on big business in general and on multinationals in particular, it remains that those corporations, precisely because they are huge, are in a position to meet mass consumer needs while providing a livelihood to millions of individuals.

The substantial growth of those corporations has naturally led labour organizations to become more and more powerful. There is no doubt that, precisely because of their power, labour organizations have contributed to greatly improve the lot of workers, especially in the public sector and among highly skilled trades.

Today, contrary to the situation prevailing some ten years ago, the boss is often at the mercy of the workers. Union members nowadays are part of a labour élite and not only are they in a position to protect themselves, they become as powerful as management.

[*English*]

In spite of this, Mr. Speaker, our producing and distributing system seems to have a built-in imbalance which makes for unequal sharing of these world goods. Production, both in quality and quantity, seems unable to close the enormous gaps which still exist. And gaps are growing as the disparity between the affluence and luxury of the west and the poverty and hopelessness of a major part of the Third World continues to widen.

In our own society inflation is taking away from workers and those on fixed incomes many of the economic gains which they won over the years. Canadian workers, among the most skilled and highly trained in the world, have seen hard-won gains siphoned away by run-away inflation. Perhaps this is the price we must pay for some phases of social security development. This fact alone makes it incumbent on governments to

reduce to a minimum, short-sighted, extravagant, wasteful and non-productive programs which are too often aimed at securing the allegiance of the electorate, rather than contributing to a healthy economy. We, as individual citizens, pay a heavy price for the organizations which we have put in place to deliver the goods and services our society requires.

Recently I listened with admiration and respect as the leader of the Quebec Liberal party spoke in the Assembly on the crucial issue of Quebec's place in Canada. That speech was a model of lucidity, of calm and temperate argument, of forthrightness and honesty of which all Canadians can be proud. I am sure that you will agree, Mr. Speaker, that when he spoke of his love for Canada, of his roots in this country and of the roots of all Quebeckers, and when he said that the attachment of Quebeckers to Canada was "visceral", it was difficult indeed not to be moved by the sincerity of his patriotism. May I say that I share those sentiments, as I am sure does every Quebec member in this House.

Sometimes as one considers the dark and terrible problems hovering over the world, one cannot help but think that we in Canada, regardless of the language in which we express ourselves, are indeed fortunate. At the same time we recognize the existence of individual dissatisfaction, anxiety, dislocation and anguish among both young and old. I attribute these reactions to the phenomenon of depersonalization and institutionalization which is so much a part of our lives.

On a world scale, it would appear useful to review the highlights of the report of a commission headed by Willy Brandt, former chancellor of the Federal Republic of Germany. This report, representing years of independent study by 18 world leaders, was submitted to the Secretary General of the United Nations, Kurt Waldheim, on February 12, 1980, and is entitled, "A Program for Survival".

The picture is one of a world in which the economic system of production, distribution is progressively breaking down.

Starvation, inflation, disorder, escalating unemployment, international monetary confusion, competition for energy, food, and raw materials, increasing population, advancing deserts, overfishing and pollution are some of the horrors described in this authoritative document.

Let us look at some of the specifics. In the western world there are 18 million people out of work. This unemployment is largely located in countries where a subsistence level is required in order to purchase food and provide shelter and heat.

● (2020)

Irreversible destruction of the ecology is taking place in a number of countries, many of them ranked among the world's poor nations. Deforestation is going on apace, and present world wood stocks will be cut in half by the year 2000. World population is growing by one million every five days. There will be two billion additional people to feed in the next 20 years, and there are 800 million below the subsistence level today.

In the affluent society of the west, each person consumes 100 times as much energy as people in the poorer countries of the Third World.

These are among some of the more chilling facts in the Brandt report. I do not cite them in order to impress or stun the House, but merely to show the powerful and cumulative impact of the failure of our system to reach those in greatest need.

The Brandt report makes a powerful appeal for a tough, hard-nosed and realistic approach involving, it is true, sacrifices on the part of the west. Better enlightened sacrifice now than chaos later!

The Brandt report calls for a world summit to consider a massive transfer of funds to developing countries, an international energy strategy, a global food program, and reform of the international monetary and financial system.

All of these proposals are worth serious study, and I am sure they will receive that study from the dedicated men and women at the head of our affairs. I know that the very gifted and knowledgeable Minister of Finance (Mr. MacEachen) is aware of these initiatives and has them under study at the present time. We all recall his notable participation as the chairman of a world conference on north-south problems.

There is also a proposal for an oil strategy to guarantee supplies and prices in the world, and I am sure this is being studied with interest by the responsible minister.

Once again, Mr. Speaker, please let me emphasize my concern regarding our complex and massive institutions. Our institutions have become more powerful and egocentric than ever before. Governments, business, and labour all vigorously defend their point of view without realizing that they are doing so at the expense of the two-thirds of our population which happen to be unorganized. As a result our citizen is progressively losing his battle to shape his own destiny.

I submit, Mr. Speaker, that it is a major objective of modern government, after basic needs are met, to create conditions in which the individuals, while retaining control over his identity and personality, can devote his leisure time to creative activities in arts and culture.

When one thinks of the golden age of the Renaissance, or the Victorian age in literature—a period when writers, artists, composers, architects, engineers, scientists, competed in excellence in Europe and America—these periods stand out for the productive use of leisure. Certainly, along with the Elizabethan age, as A. L. Rouse has written, they represented societies that were both dynamic and creative.

It is a fact that our society faces important problems in the economic and fiscal areas and in the areas of international relations and internal cohesiveness. We must address ourselves to problems of the economy and problems of internal unity.

I am confident that by skill, patience and understanding, these problems will be overcome and Canada will march into a new era or progress. But we must know where we are going and how we are going to get there. In the field of energy, we

must conserve, we must develop new sources of energy and we must diversify. I am confident that these things will happen.

I recall that when the United States refused to join Canada in building the St. Lawrence Seaway, Louis St. Laurent said Canada would take the initiative, and we did. Today, we face equally important and challenging decisions with regard to getting energy to market—Bay of Fundy tidal power, northern gas pipelines, moving clean, pure water from the northern watershed to the water-starved cities of the eastern seaboard. To the resolution of these challenges we must bring the same kind of enlightened and patriotic daring that motivated Prime Minister St. Laurent 30 years ago.

Returning to the creative society, our country can do a great deal more to support art and culture than we have ever done. We can do more to bring out into the sunlight of public acclaim the cultures of other races than English or French; the many races who settled in Canada bringing with them the cultural dynanism of the old world. These we must recognize and accept, and to them we must accord the kind of recognition that will result in a new and vibrant form of social expression.

Thomas Jefferson saw the key problem of the modern world, the problem of the individual. A more ancient book said that man does not live by bread alone. Individuals require the social buttressing that comes from institutions that are progressive and flexible, with clearly spelled out and agreed upon purposes. Individuals require also to live and work in a cultural context with which they are familiar and which contributes to their spiritual well-being. When people sense that they are participating in a society that is creative and dynamic, then they are aware of social and spiritual well-being. Great works of art, architecture, ballet, theatre, and yes, triumphs of engineering, help to overcome the depersonalization of institutions and the constraints applied to individual self-expression.

What is modern man to do, Mr. Speaker, faced with the bigness, impersonality, declining standards, self-serving policies, and waste of many modern institutions? I strongly believe that the human personality is crying out for the opportunity to redeem its own soul. Is this too far-fetched? Are humanity and integrity becoming permanently submerged by our mass institutional imperatives?

Henri Bergson wrote "Il faut à l'homme un supplément d'âme"—something to satisfy the spirit. Without this, in the long term, our affluence, technology, our GNP and our prosperity will become increasingly irrelevant.

In the sixties our own young people rejected the values of the corporatist-military state, along with much of its affluence. Today, many of the values of the western world, our acquisitiveness, our greed, our unconcern and disdain for human perspectives, our fatal death wish which sees us polluting the environment with reckless disregard—all of these are totally repulsive to the older civilizations of the Third World.

It is our particular function, in line with the findings of the Brandt report, to establish priorities between technology and human values; between scientific accomplishments and the preservation of the human soul—that is man's capacity to preserve his individual integrity and order his own destiny.

In essence the issue is whether the social structure will be designed in accordance with the needs of the many or simply to perpetuate the tyranny of the few. Whether we are speaking of government tyranny, the tyranny of the media, the tyranny of great corporations, or merely of the all enveloping tyranny of mediocrity, the final result is the same.

[*Translation*]

Even if we have failed to develop fully this potential of human freedom which we hold so dear, we are witness to the horror of enslavement that is steadily gaining ground in Communist totalitarian countries. All eastern Europe is under the Communist yoke. In Africa, some Communist governments remain in power with the help of Russian tanks and Cuban guns. In Southeast Asia, the idealists who looked upon the Viet Nam war as a war of liberation recognize with terror that their worst fears are coming true. The almost diabolical strength of Russian communism has now caused a genocide unequaled since Hitler's.

President Lincoln once said that the United States could not survive with half of the population reduced to slavery. Men of good will must now recognize that the world cannot survive with one-half of its population free and the other half enslaved, and that Russian communism is behind this cloud of slavery which is spreading over the world.

In pursuing its goal, nothing can stop the U.S.S.R., and the sad situation of the people in Afghanistan is only one example. As a matter of fact, it can truly be said that man's right to exercise his freedom is more threatened than it ever was in the dark ages. Mr. Speaker, I am afraid that we are on the brink of a new dark era where the freedom of man will become a pale light in an ocean of darkness. I feel it is our duty, to the extent that we believe in freedom and democracy, to keep that light shining. Fortunately, there are still signs of hope.

During the recent election in Rhodesia, we were struck by the moderation shown by the black leader, Joseph Mugabe, in dealing with the white people in his country. Let us hope, Mr. Speaker, that the same moderation will be the key, one of the solutions to our problems. Instead of building on fear and hate, as the Marxists do, that man has opted for moderation and compromise, and is urging the whites of Rhodesia to share in the development of the African society in a new spirit of dignity. Mr. Speaker, that is the course to follow.

Specialization has enabled us to channel our efforts quickly in new fields of endeavour. As John Donne said, "No man is an island", we can say the same without hesitation about our governments. They must apply themselves to understanding what is going on in the world, apply themselves to defining the objectives to be pursued and finding the means to achieve them. Our survival depends, Mr. Speaker, on our capacity to adapt to the major changes forced upon us. Our decisions must be taken in the light of those changes.

Allow me to express once again my concern for the citizen as an individual. Allow me to suggest to the governments that they take time to consult and listen to the citizens and their institutions to get a better idea of where the priorities lie. Freeing the human spirit is the ultimate goal of all social activities. Creativity is at the very basis of all social achievement. The importance of human contribution to our decision-making process must be reaffirmed. That is the characteristic of a creative society and the aim I recommend to our leaders in all spheres of human activity.

● (2030)

[*English*]

Mr. Bill Domm (Peterborough): Mr. Speaker, it is my pleasure to congratulate you and Madam Speaker on your appointments to these very important positions in the House.

Since this is my maiden speech in the House of Commons, I would like first to take this opportunity to thank the voters of Peterborough riding for sending me to Ottawa as their representative. It is less than a year since I first entered federal politics and already I have been involved in two rather quick repetitive federal elections, quicker than I would like to have seen. However, I am grateful for the support I have received from my colleagues in the House. I am also grateful for the support that I have received from members opposite because it was due to their policies that I was able to gain this seat.

There are a number of reasons why I am proud to represent the constituency of Peterborough. Mine is only one of 282 ridings in the country, but all other constituencies would be hard pressed to match the physical beauty and the quality of the Kawarthas. With a population approaching approximately 100,000 people, Peterborough county is the gateway to the Kawartha Lakes, one of Canada's prime tourist attractions. Two-thirds of my constituents live in an urban environment and most of those are located in the beautiful city of Peterborough. Many of the remaining one-third farm some of the best agricultural land in Ontario.

Mine is a riding like few others in Canada because within a ten-minute drive of the huge General Electric plant in downtown Peterborough are some of Canada's best lakes, finest fishing and most beautiful parks. My riding is also one which realizes how essential it is to look after its young people. Our educational system is second to none and includes an excellent elementary and secondary school system as well as Sir Sanford Fleming College and Trent University. To the young people in my riding I send my sincere appreciation for their support in the past election.

The issues in Peterborough county are the same as in most ridings with a rural-urban population mix. More than 72 per cent of the homes in Peterborough county are owned by the occupants. That figure is well above the Canadian average of 62 per cent and the Ontario average of 63 per cent. As a result, many of my constituents are gravely concerned about the current levels of high interest rates.

Because of the Kawartha Lakes and the importance of tourism in the Peterborough area, environmental issues are also in the front rank. Two environmental issues in particular, acid rain and Eurasian milfoil, pose grave threats to my riding, as they do to other parts of Canada, including British Columbia. I will be directing many of my efforts in this House to these two areas, the economy and the environment.

In many ways Peterborough has been fortunate as Canada enters the 1980s. After several years in the economic doldrums during the mid-seventies Peterborough began to perk up in 1979, and last October unemployment hit a five-year low. Employment in the major industries, particulary at General Electric which employs over 4,500 people, has been very encouraging.

The people of Peterborough are also looking forward to the arrival in our city of the Parks Canada regional office from Cornwall. Although the new government has been reconsidering the move, economic common sense dictates that the transfer be carried through. It was work researched by the Liberal government and acted on by the Conservative Parliament. Because of its more central Ontario location, Peterborough riding is much better suited to serve the province of Ontario than the present location of the regional office in the southeast corner.

I remind hon. members that there seemed to be very little objection to the Quebec branch of Parks Canada moving out of Cornwall and going to Quebec. As well, to serve the interests of national unity and to meet the needs of the Francophone employees of Parks Canada office personnel, the two school boards in Peterborough county have already made plans to introduce Peterborough's first French-immersion program. All in all, it bodes rather well for the future of our country. At a time of the referendum vote I find it very encouraging that the government has seen fit to move Parks Canada to Peterborough, and Peterborough in turn has seen fit to introduce French immersion for the Francophones.

As a relative newcomer to the House I would not make my maiden speech without commenting upon impressions I gained during the short Thirty-first Parliament. Although our time in power was brief I feel we did accomplish a great deal. When the Progressive Conservative government of the Thirty-first Parliament is remembered and written about by the historians, it will be because of the two major issues of the 1980s, that is to say, energy and the economy. Perhaps our defeat on February 18 might be compared to the case of the patient who switches doctors because he does not like the diagnosis.

In hindsight many have said that we should not have introduced such a tough budget and that we should have offered more in the way of goodies. That may have been good politics but it would not have been what this country needed.

It is interesting that shortly after the February election, President Jimmy Carter announced massive changes in the 1980-1981 American budget. His proposals included plans for a ten cents a gallon excise tax on gasoline; spending cuts of some $14 billion; a 20,000-person reduction in the civil service, and the first balanced budget in the United States—at least in

the last 12 years, or as long as I can remember. When I first heard the thrust of the Carter budget I got the feeling that perhaps we had lost the hon. member for St. John's West (Mr. Crosbie), that he might have moved to Washington and his budget had turned up disguised as President Carter's anti-inflation program.

I cannot say strongly enough how proud I am to be associated with this party. The leadership shown by the right hon. member for Yellowhead (Mr. Clark) and his cabinet during the Thirty-first Parliament and the winter election campaign, makes me very confident about our new role in the Thirty-second Parliament. We can hold our heads high. We told the people how it was. We told them that the free ride was over and it was time to address the major problems in our economy today, problems like high interest rates, inflation and deficits, and how we proposed to deal with those things.

● (2040)

Members opposite felt it was time to bring down that government. They felt they had alternatives they would like to present. I say to them that they are absolving themselves of all responsibility in the financial management of this country if they neglect to bring in a budget within 60 days. I feel very strongly that you cannot stand in the House of Commons day after day, week after week, and month after month, and tell us as opposition and critics, which is our role, that you are not going to introduce a budget for another several months.

I wish I could say I had the same feelings of confidence about the new government that I had about the last government and their financially accountable budget. The throne speech we heard this week offered absolutely no help for the thousands of Canadians suffering because of the current interest rate crisis. Perhaps the clearest comment on the speech was in the reaction of the money markets. The Canadian dollar dropped by more than half a cent in value in one day following the speech, as reported in the *Globe and Mail*.

We in Peterborough have seen the new government's indecisiveness at another level. The minister responsible for Parks Canada, the Minister of the Environment (Mr. Roberts), announced on March 12 of this year that he would make a final decision regarding the transfer of the Parks Canada regional office from Cornwall to Peterborough within ten to 14 days. The first deadline passed on March 22. The second deadline passed on March 26. It is now April 15. Maybe the minister is too busy. Maybe he is indecisive. Maybe he cannot make up his mind. Maybe he has not had enough study in seven years with regard to where Parks Canada should be located.

The fact is that neither the minister nor his colleagues can make a decision. This is important, and not only to Peterborough. It is important to the people of Cornwall and those families who have moved to Peterborough and are commuting to Cornwall in order to do their job. The employees affected by the lack of decision-making on the part of the government are 20 families who have already purchased homes in Peterborough, plus approximately 125 families in the process of deciding where to enrol their young people in school. In addition, accommodation has been acquired in Peterborough and the building is vacant awaiting a decision by the minister. Many civil servants and their families are living in a town at the cost of the taxpayers of Canada with no job to do. The vacillation shown by the minister in this matter was an indication of what we could expect from the Liberal government at the opening session of the Thirty-second Parliament.

My constituents are also very anxious and concerned to hear about another government decision which it is having a great deal of difficulty making. It will affect the Peterborough riding. This decision is with regard to the constituency of Durham-Northumberland. That constituency was recently the victim of a horrible natural disaster when flooding caused millions of dollars of damage to the town of Port Hope. Last summer Eldorado Nuclear, a federal Crown corporation, announced it would construct a $100 million refinery in Hope township near Port Hope just south of Peterborough.

Last summer the new Minister of Energy, Mines and Resources (Mr. Lalonde)—I do not see him in the chamber this evening—announced that for the time being he was going to stop the progress affecting the construction of Eldorado Nuclear.

Last month, Eldorado Nuclear Limited, a federal Crown corporation, announced it would construct a $100 million uranium refinery in Hope township near Port Hope.

An hon. Member: You already read that.

Mr. Domm: Last month the new minister decided to review that in the same way the ministry is reviewing Parks Canada. He made that announcement at the same time as the town was digging out from the $10 million damage caused by the flood. He made that announcement despite the flood, despite the impending closure of the Firestone Canada plant in nearby Whitby, and despite the fact it will cost $24.5 million more to construct the refinery in northern Ontario, as well as an additional $3 million in operating costs to build it in the north.

I would like to know why such a decision would be made at a time when unemployment is 2 per cent higher in Port Hope than in northern Ontario and when $3 million has already been spent on site preparation in Hope township. Common decency says a community should not be kicked while it is already down. I urge the hon. member for Outremont (Mr. Lalonde) to allow the project to proceed in Hope township as common sense dictates, as Liberal research indicated, and as Conservative action proved.

Some hon. Members: Oh, oh!

Mr. Domm: You laugh; it's your research.

Mr. Kaplan: It's even cheaper to build it in the States.

Mr. Domm: They are even suggesting we build it in the United States.

On another level, I am curious as to what steps the new government will take to help those affected by the current high

interest rates. The throne speech was long on generalities but very short on specifics as to how interest rate problems will be handled. Considering that the program the Conservative party put forward for mortgage interest deductibility was attacked for nearly a year by the Liberal party—not all, some liked it and some voted for it—I would like to know exactly what it intends to do to help Canadian home owners.

We were told by members opposite that our mortgage deductibility plan would help the rich. However, it is now estimated that thousands of these Canadian rich people might lose their homes. It is interesting to read some of the comments made by the Minister of Employment and Immigration (Mr. Axworthy) when sitting in opposition during the last Parliament. I will quote what the Liberal minister said in this House last November. He said that "approximately 400,000 families must renegotiate their mortgages after the interest rate has risen by close to four percentage points. We are facing a lot more bankruptcies and defaults; that is what we are facing." He asked what the government was going to do about it.

I trust the new government will remember these comments made by the minister at that time and that it will take action to reduce interest rates, or at least figure out a way to give assistance to home owners, not the rich, but the 400,000 people the minister said will be affected.

The new government should be condemned for approving the Bank of Canada's new method of determining interest rate increases. It is a blatant arrogant method of abrogating responsibility.

It is also interesting to recall some of the comments made by the hon. member for Windsor West (Mr. Gray) while he was opposition critic in the last Parliament. I again go back to last November. The Liberal minister said, "The Liberals and I generally want action taken now to prevent the hardship this Conservative high interest rate policy is creating for millions of Canadians and their families". As I said, these interest rates have risen more than 2 per cent since the election of the new government, and we are still waiting to see what action will be taken to help the small businessman, home owners and farmers. Let all Canadians see what specific actions the government now intends to take. Let us see what is planned. We asked in the question period today what the government might propose and when it might propose a new budget. The answer was a flat "no" to the end-of-May date given.

● (2050)

When I first decided to seek election to the House two years ago, I did so as a businessman and a consumer who was provoked by what years of mismanagement had done to the economy of this country. I was ashamed that thousands of Canadians were out of work, that federal spending was out of control, and that the federal government was building up huge deficits year after year. I was disgusted that inflation was eating up the savings of Canadians in my riding and across the country. I believed last December, and I still believe, that during his term as minister of finance the hon. member for St. John's West put the economy of this country back on the right track.

I still think we have to reduce and eliminate the huge federal deficits before we will ever come to grips with the twin problems of inflation and high interest rates.

I was disappointed with the statement in the throne speech which downplayed the importance of reducing the federal deficit, and I disagree completely with the assertion that Canadians do not want less government. That is what it says in the throne speech. The ministers in the new government certainly have not yet figured out exactly what the people of Canada are saying. They are saying they want less spending, less government, less inflation, and less interest. Of course we want more effective government, but that more effective government also goes hand in hand with trimming away the fat and reducing the size of the civil service.

To my mind the federal government in the past decade has taken on all the characteristics of a giant octopus, with its tentacles reaching into every part and corner of the country, sucking every dollar and every cent out of the people in business, stores, on farms, in counties, cities and high rise towers in Toronto and Montreal. What is it all for? Is it really necessary for a government to get this involved in the lives of Canadians? I just wonder how this country would have developed at all if the explorers and settlers who opened up Canada had to dodge piles of Statistics Canada and tax forms, or cross mountains of regulations or rivers lined with bureaucrats.

As I mentioned earlier tonight, one of my prime concerns and one of the major issues affecting my constituents in the Peterborough riding is the matter of acid rain. The minister of the environment in the last Parliament, the Thirty-first Parliament, the hon. member for Vancouver South (Mr. Fraser), recognized the problem of acid rain as one of the most serious problems which has ever faced our country. I hope that the new minister will take the same approach. If we as a Parliament do not start to take measures to deal with acid rain soon, we will leave a horrible legacy of lifeless lakes for our children.

It is a frightening prospect that our lakes and fishing and tourist industries, all the things which are so vital and important to my riding and to many other ridings in Canada, are damaged, and ignored by the present government in its throne speech as it addresses the subject of environmental protection, which is completely absent from the throne speech. It is even more alarming that the ability of the soil and the crops we grow and the forests could also be impaired if this insidious problem is allowed to continue unabated.

The hon. member opposite who spoke just before me, giving his maiden speech, talked about millions and billions of people, "deforestation" and the cost and the necessity of food, and I say that with acid rain falling on us at its present rate of 11 ounces an acre we will have major problems in supplying our own food and our own forest industry if we do not address the subject and present legislation to control effectively the acidity fallout that is affecting our lakes, trees, forests and plant life.

The joint Canadian and American study on acid rain released last fall indicated that some lakes in the Haliburton-Muskoka area of south central Ontario have already lost from 40 per cent to 75 per cent of their acid neutralizing ability in the past decade.

In addition—and this is scary—there are 140 lakes in Ontario, mostly in the Sudbury area, which are already acidified at the present time. They are dead to life, dead to fish, dead to plant life, and dead for human consumption.

The problem is not limited to Ontario because similar results are turning up in the maritime provinces, the United States, western Europe, Scandinavia, and Japan.

Acid precipitation threatens to get worse as oil prices cause electrical utilities to turn to coal to produce electricity. The costs to begin to combat acid rain are going to be tremendous. During the last Parliament we in this House heard that it will cost Canadians between $350 million and $500 million annually over the remainder of this century just to bring about a 50 per cent reduction in sulphur dioxide emissions in eastern Canada. Similar estimates in the eastern United States run as high as $7 billion annually. That is a lot of money, but I remind the House that the forest product industry in Canada is a $17.5 billion industry, and we have to protect that industry. We learned the lesson in Scandinavia ten years ago of what will happen if we do not put the necessary programs in place to purify the air and to purify emissions before we have acid rain fallout.

Even though that sounds like a great deal of money—and indeed it is a great deal of money—we in this House have to remember that there is more at stake here than just hard economics. The real issue is our lakes, our people, and the kind of future we are going to provide for our children. The real issue is the survival of our environment as we know it today. This is an issue which crosses party lines, and I ask that the Minister of the Environment give it top priority as he pursues his duties.

Another major issue in my riding—and with this one I would like to close my remarks on the throne speech—and one that may become important in many more ridings, is that as of next year metrication is again going to take flight. We in Peterborough had the misfortune to be chosen as one of the three test areas for the implementation of metrication in our stores. I do not like to sound facetious, but I wonder if the people of Sherbrooke and the people of Kamloops enjoyed the honour of being guinea pigs as much as we in Peterborough did.

Of course the Metric Commission, in its infinite Liberal wisdom, chose to begin metrication in the retail sector in Peterborough at the height of our tourist season when thousands of Americans and Canadians are visiting and passing through the riding on their way to the Kawartha Lakes.

During the last Parliament the Conservative government appointed an overview committee to study metrication and, following its recommendations, the conversion process was postponed for at least a year. Now it has been announced that the process will continue early next year in over 20 cities in Canada. The point of the delay was to give Canadians a chance to debate the merits of immediate metrication, a chance they never had, and as the Conservative minister of state for small businesses, the hon. member for Capilano (Mr. Huntington), said after announcing the postponement last December, there was little urgency for proceeding immediately because the metrication program in the United States was seven to nine years behind that of ours in Canada.

• (2100)

My only question is: why the rush, why not give Canadians a chance to debate the issue, why force metrication on the people of Canada when there are three cities where the results of that forced metrication could be reviewed? The result is disastrous.

Mr. Pelletier: The results were positive.

Mr. Domm: If you think they are good in Peterborough, then come on down and visit us and we will show you how good they are.

Mr. Pelletier: There was not a single complaint.

Mr. Domm: If this Thirty-second Parliament refuses to listen to the people of Canada, refuses to respond to their wishes to have their day in court, to have that moment of trial here in the House of Commons, there might be disastrous results. Maybe everyone opposite likes the metric system. Maybe all of us on this side have some things we like about that system. But what is the point of being ten years ahead of the United States? What is the point of implementing a form of metric measure that is foreign to most in the world?

What is the point of implementing the metric system in Canada when only 4 per cent of our export market, including Germany, is on the metric system? Germany is still buying four-by-eights, and so is Japan. The wood should fit your home when you instal it. What is the rush? The metric system has never had its day in court and Parliament has never discussed it. Never has a piece of legislation come through this House which has said that the government wants the metric system to be adopted in Canada.

I say to the new government—and I hesitate to call it the new government because this is the old government with the same, tired ideas—review the metric system before its implementation.

Let me say in conclusion, Mr. Speaker, that I hope this is not another example of Liberal arrogance with which we became so familiar during the Thirtieth Parliament. We want answers to fight inflation. We want answers to cut government spending. We want to reduce the size of the bureaucracy. We want to get the interest rates in line with what people can afford. If the government will not listen, it will be held accountable and an election might come about sooner than any of us would like to see it.

Some hon. Members: Hear, hear!

Mr. Pelletier: Mr. Speaker, I rise on a point of order. With your permission I should like to ask the hon. gentleman who just spoke if he would like to respond to a question.

The Acting Speaker (Mr. Blaker): The hon. member for Peterborought (Mr. Domm) has taken up his entire time, and it would require the unanimous consent of the House to engage in that kind of a discussion. Unless I hear unanimous consent, I will have to go next to the hon. member for Scarborough West (Mr. Weatherhead). Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

The Acting Speaker (Mr. Blaker): There is not unanimous consent. The hon. member for Scarborough West.

Mr. David Weatherhead (Parliamentary Secretary to Minister of National Health and Welfare): Mr. Speaker, let me begin by saying that it is a great honour to rise once again on behalf of the people of Scarborough West. May I congratulate Madam Speaker, the hon. member for Laval-des-Rapides (Madam Sauvé), on behalf of the residents of Scarborough West and assure her of my attention to her guidance. With the selection of the hon. member for Laval-des-Rapides as Speaker of the House we may have established somewhat of a precedent, but I am sure it will be the impartial and informed leadership of Her Honour that will mark her term as Speaker of this House.

I would also like to congratulate the hon. member for Ottawa West (Mr. Francis) on his selection as Deputy Speaker and Chairman of Committees of the Whole House. May I take this opportunity also to congratulate the hon. member for Glengarry-Prescott-Russell (Mr. Ethier) as Deputy Chairman of Committees of the Whole House, and also yourself, Mr. Speaker, the hon. member for Lachine (Mr. Blaker), on your appointment as Assistant Deputy Chairman of Committees of the Whole House. Perhaps I could also congratulate my old friend and one time seat mate, the hon. member for London East (Mr. Turner), on his appointment as chief government whip. It is a difficult and sometimes frustrating position, but I am sure he will be a great success.

I also wish to thank the Prime Minister (Mr. Trudeau) for expressing his confidence in me by appointing me Parliamentary Secretary to the Minister of National Health and Welfare. It is a very large, interesting, and diversified department, and I am looking forward to facing its challenges and to helping its very capable minister in every way possible.

Before discussing some of the issues that concern me, I would like to touch briefly on two other matters. I wish to pay tribute to the dean of the House of Commons in years of service, namely, the hon. member for Winnipeg North Centre (Mr. Knowles), and I am happy he is here tonight. I do not always agree with him on specific policy or procedural matters, but his willingness to talk to and advise a rookie member of Parliament from another party when we worked together on the committee on labour in the Twenty-eighth Parliament was greatly appreciated.

I had the honour of being elected the first member of Parliament for the new riding of Scarborough West in 1968 and was here until 1972. In the seven and a half years since that time, the riding has been very fortunate in being represented by excellent members of Parliament from the three parties. John Harney, the MP from 1972 to 1974 for the NDP, is widely known and well regarded. He ran very strongly for the national leadership of his party on two different occasions. Alan Martin won the riding back for the Liberal party in 1974 and had an active and distinguished five-year term here, latterly as parliamentary secretary to the then minister of consumer and corporate affairs, and to the then minister of finance. Last May, Bill Wightman was elected to represent the Progressive Conservative Party and was immediately appointed parliamentary secretary to the then minister of labour in recognition of his able career in the labour relations field. I will attempt to carry on and uphold the high standard set by these men in representing the people of Scarborough West and of Canada.

Scarborough West is a riding of approximately 90,000 persons in almost 30,000 households. Of this number, about 17,000 households are privately owned, and the remaining 13,000 are occupied by renters. Slightly more than 15 per cent of the population claim their language to be other than English and French, and the balance is mostly English speaking. With a diversity of ethnic, economic and educational backgrounds, Scarborough West is both a distinct community and an accurate reflection of the concerns of Canada as a whole.

As Scarborough West is an older suburb of metropolitan Toronto, many home owners have lived there for many years. Through their hard work and diligent saving, many of their mortgages are fully paid off. Therefore, they might ask why subsidies are proposed now when they had no such assistance in their day. But all would agree that these are extraordinary times. Never have interest rates escalated as rapidly as they have in the past year. In that time, rates on first mortgages have almost doubled through no fault of persons who must now renegotiate their mortgages. I therefore commend the government for its undertaking in the Speech from the Throne to assist those unable to bear the burden of renegotiating their home mortgages. The Minister of Finance (Mr. MacEachen) indicated this afternoon that the criterion as to who will be entitled to aid will be based largely on the usual ratio between the home owner's cost of carrying the house on his total income. This should ensure that any subsidies will not place too great a burden on taxpayers as a whole.

Also I wish to commend the government and the minister responsible for CMHC for the initiatives which have been taken in the very particular special circumstances of those home owners under the AHOP program. On the same basis it is important and timely that assistance for farmers and small business will be extended through raising the ceiling for loans under the Farm Improvement Loans Act under the Small Businesses Loans Act to $100,000.

● (2110)

The question of interest rates themselves, their so-called floating status and everything related thereto, are very controversial and bring forward strong arguments from experts on all sides. I do not pretend to have all the facts at my disposal tonight on this very important matter, but since there were a large number of new members of Parliament elected last February, and since the economic situation is constantly changing, I think it would be useful to reconsider the whole matter in the appropriate standing committee as quickly as possible. I understand from the comments of the Minister of Finance this afternoon that he is not opposed to this course and that a reference to the appropriate standing committee will be made after the committees have been formally set up.

One of the concerns of all industrial nations is energy security. The most optimistic among us will concede that oil will soon be replaced as a primary source of energy. Therefore I am encouraged that the government is recommending the establishment of an alternative energy corporation. As well, the government is committed to see that 1.5 per cent of the gross national product will be spent on research and development. These two developments recognize the talent, climate, and vast distances in Canada, and will lead to the establishment of Canada as one of the world leaders in the field of energy technology.

In my first speech in the House of Commons back in November, 1968, I mentioned my hope that certain reforms in parliamentary procedure would be effected to expedite the business of the House. While some reforms have taken place since then, I submit there is still much to be done. I am fully aware of the good and valid arguments for the necessity of opposition members of Parliament and indeed of government backbenchers being allowed sufficient time to put forward their points of view. However, surely hon. members will agree that there is no need for excessively long speeches by individual members of Parliament. I would think most of the time that 20 minutes would be ample.

The business of government is becoming more complex. There are always different pieces of legislation and other business competing for parliamentary time. Parliamentary time is a scarce resource and surely it should be used as profitably as possible, as long as the rights of members, particularly those of the opposition, are respected. Also I would like to suggest that there is a need to re-examine seriously the role of standing committees of the House of Commons with a view to making them more independent and useful to the people of Canada. Considerable work has been done on this question by all three parties in the House, and I would hope for some concrete results as quickly as possible. There are many other aspects of parliamentary reform which should be considered, and I hope to speak further about this very important matter on some future occasion.

Since Scarborough West is an older community, we have a higher proportion of senior citizens than many other parts of the country. The seniors are the most deserving of people; they are the ones who built the modern Canada. Their sacrifice through the depression of the thirties and the Second World War was made even greater in that they raised their families through these difficult times. Therefore I fully agree with our campaign promise to raise the guaranteed income supplement to the old age security pension by $35 per month per household by July 1 of this year. This pledge has been reiterated in the Speech from the Throne. This will provide increased assistance to over 1.3 million senior Canadians. More important, however, in the long run will probably be the notice by the government in the throne speech to convene a national pension conference in the fall of this year as a forum to discuss providing better, more flexible and portable pensions in the private and public sectors.

Finally, I wish to refer to the most important issue facing Canada today—whether Canada itself will continue to exist in the face of the strong challenge from René Lévesque and the government of Quebec. The referendum date of May 20 was announced today and these next five weeks will be of critical importance to the future of Canada. As one of English-Irish background, born and brought up in the Toronto area, it is difficult for me to express with any adequacy my strong feelings about the necessity of keeping Canada one.

We heard a very moving speech by the Prime Minister, and excellent contributions by the Leader of the Opposition (Mr. Clark) and the Leader of the New Democratic Party (Mr. Broadbent) this afternoon on this vital matter which contained passages of logic and quiet passion that I could not hope to duplicate. I can recall my pride and interest in travelling from my grandfather's farm in eastern Ontario, years ago as a boy, to Montreal and Quebec City, and being so proud that the province of Quebec was an excitingly different but integral part of our country of Canada. During my trips back to Quebec throughout the years as a lawyer, a sometime politician, and with my wife and children, the realization has never left me that Canada is so fortunate to have two founding peoples who share the same basic ideals.

Canada is truly unique among the nations of the world. Its culture today comes from many sources. From the contribution of the two founding peoples, it has grown to a nation of great international stature. Since its earliest beginnings Canada has welcomed people from all nations, races and economic backgrounds, relatively free from the shocks and tensions which have torn other nations apart. We have a nation which encourages diversity in its citizens, whatever their backgrounds. Our citizens are free to practise whatever cultural or religious beliefs they may have in the context of co-operation and tolerance.

Part of the international stature of Canada comes from the example of tolerance and diversity it gives to the world. It would be a tragedy, then, to allow this opportunity for growth and enrichment to slip through our grasp. I pray that the efforts of the Quebec federalists of all political parties will be crowned with success, and that the results on the evening of May 20 will herald a vote of confidence in our country and a new beginning for a more united and a more understanding Canada.

Some hon. Members: Hear, hear!

Mr. Ian Waddell (Vancouver-Kingsway): Mr. Speaker, I am very grateful for the opportunity to speak in this throne speech debate of the Thirty-second Parliament. I am especially happy to follow the speech of my leader, the hon. member for Oshawa (Mr. Broadbent), the only federal leader today, in my view, who is articulating the concerns of ordinary people in this country.

Also I am proud to represent the constituents of Vancouver-Kingsway. That is a riding located in east and southeast Vancouver. They are working people, they are confident people, and they are self-reliant. They want a fair share of Canada's prosperity which by their labours they have the greatest share in creating. They want I think what all Canadians want, a prosperous and democratic Canada for their children and their children's children. For nine years they were represented in this House by Mrs. Grace MacInnis, and I am conscious of the burden on me here in following in her noble traditions and great footsteps.

● (2120)

Some hon. Members: Hear, hear!

Mr. Waddell: Many of my constituents are immigrants, as I am. As a matter of fact, I am a double immigrant. First as a young Scots lad I emigrated to Toronto in 1947 to live through the experience of Canada's first suburban post-war growth in, of all places, Etobicoke, and secondly as a young adult to Vancouver on the west coast to share in the coming of age of that wonderful and golden city.

Where I make sense in my remarks to follow, Mr. Speaker, I thank Canada's public education system which has served me so magnificently. Where I talk nonsense, I put that down to the fact that I was weaned at least in part by the *Toronto Star* and the Vancouver *Sun*.

Before I talk about some of the issues that particularly concern me, especially the energy issue, since I am the energy critic of our party, I want to refer briefly, as I feel almost compelled to do tonight, to the speech this afternoon by the Prime Minister (Mr. Trudeau).

I have a note here from a member across the way asking me where my phone books are. The first speech I made in the House of Commons I delivered while on some phone books to make me a little taller. The member over there then started to heckle me. After giving me the phone books he started to say it was a Liberal platform.

Some hon. Members: Oh, oh!

An hon. Member: That's the best they had.

Mr. Waddell: I can assure you it was a lot better than the ones they offered during the election campaign.

I want to speak, as I was saying, about some of the remarks the Prime Minister made in this House this afternoon. They reminded me, indeed, of constitutional law lectures at university. That was a subject which was a particular favourite of mine. I always remember the hours spent on detailed and logically exhilarating discussions of the most learned and obtuse constitutional questions. Those lecture took place in the afternoons. Then I would step out in the light of day at rush hour on University Avenue in Toronto and have to make my way home in the real world. When I listened to that rather obtuse and, in many ways, brilliant lecture this afternoon by the Prime Minister, I felt that somehow the real tragedy of this Prime Minister is that he is no longer in the real world of ordinary people.

He spoke eloquently of loyalty and patriotism and the need of our citizens to get a fair deal and a fair share of the wealth of the country, and he dissected logically the Quebec referendum question.

My constituents would ask whether this is the same man who promised a just society in 1968. Look what happened to that vision. This is a man, the Prime Minister, it seems to me, who was given power not once but twice by the Canadian people, in 1968 and 1974, to really move the country. They gave him power on other occasions, but on those particular occasions he was given the power to really move this country. It seems to me that chance comes to a politician once, but rarely twice in a lifetime, yet this Prime Minister, this fallen hero in many ways, frittered away his chance and his mandate to move this country.

We are now welcomed in the 1980s by men who are essentially of the 1950s. They have no credibility to me. The Prime Minister should not be surprised if my colleagues, my constituents, and many people in the country do not respond to his urgings, and that as a nation we do not respond.

I think my leader, the hon. member for Oshawa, put his finger on this matter very succinctly and brilliantly in his speech this afternoon when he said "politics requires action to meet the real needs of human beings". During the recent federal election campaign which we all suffered through, the cartoonist, the brilliant Asselin, caught the campaign beautifully in a cartoon in which he showed a DC-9 jet in the sky; the Liberal campaign plane. The caption underneath said, "Trudeau waving at the crowd from 30,000 feet". It was one of the most sleazy and cynical campaigns ever waged by the Liberal party. We, in British Columbia, could see that when the local Liberal candidates—

Some hon. Members: Oh, oh!

Mr. Waddell: I say that seriously, that it was sleazy. They raised the matter of oil ports. Can you imagine the Liberal party in British Columbia raising the issue of oil ports? I can see the hon. member for Skeena (Mr. Fulton) nodding his head in agreement. Imagine them raising the issue of oil ports and blaming the Conservatives for possible oil spills off our magnificent coast when it was the failure of Liberal policy that caused those tankers to go down there in the first place.

As a result of the election we changed from a naive and incompetent government to one that is run by a small group of men, a dangerously small group of men in my opinion, led by a

"Mr. Kurtz" figure right out of Joseph Conrad's "Heart of Darkness", or perhaps more modernly a Colonel Kurtz from Coppola's film "Apocalypse Now".

The "enemy within" that the Prime Minister spoke about, it seems to me, is the unreformed, unenlightened, tired old retreaded Liberal Party in Canada. That is the "enemy within". Colonel Kurtz's throne speech is simply a steal from NDP rhetoric without, I submit, the commitment to carry it out.

Geoffrey Stevens wrote in his column in *The Globe and Mail* yesterday that the country finally has a choice between liberalism on the left and conservatism on the right. Although he is a journalist I very much admire, he is dead wrong on that issue. This is the last Liberal government we are going to see in Canada. I suggest to hon. members that they should wait until after the referendum. Wait until after the next election to see what happens. The Liberal party has nothing to offer any more to the people of Canada.

An hon. Member: It's funny that the people like us.

Mr. Waddell: They don't like you out west and they are not going to like you in other parts of the country after a few months.

Take, for example, the freedom of information legislation. That is the critically important area of citizen access to government information. The previous Trudeau government promised that too. Have we forgotten that? The Conservatives brought in a bill which needed some tightening, especially in the exemptions, but it was basically a good bill.

Ged Baldwin had this to say in the House of Commons on November 29, 1979:

> When I leave here, as I fully intend to do when this Parliament is over . . . this permits me to leave knowing that the country will be in good hands and that there is no obstacle to prevent any hon. member, if he or she has an issue, from taking hold of that issue, fighting for it . . . and presenting that issue over and over again.

I predict that those words will be quoted again and again by politicians in this House and by political scientists. Baldwin insisted on the critically important provision in that freedom of information bill that any dispute between the citizen and a minister on the release of a document should ultimately be decided by the courts. Michael Pitfield, the recycled Clerk of the Privy Council, in a recent speech about a month ago rejected that concept. He would let the minister make the decision, not the courts, and thus emasculate the bill. Perhaps journalist Stevens will be holding his breath for the bill, but I am not. I can see what is happening. Colonel Kurtz and his sidekick "The Pits" are going to emasculate the bill and that will be part of the pattern of this government—great promises not carried out.

I want to speak a little bit about energy. In the throne speech the government sets the modest goal of 50 per cent Canadian ownership of the petroleum industry by 1990. This 50 per cent Canadian content is a familiar idea in this country. Look at our broadcasting regulations which have been on the books all these years, and which were intended to ensure the equality of Canadian opportunity on our own air waves. Somehow the idea has been subverted. All the Canadian programming is in the morning and afternoon, while the prime time is still filled with American production.

• (2130)

I fear the same thing will happen to the proposed "Canadianizing" of our petroleum industry. Foreigners will continue to dominate the valuable oil fields of southern Canada, where the lucrative light oils are found and where the profits are enormous. Canadian business is left with the fringe areas, the marginally productive wells, and the high risk exploration. I want to see Canadian companies having a piece of the prime, not the left-overs. I want assurances that the government policy will not amount to token participation in our petroleum industry by Canadians. I suggest to the government that the best way to get into the mainstream of Canada's petroleum industry would be to acquire one or two of the major companies, which already operate in the prime areas, in the prime time.

Production of conventional light crude oils will have dropped off from 1,255,000 barrels per day according to 1978 figures to 516,000 barrels per day in 1990. The highly profitable light oil production from Alberta will be a shadow of its former self by 1990. It will only be 40 per cent of its present production, and most wells will be into expensive secondary production or tertiary production techniques. Meanwhile, the oil industry will continue with the policy of reinvesting its massive profits in non-energy investments and in uranium.

The big oil companies see the writing on the wall. They are not stupid. They are getting out of oil now that they have made their fabulous profits. Now they are gaining a tight grip on the mining industry in Canada and a stranglehold on the uranium industry. What does this government propose to do? It proposes to gain 50 per cent control by 1990. It should be ashamed of that promise. It is too little and too late.

As NDP energy critic, I will have the opportunity of detailing what we would do in energy policy over the next few years. Our policy will be imaginative and it will be detailed. We would take Petro-Canada and expand its stations, not cut it back like hon. members to my right. We would expand it from coast to coast so Canadians could fill up at their own stations and use their Canadian credit cards. Here in Ottawa, the nation's capital, one cannot buy a dollar's worth of Canadian gasoline from a Canadian station. We would end that. Why do we write ourselves short as a nation? Why can we not really develop an energy policy that is imaginative and expand Petro-Canada in that way?

There is no mention of natural gas exports in the Speech from the Throne. Successive Liberal and Conservative governments have been selling the stuff off at record prices for a quick buck. We say that it is time to stop. We say that the minister should be instructing the National Energy Board that there will be no more selling off and no prebuilding of the Alaska pipeline.

Some hon. Members: Hear, hear!

Mr. Waddell: An NDP government—and I hope that in my lifetime there will be one federally—would keep the good stuff, the accessible gas, for Canadians, and would pipe it throughout Canada.

An hon. Member: All you can do is hope.

Mr. Waddell: I thought that would get a rise from members opposite. We would make sure that the proposed petroleum price auditing agency has teeth. It should report to Parliament and not to the department. I can just see, the Liberals in 1990, if they continue in government, saying as they are with regard to FIRA in 1980, "We would like further legislation to beef it up". They themselves created FIRA and now they are asking for further legislation.

The government is supply oriented. We in the NDP would advocate serious conservation measures. This is the real way to decrease our dependence on foreign oil.

An hon. Member: Oh, oh!

Mr. Waddell: The hon. member, Mr. Speaker, will have his chance. Perhaps he will let me complete my remarks.

Mr. Simmons: I was only trying to cool down your guys so I could hear you.

Mr. Waddell: A Newfoundlander trying to cool down someone from Skeena will get beat out. I was saying, if the hon. member will listen, that the Saskatchewan conservation house covers 80 per cent of its heating bill by passive solar heat and insulation, a $125 heating bill for 1,760 square feet. We have good programs in this country such as the CHIP program, the energy bus program and so on. But the government is not getting out these programs to the people. The hon. member for Vancouver East (Mrs. Mitchell), and I, hope to make a proposal later with respect to neighbourhood conservation, an area where it really matters.

Conservation is no longer an aesthetic or a moral issue. It is now a matter of survival. If there is a revolution in Saudi Arabia like in Iran, then the game is over for the industrialized world. That is a serious matter. We in the NDP are ready to offer ideas and alternatives, and some serious energy policies which we do not see in the Speech from the Throne.

[*Translation*]

Mr. Speaker, we are ready to listen to our sisters and brothers from Quebec. We are ready to work together after the referendum and set up a new social democracy for ordinary people but not for large corporations. We have learned a lesson from social democrats. Economic planning is possible in all areas and provinces of the country.

[*English*]

We are learning, and I say this frankly to my own party, that there can be economic planning and socialism in the regions of Canada. We will see in the next few years, I hope, our party regaining the governments of Manitoba and British Columbia for social democracy, and we will continue our experiments there.

An hon. Member: Experiments?

Mr. Waddell: And continue our good government there.

Mr. Siddon: Experiments. You said it right the first time.

Mr. Waddell: I want to conclude by saying that I am very proud, not of the social crediters over here from British Columbia, but of my colleagues.

An hon. Member: Oh, oh!

Mr. Waddell: I will ask the hon. member to write me a letter. I am very proud of my colleagues. We have activist ministers, teachers, social and community workers, storefront lawyers, and a host of other occupations. We have a young caucus which is willing to be the real opposition in this Parliament. It seems to me that we are a group of people who fought the battles of the 1960s and the 1970s, not like the Prime Minister who did it from high above, but from a street level and gut level.

We have added our experiences to the rock of the Woodsworthian tradition, and I am proud of it. I am proud of the principles of the NDP and the civil liberties traditions of our party.

There are many more things which I would like to say tonight, but I hope that I will get a chance later. I would like to conclude by quoting someone whom I very much admired as a law student. The gentleman's name is Frank Scott, a great lawyer and poet, who said:

From those condemned to labour
For profit of another
We take our new endeavour.
For sect and class and pattern
Through whom the strata harden
We sharpen now the weapon.
Till power is brought to pooling
And the outcasts share in ruling
There will not be an ending
Nor any peace for spending.

[*Translation*]

Hon. André Ouellet (Minister of Consumer and Corporate Affairs and Postmaster General): Mr. Speaker, first I would like to pay tribute to the new Speaker of the House, the hon. member for Laval-des-Rapides (Mrs. Sauvé), to congratulate her on her appointment and wish her much success in her new responsibilities. I would also like to congratulate the member for Rimouski (Mrs. Côté) and the member for Sudbury (Mr. Frith) for their timely and sensible comments. I believe that the prestige of Parliament will be enhanced by the arrival of both new members and we must surely be grateful to their electors for having sent them to Ottawa.

● (2140)

Mr. Speaker, I am aware here today that I am probably delivering the most important speech of my political career. And it is to the voters of my riding of Montreal-Papineau that I want to speak to first of all. And, through you, I want by the same token to speak to all my fellow Canadians living in the province of Quebec, not Quebeckers, no, Canadians living in the province of Quebec. And I set that straight because I think it is high time that we do so because we have for several years now suffered, endured, and tolerated a subtle, sneaky, and machiavellian campaign bent on downgrading Canadian entity, Canadian federalism, Canadian institutions while at the same time we have been beset from all sides by an endless and sustained propaganda aimed at glorifying Quebec's specificity, beautifying the Quebec identity, and sanctifying the word Quebec. In short, we have had a martyr made of Quebec and a villain of Canada. And I think that joke has lasted long enough of having us believe that Canada is a dirty word and that we must always necessarily talk about Quebec. I suggest that this invading propaganda has been the systematic work, of course, of convinced separatists, who have infiltrated everywhere in Quebec, in all quarters, at all levels, in the area of education first, then in the area of information, in the artistic community, of course, in the trade union realm, in the agricultural world, in the provincial public service and also in the federal public service, in intermediary bodies, in professional organizations, in social clubs and even in charitable organizations.

Those separatists have striven hard to spread their philosophy. Without any scrupules, they have carried out their biased activities without any respect for objectivity and have constantly criticized the Government of Canada for nothing and everything. In the name of a free Quebec, and probably in search of equality, they have scandalously abused that extraordinary freedom that is unequalled in Canada. Those teachers who were required to teach objectively have set young Quebeckers against Canada and those reporters who were paid to be objective have minimized for all sorts of reasons federalist activities and heralded separatist activities. We had vivid evidence of that just this past weekend. They talked about an immense success of a meeting of 500 people in Donnacona and a half-success of a meeting of more than 3,000 federalists in Chicoutimi. Those artists, overpaid by the CBC, who have been whining about this country for years, those unionmen and politicians have enjoyed total freedom in their work of torpedoing Canadian unity. There is no doubt that if these people had tried to do this in any other country around the world, they would have been socked, they would have been clubbed, they would have been jailed. More still, in a number of countries they would have been shot for doing less than they could do in Canada, this free country of ours, where they had total freedom to hamper things wherever they could, in order to be able to say that everything went wrong in Canada, where they could unchallenged apply the slogan: "If you don't spare the lies, some will catch on."

There have been so many lies told about Canada that some people in Quebec are led to believe despite themselves that this country is bad for them. The referendum in Quebec will not happen just like that, Madam Speaker. It is being held because, of course, they are people who want Quebec to secede, but also and foremost because there are people in the Canadian government who allow that kind of freedom of thought, freedom of action, freedom of contestation to go on. That it is possible to enjoy in this country such a degree of democracy, of freedom and utmost equality is a tribute to our Canadian federalism.

In Canada, Canadians are really free, and that freedom is closely protected by our federal political system, with its two levels of governments to serve the people. Different levels whose *raison d'être* is complementation rather than duplication, to ensure healthy emulation in the interest of people, to provide Canadians with all the services and benefits they require. Indeed some people have been seen time and again to approach the other level of government in order to get better service.

In some cases, people go to the federal level saying the province is not doing exactly what they want, and asking for an improvement. And in a number of circumstances the federal government stepped in and granted their request. Conversely, wherever the Canadian government did not fully assume its responsibilities, provincial authorities were seen a number of times playing a suppletive role, stepping in and completing the work of the higher level in order to better serve its citizens. So, Madam Speaker, certain groups in Quebec want a new government. A government which would be that of a free Quebec and would, of course, bring about a unitary state with a single level of government. Quebec separatists tell Canadians and Quebeckers that there is no need for two levels of government, that this is more expensive, that it results in duplication and that it would be much better to have only one, the Quebec level. However, Mr. Speaker, I wonder if the citizens would have the same freedom? How would they be protected against the abuses of such a unitary state? Would they be better served? I am not saying that there would necessarily be less freedom and services provided to Quebeckers under a unitary system. However, what I am saying is that Canada is an experience that we are living and that has already proved worth while. I An independent and free Quebec represents the unknown and uncertainty. Through you, Mr. Speaker, I want to say this to my constituents of Montreal-Papineau: You will have the opportunity to take part in a referendum on May 20. The simple fact that you will be able to express your feelings secretly and democratically about the future of Quebec within or without Canada shows that you live in one of the freest countries of the world, and I hope that you will remember this and take this freedom into account when you make your choice.

• (2150)

I have no intention of trying tonight to quote figures or to use any kind of argument to influence the choice of my fellow citizens or to decide in their place, and I must say, Mr. Speaker, that I have really great confidence in the decision that my constituents will make and I am very optimistic about this referendum. I am not afraid of the results of this electoral consultation because I have a profound belief in my country, in Canada, and I am well aware of the judgment and the good sense of Canadians who live in Quebec and who want to remain Canadians. I have therefore no hesitation in saying that this separatist move on the part of René Lévesque and his colleagues will fail.

Quebeckers will see further than this ambiguous and misleading question, further than all the publicity, the propaganda and the scenario put together by out and out separatists, and they will realize that the ultimate objective of the Parti Québécois is to separate Quebec from Canada; they will realize the danger of going too far in the process of dislocating the country, in the eternal phasing promoted by Claude Morin. I am certain that the majority of them will vote No on May 20.

Mr. Speaker, the PQ was elected in 1976 in Quebec because it had promised to be a good government, to operate within the context of the Canadian confederation, to play the Canadian game fairly, and to hold a referendum as soon as possible on the first option of that party, namely the independence of Quebec. That party has failed to meet any of these three promises. The PQ government has increased the indebtedness of Quebec more than any other government before. Although it had promised to ensure peace in labour relations, we all know that Quebec citizens are plagued with a great many and endless strikes in the public sectors: schools, hospitals, public transit systems.

The PQ government demonstrates more than any other an arrogant and off-hand attitude towards the private sector. It has forced companies out of Quebec, it has prevented others from coming to Quebec and by doing so it has deprived Quebec workers of thousands of jobs. Rather than playing his part in Canadian federalism, Mr. René Lévesque made a fool of himself at federal-provincial conferences by sulking and slamming doors. We saw that not only at one but at two successive federal-provincial conferences. He has not played the federalism game like he said he would. His minister, Mr. Claude Morin, and his comic book peddler, Mr. Yves Michaud, have cultivated world diplomacy and have acted as if Quebec was a totally different country from Canada.

Finally, we have had to wait almost four years before the referendum is held, and not only have we waited four years, or more exactly three and a half years for the Quebec referendum, but the clear and precise question on the independence of Quebec is not even asked in the referendum. Not only is this clear and precise question not asked, but they even have the nerve to add in the question that there will probably be another referendum a bit later. That is outright deception and abuse of power against the population of Quebec.

I say that this government, which had made quite precise commitments on the eve of the 1976 election, has broken its promises and has acted deceitfully toward the population. Today, on the eve of this referendum, we cannot trust this government which is asking for a mandate when we know very well that at the first opportunity it will betray this mandate which could be given by the population of the province of Quebec. Mr. Speaker, I see it is now ten o'clock and with your permission, I will resume my remarks tomorrow.

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

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

INDUSTRY, TRADE AND COMMERCE—JOBS AVAILABLE IN AUTOMOBILE MANUFACTURING

Mr. Ian Deans (Hamilton Mountain): Mr. Speaker, today in the province of Ontario there are some major problems confronting a number of workers, in fact a large number of workers, and I raised two questions with the minister. One was whether or not he could provide information for the House regarding the terms and the guarantees that were given at the time the federal government entered into a $68 million guarantee for the Ford Motor Company. Second, I asked whether the minister might be able to tell the House what sort of steps he proposed to take in order to ensure that the workers in the province of Ontario faced with these very difficult times would be at least guaranteed some form of support.

• (2200)

In this province the auto industry is in a very sorry state. As of today, the casting plant in Windsor will be mothballed. It may open some day in the future, but there is no guarantee. At the moment, 900 employees there will be out of work. In Oakville, another Ford plant, one shift will be laid off with 1,500 workers unemployed. All told in the province there are some 20,000 workers in the auto industry who are presently unemployed or about to become unemployed. That does not take into account the impact of what is happening with Chrysler or the snowballing effect that the closures of Ford and Chrysler will have on the subsidiary industry and of the suppliers who relate directly to those two major corporations.

I found the minister's answer quite unsatisfactory because, to the question of what were the guarantees, he answered that he could not tell me. He could not tell me because he had to have the permission of the Ford Motor Company before he could tell us what guarantees were written into the agreement which gave $68 million of tax money to Ford. It is ludicrous to

think that in any business arrangement the person who put up the money would not at least have the right to immediate access to the guarantees and, in the case of a public agency, would not be able to report to the public from where the money comes or what sorts of commitments they were able to get at the time that guarantee or contract was made.

As to the second question, the minister's answer was simply that he was meeting no doubt with a large number of industry people in an effort to try to find a solution. I suggest that he might take another look at the auto industry.

The auto industry and the way in which it must be dealt with must be dramatically changed in this country. We cannot possibly allow the kind of piecemeal approach that has been used over the course of the last number of years in terms of trying to rationalize an industry that is in such a state of decay. Chrysler is on the verge of bankruptcy, if not in fact bankrupt. Ford Motor Company will lose about $1 billion this year. Who is next?

We are having meetings, meetings with suppliers and with the industry. We are in the process of considering whether it might be appropriate to loan, guarantee, or otherwise make available to Chrysler Corporation some half a billion dollars. As soon as that decision is made, Ford will be standing with its nose in the trough trying to find out just what share of the public purse it will be able to enjoy.

There has to be a reordered auto industry in this country. The auto industry is to blame for all of its own problems. Surely it must have been able to see as far back as seven or eight years ago that a dramatic shift was taking place in the purchasing preference of the people of North America. Surely it must have been able to project ahead and to see that the energy crunch that was becoming apparent was going to cause all kinds of difficulties for the monstrous vehicles that it built.

● (2205)

However, the companies did no proper planning. They did not make the transition, they did not invest the money, they did not involve themselves as good corporate citizens might have been expected to do in attempting to find the solution which would have kept their industries viable and competitive.

I think the minister has to sit down with these companies at the highest level. He has to say to them that this transition which is about to take place must take place now, and that there can be no public funds made available unless the people of the province of Ontario who are presently involved in the operation, the Government of Canada, and the people of Canada who will be putting up the money, are guaranteed that the outcome of whatever is finally decided will be that the auto industry in the North American continent, and in Canada in particular, will be competitive with the European auto manufacturers not only here but also in other parts of the world, and will be able to compete free from the encumbrances of parent companies in the United States.

I ask the minister to address himself to those matters. They are vital to the economy of this province and vital to the economy of this country. Two out of every ten people in this province work in the auto industry or in related industries, and I suggest that without it we are going to be in a very sorry state in many communities.

[*Translation*]

Mr. Gérald Laniel (Parliamentary Secretary to Minister of Industry, Trade and Commerce): Mr. Speaker, I am really amazed to hear the hon. member who seems to be dissatisfied with the judicious reply the Minister of Industry, Trade and Commerce (Mr. Gray) gave him this afternoon, simply that he could not give out the information requested without having obtained permission to do so from the Ford company. I must point out to the hon. member that, whether it be a union contract, that of an automobile company, or any other contract, even that of marriage, two parties are always involved. The hon. member seems to forget that when responsible people sign a contract they agree on certain premises, they agree to co-operate, and in view of present circumstances, all the more so with regard to jobs in the province of Ontario. To my mind, he should expect the representatives of the Crown to act responsibly. I shall continue in English.

[*English*]

As the Minister of Industry, Trade and Commerce said this afternoon, this matter is one of deep concern to himself and to the government. He is meeting tomorrow with representatives of the United Auto Workers to discuss this matter, and is also seeking an early meeting with the president of Ford for the same purpose. Within days of becoming Minister of Industry, Trade and Commerce, the minister began a series of talks with presidents of the automobile manufacturing companies with a view to getting new commitments from them for additional activity in Canada, particularly in the areas of job creation, research and development, and additional production. If the hon. member had read the press during that period of time, I am sure he would have read the comments of the minister.

The minister also has met with the UAW and with independent parts manufacturers—who are greatly concentrated in the province of Quebec and who are very concerned about the activities of Ford and Chrysler—to discuss how improvements can be made to the operation of the Canadian automotive industry.

The minister intends to go on and have similar meetings with presidents of the parent companies prior to beginning formal consultation under the provisions of the auto pact. This is an important question for all of Canada, not just for Ontario. I refer to the renewal of that pact with the American government. The minister's objective and that of the government is to seek a better operation of the auto pact in the interest of Canadian workers.

[*Translation*]

The Acting Speaker (Mr. Ethier): Order. As the hon. member did himself when he sat in the Chair, with every possible consideration I must now interrupt him and tell him that the motion to adjourn the House is now deemed to have been adopted. Accordingly, this House stands adjourned until tomorrow at 2 p.m.

Motion agreed to and the House adjourned at 10.10 p.m.

HOUSE OF COMMONS

Wednesday, April 16, 1980

The House met at 2 p.m.

● (1405)

ROUTINE PROCEEDINGS

[*English*]

FISHERIES

RATIFICATION OF CANADA-U.S. EAST COAST TREATY—MOTION UNDER S.O. 43

Mr. Mel Gass (Malpeque): Madam Speaker, I rise on a matter of urgent and pressing necessity under the provisions of Standing Order 43. In view of the fact that it seems likely the United States Senate may not ratify the Canada-United States east coast fishing treaty, and in view of the importance of this treaty to maritime fishermen, I move, seconded by the hon. member for St. John's East (Mr. McGrath):

That this House directs the Secretary of State for External Affairs to immediately get in touch with his United States counterpart to impress upon him the importance that Canada places on the early ratification of this treaty.

Madam Speaker: This motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

INDUSTRY

CALL FOR REVIEW OF AND AID FOR AUTOMOBILE INDUSTRY—MOTION UNDER S.O. 43

Mr. Otto Jelinek (Halton): Madam Speaker, I rise on an urgent and pressing matter under the provisions of Standing Order 43. In view of the very serious state of the automobile industry in this country, as reflected by recent actions, including massive lay-offs and statements concerning the operations of the Ford Motor Company of Canada Limited, and Chrysler Canada Ltd., and in view of the imminence of a decision on the request for government financial assistance by Chrysler Canada, I move, seconded by the hon. member for Elgin (Mr. Wise):

That this House immediately order its Standing Committee on Finance, Trade and Economic Affairs to be set up, and the committee commence an immediate review of the state of the automobile industry in Canada and the request for government financial assistance by Chrysler Canada Ltd., as well as an over-all review of the obsolete and inadequate auto pact.

Madam Speaker: Such a motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

● (1410)

PUBLIC SERVICE

PRIORITY FOR REINSTATEMENT OF LAID OFF EMPLOYEES—MOTION UNDER S.O. 43

Hon. Walter Baker (Nepean-Carleton): Madam Speaker, I would propose a motion, under the provisions of Standing Order 43, on a matter of urgent and pressing necessity. In view of the representations made during the recent election campaign by Liberal candidates in the national capital area, that employees of the public service of Canada who were laid off would be reinstated and/or retrained, I move, seconded by the hon. member for St. John's West (Mr. Crosbie):

That the President of the Treasury Board reconsider his position that the Government of Canada has no responsibility for its employees, and take such steps as are necessary to extend the priority status of laid off employees, as requested by the Economists, Sociologists and Statisticians Association.

Madam Speaker: Such a motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

HAZARDOUS SUBSTANCES

ASBESTOS—MEASURES TO PREVENT DANGER TO WORKERS—MOTION UNDER S.O. 43

Mr. Jesse P. Flis (Parkdale-High Park): Madam Speaker, I rise on a matter of urgent and pressing necessity according to Standing Order 43. Considering that the killer mineral, asbestos, is causing lung cancer in thousands of Canadians, I move, seconded by the hon. member for Scarborough West (Mr. Weatherhead):

That this House call on the Minister of Public Works to remove or seal in federally-owned public buildings all asbestos used as insulation, fireproofing, soundproofing, or acoustics, which is flaking, crumbling, or damaged in any way, increasing asbestos dust in the air.

Madam Speaker: Such a motion requires the unanimous consent of the House. Is there unanimous consent?

S.O. 43

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

[*Translation*]

OFFICIAL LANGUAGES

FEDERATION OF FRANCOPHONES OUTSIDE QUEBEC—REQUEST THAT GOVERNMENT AND FEDERATION REAFFIRM PREVIOUS AGREEMENT—MOTION UNDER S.O. 43

Mr. Lorne Nystrom (Yorkton-Melville): Madam Speaker, under the terms of Standing Order 43, I request the unanimous consent of the House to present a motion dealing with an important and urgent matter.

Because in the course of the current constitutional debate the Francophones outside Quebec stand a chance of being overlooked, and because the former secretary of state, Mr. David MacDonald, had ratified an agreement providing for the setting up of a joint commission of the federal government and the Federation of Francophones outside Quebec, I move, seconded by the hon. member for Winnipeg North Centre (Mr. Knowles):

That this House request the present Secretary of State to reaffirm that agreement.

Madam Speaker: Order. The House has heard the motion of the hon. member. Under the terms of Standing Order 43, the motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

FEDERAL-PROVINCIAL RELATIONS

REQUEST THAT NEGOTIATIONS BE PURSUED WITH QUEBEC ON USE OF MIRABEL FARMLAND—MOTION UNDER S.O. 43

Hon. Roch La Salle (Joliette): Madam Speaker, under the terms of Standing Order 43, I request the unanimous consent of the House to present a motion dealing with an important and urgent matter.

As the Quebec government and the former Progressive Conservative government had started negotiations with a view to allowing the Quebec government to put to use for farming purposes the land now standing idle at Mirabel—I think all Quebeckers will agree with me—and as the new government intends to adopt a more receptive attitude towards provincial objectives, I move, seconded by the hon. member for Provencher (Mr. Epp):

That this House unanimously urge the responsible minister to pursue the negotiations as soon as possible.

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

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

[*English*]

AIR TRANSPORT

CALL FOR REVIEW OF NORTHERN SERVICES—MOTION UNDER S.O. 43

Mr. Peter Ittinuar (Nunatsiaq): Madam Speaker, I rise, under the provisions of Standing Order 43, on a matter of urgent and pressing necessity. Air service in northern Canada is inadequate and unreliable, and runways are often only long enough to accommodate the smaller planes which are more expensive to run than in other parts of the country. I, therefore, move, seconded by the hon. member for Skeena (Mr. Fulton):

That the Minister of Transport undertake a full review of air transportation services in the north, including a review of the Arctic airport facilities policy.

Madam Speaker: Such a motion requires the unanimous consent of the House. Do I have unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

EXTERNAL AFFAIRS

ZIMBABWE—REQUEST THAT NEW COUNTRY BE CONGRATULATED—MOTION UNDER S.O. 43

Mr. Bob Ogle (Saskatoon East): Madam Speaker, under the provisions of Standing Order 43, seconded by the hon. member for Winnipeg-Birds Hill (Mr. Blaikie), I move:

That this House unanimously acclaim the new country of Zimbabwe, which will officially come into being as the forty-ninth country of Africa in a few hours time.

I further move:

That this House unanimously congratulate and send best wishes to Robert Mugabe that his new country, with our support, will have long years of peace and prosperity.

Some hon. Members: Hear, hear!

Madam Speaker: This motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Madam Speaker: Is there unanimous consent?

Some hon. Members: Agreed.

An hon. Member: No.

Mr. Knowles: Who said "No"?

* * *

● (1415)

[*Translation*]

AUDITOR GENERAL'S REPORT

TABLING OF REPORT FOR YEAR ENDING MARCH 31, 1979

Madam Speaker: I have the honour to table in the House the annual report of the Auditor General of Canada to the House of Commons for the year ending March 31, 1979.

I remind hon. members that under Standing Order 65(1)(*g*) this report is deemed to have been permanently referred to the Standing Committee on Public Accounts.

* * *

[*English*]

HOUSE OF COMMONS

PRESENCE IN GALLERY OF RIGHT HON. EDWARD HEATH, FORMER PRIME MINISTER OF THE UNITED KINGDOM

Madam Speaker: I would like to draw to the attention of hon. members the presence in our gallery of the Right Hon. Edward Heath, former Prime Minister of the United Kingdom of Great Britain and Northern Ireland, whom we thank for his visit.

Some hon. Members: Hear, hear!

* * *

AUDITOR GENERAL'S REPORT

MR. BAKER (NEPEAN-CARLETON)—NOTICE OF QUESTION OF PRIVILEGE TO BE RAISED

Hon. Walter Baker (Nepean-Carleton): Madam Speaker, I would like to give notice of a question of privilege involving the Minister of Employment and Immigration (Mr. Axworthy) which I will be raising at the end of the question period.

Oral Questions

ORAL QUESTION PERIOD

[*English*]

EXTERNAL AFFAIRS

BOYCOTTING OF OLYMPIC GAMES IN MOSCOW

Hon. Flora MacDonald (Kingston and the Islands): Madam Speaker, my question is directed to the Prime Minister: it has to do with his reply yesterday when he was asked about his government's position with regard to support for the Olympic boycott.

Given his confused reply, which subsequently had to be twice clarified, not only by his own office but by the Department of External Affairs—and, I may say, neither time very successfully—a reply in which he indicated at one point opposition to the boycott, and then went on to say that at the same time he had written to President Carter indicating that he would support him in the measures announced—which, I presume, included the Olympic boycott—will the Prime Minister now say clearly and precisely whether or not he supports a boycott of the Olympic Games?

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, I am not surprised that the department, once again, had to clear up the confusion in the hon. lady's mind.

Miss MacDonald: They had to clear up your confusion.

Mr. Trudeau: My answer was that I had written President Carter in answer to a letter he had written to me indicating some further measures, which was made clear in a press release issued by my office about ten days ago after President Carter's letter had been received. In my answer, I indicated that indeed we were approving the various measures that he was taking in a general sense, and I indicated certain steps that we ourselves are contemplating.

Miss MacDonald: Madam Speaker, the Prime Minister, of course, has not answered the question as to whether or not he and his government are supporting an Olympic boycott, which he seemed to indicate yesterday when he said he had written to President Carter in that regard. Perhaps he would like to re-read what he said. The Prime Minister has said on other occasions that he thinks such a boycott can only be effective if it is widely supported.

● (1420)

Given the fact that some 33 countries have now publicly indicated their support for a boycott, and that includes countries from Africa, Latin America, Central America, the Caribbean, the Middle East, East Asia, Europe and North America, seeing that 33 countries have publicly advocated a boycott and 20 others have privately advocated that to the State Department, whereas only 27 have publicly stated they are against it, will the Prime Minister now say when he thinks that Canada should take a stand on this issue?

Mr. Crosbie: Come on, Pierre. Come on, old slippery shoes.

Mr. Trudeau: On the first part of the question, Madam Speaker, I want to explain once again that in this particular letter, President Carter did not raise the question of the boycott with me. He was raising—and this was made public at the time—the further steps that the United States were contemplating since there had been no recent movement in the Tehran situation. It is these recent steps that I was commenting upon in my answer to him.

Regarding the earlier question of the boycott, I made my position clear in the House yesterday, and I made it clear during the campaign. The boycott, in itself, will only be useful if it serves to show the Soviet Union and the Soviet people that there is, indeed, widespread condemnation of their invasion of Afghanistan.

An hon. Member: Do you condemn it?

Mr. Trudeau: That will only follow, Madam Speaker, if the boycott question is handled in such a way that it does not show division in the western ranks—

Some hon. Members: Oh, oh!

Mr. Crosbie: Resign.

Mr. Trudeau: —and, particularly, it does not indicate that the 104 nations which condemned the Soviet invasion in January at the United Nations do not seem able to continue that thrust of condemnation. It is to that end that we have been working, and are working now, Madam Speaker, to increase the number of people who would, together, pose some collective action.

Mr. Andre: Boycott, or not?

Miss MacDonald: A supplementary question, Madam Speaker. Given that the government had said that its new foreign policy was supposedly an active foreign policy, and yet we see no new initiatives—in fact, our allies do not know where we stand vis-à-vis Iran or Afghanistan these days—is the Prime Minister now saying that he is going to wait until after 104 nations have had their say, and that Canada will be the 105th? Or will he, now that 57 countries have declared their opposition to the games in Moscow, please state where Canada stands? Will he at least do that prior to the time Secretary Vance comes here next week to consult on this question, since I am sure he already knows the point of view of the United States on this very important question?

Mr. Crosbie: Get your courage up, Pierre.

Mr. Trudeau: No, Madam Speaker, I am afraid it is not realistic to hope that 104 nations will join in this collective action on the boycott. I think that perhaps more of them might have done so if the government to which the hon. member belonged had not made these very brave ultimata to the Soviet Union that they must be out by February 20 or else they would see what they would see. I think it should be obvious even to the former hon. minister of finance that this ultimatum—

An hon. Member: How would you have handled Munich?

Mr. Trudeau: —by his government has not had much effect on the Soviet Union.

Mr. Crosbie: It is better than your pusillanimous behaviour.

U.S. ECONOMIC SANCTIONS AGAINST IRAN—ATTITUDE OF GOVERNMENT

Hon. Ray Hnatyshyn (Saskatoon West): Madam Speaker, the Prime Minister avoids answering the question of my colleague, the hon. member for Kingston and the Islands. Yesterday he was clearly confused with respect to the sanctions against Iran and the invasion of Afghanistan, in his confused answer.

I want to ask him today specifically whether or not the Prime Minister and the government endorse the economic sanctions against Iran as proposed by President Carter, as was done by our government, the previous government, before the Security Council on December 30, 1979? Does this government endorse those particular proposals?

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, very early in the election campaign I indicated that the actions of the then Canadian government had my support.

Mr. Hnatyshyn: Madam Speaker, I recall very clearly—as I am sure many members of this House do—the statements made by the Prime Minister before and during the election campaign. I want to ask the Prime Minister if he has taken any bold initiatives with respect to Iran, as he urged on our government—particularly about getting on the phone within 24 hours—and whether he has spoken to President Carter. Also, has he spoken to the other members of the summit, led the way in getting sanctions and taken steps and initiatives with respect to the hostages in Tehran, or is he just sitting around and waiting until all the other nations go first and then he can come along?

• (1425)

Mr. Trudeau: Madam Speaker, the actions I have taken have not been bold, in the sense of those of the hon. member's party, who used them very boldly during the election campaign. But I have taken steps, and indeed our foreign minister is in Zimbabwe today following up on those steps and trying to get a little larger support for whatever action we take to condemn the invasion than the hon. member's government managed to do.

Some hon. Members: Hear, hear!

Mr. Hnatyshyn: Madam Speaker, the Prime Minister is referring to the invasion of Afghanistan, I am talking about Iran. It is next to Iraq, and it is next to Afghanistan. It is a different country.

I ask the Prime Minister whether or not—he has made reference to these letters and communications with President Carter—he will now table those documents in the House of Commons. He has made reference to them. He is required

under the rules of the House of Commons to table these documents. Will he do that, so the people of Canada can see what he is doing, if he will not tell us?

Mr. Trudeau: Madam Speaker, I knew, once again, that the kind of bold action that the hon. member describes is not the kind that I would be able to follow up. I do not believe in trying to make political yards with this. I try and get—

Some hon. Members: Oh, oh!

Mr. Andre: Even MacEachen is smiling at that one.

Some hon. Members: Hear, hear!

Mr. Trudeau: I find it more important to take effective action, and that is what we are doing.

Some hon. Members: Hear, hear!

* * *

FINANCE

HIGH INTEREST RATES—ADVERSE EFFECT ON MORTGAGES

Mrs. Margaret Mitchell (Vancouver East): Madam Speaker, my question is for the Minister of Finance. In view of the minister's insensitive statement yesterday that most Canadians can afford a home, and only a small number of home owners need help because of high interest rates, and since at least 32,000 home owners face foreclosure or must pay increased interest rates well in excess of 30 per cent of their income, will the minister take steps to ensure that mortgages renewed in 1980 remain frozen at their existing rate for at least one year?

Hon. Allan J. MacEachen (Deputy Prime Minister and Minister of Finance): Madam Speaker, I cannot give that assurance to the hon. member. There is no way that it would be possible for the government to freeze interest rates in these circumstances, or in accordance with the irresponsible suggestion contained in the amendment moved by the Leader of the New Democratic Party.

What we are attempting to do—and this ought to give some comfort to the hon. member—is ensure that home owners renegotiating their mortgages in this period of very high interest rates will be able, through techniques we are considering, to continue their payments and to maintain ownership of their homes. That seems to me to be a very sensitive approach to a critical problem.

Mrs. Mitchell: Madam Speaker, I think the minister does not recall, but I believe in 1965 there were such controls.

CANADA MORTGAGE AND HOUSING CORPORATION

FUNDING FOR NON-PROFIT AND CO-OP HOUSING

Mrs. Margaret Mitchell (Vancouver East): Madam Speaker, my supplementary is to the minister responsible for Canada Mortgage and Housing Corporation.

Since new housing starts are down dramatically, while rents for about four million tenants are skyrocketing, and many pensioners and women raising families on their own are paying up to 60 per cent of their incomes on rent, and since the greatest housing need in Canada is to increase non-profit housing to lease to tenants who are earning less than $30,000 per year, will the minister responsible for CMHC tell this House how many requests for non-profit and co-op housing were refused CMHC funding this year; and will he confirm that allocations will be increased for this kind of housing?

● (1430)

Hon. Paul J. Cosgrove (Minister of Public Works): Madam Speaker, I recognize the difficulties expressed by the hon. member opposite. I will need some time to get the specifics. However, I am pleased to say that we are aware that there are a number of demands. They seem to be numerous. I will report to the hon. member on the exact number when I have the opportunity, I expect tomorrow.

* * *

[*Translation*]

SOCIAL SECURITY

MONTHLY INCREASE OF $35 FOR PERSONS ON GIS

Mr. Serge Joyal (Hochelaga-Maisonneuve): Madam Speaker, my question is directed to the Minister of National Health and Welfare. Considering that the Speech from the Throne read by His Excellency the Governor General restates the government's undertaking to grant a monthly increase of $35 to persons receiving the income supplement, could the minister tell the members of this House whether she intends to meet her provincial counterparts so that this time, once the House has approved the increase, the provinces will not take it back from the elderly, especially those who live in senior citizens' homes?

Hon. Monique Bégin (Minister of National Health and Welfare): Madam Speaker, I would like to admit that there is such a problem which deeply concerned the members who were in the House two years ago. A week or ten days ago, I believe, I wrote to each of my provincial counterparts to make sure it would not happen again, if possible, and I asked them specifically to increase the allowance given as pocket money to senior citizens who receive the supplement and live in such homes, that is, almost 10 per cent of all senior citizens. For example, I know that if Quebec were to act as it did last time, it would be taking $6 or 7 million from older people.

[*English*]

ENERGY

REDUCTION OF OIL IMPORTS—EFFECT ON ENERGY PRICES

Hon. John C. Crosbie (St. John's West): Madam Speaker, my question is to the Prime Minister, who last fall had a tiger in his tank when it came to foreign affairs: now he has not even got a pussycat.

Some hon. Members: Oh, oh!

Mr. Crosbie: At the summit meeting last June in Tokyo, which the Prime Minister missed—

Some hon. Members: Oh, oh!

Mr. Crosbie: —the real prime minister agreed that Canada would reduce its annual average rate of growth of oil consumption to 1 per cent by the year 1985, with the consequent reduction of oil imports by 50,000 barrels per day. That did not imply any agreement on oil prices.

Will the Prime Minister tell us whether he intends to keep to this commitment. If so, how is he going to keep to that commitment in view of his policy announced during the election campaign in connection with the oil situation?

[*Translation*]

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, surely the hon. member knows that at the next summit held in Venice the energy issue will be discussed at length and the Minister of Energy, Mines and Resources and myself are preparing the Canadian position on the matter.

[*English*]

Mr. Crosbie: Madam Speaker, the question I asked the Prime Minister was whether he was going to honour the commitment given by Canada at the summit meeting of last June with reference to our position on reducing oil imports by the year 1985.

Is the Prime Minister saying that he is not going to observe that commitment, that he and his Minister of Energy, Mines and Resources are going to make some different commitment. Furthermore, what is the Prime Minister going to do about the thousands of Americans who are coming into Canada to buy gasoline, saving $17.40 a barrel provided by way of subsidy by the Canadian taxpayer? When is he going to do something about that? How about an answer on both of those? What is his policy?

[*Translation*]

Mr. Trudeau: Madam Speaker, the hon. member is well aware that this government will not promise to repeat all the promises the previous government had made here and there. The Clark government itself had to renege on several of its promises. The one about Jerusalem is a case in point.

[*English*]

TRANSPORT

FUNDS FOR DEVELOPMENT OF RIDLEY ISLAND GRAIN PORT, PRINCE RUPERT, B.C.

Mr. Jim Fulton (Skeena): Madam Speaker, my question is to the Minister of Transport. I would like to congratulate him on his appointment. Would the minister assure this House and western Canada that the infrastructure funds for development of the Ridley Island grain port in Prince Rupert will be made available at levels acceptable to an immediate go-ahead, thereby removing all existing uncertainties.

As I am sure the minister appreciates, grain farmers and producers in the western provinces view this development as crucial, because every day of delay is costing them and Canada millions of dollars.

Hon. Jean-Luc Pepin (Minister of Transport): Yes, Madam Speaker, I can do that. My generous predecessor committed $42.5 million to that objective. As is well known, however, some of that money was to come from the governments of British Columbia and Alberta. I had to ensure that it was still there unconditionally. It is.

Mr. Hnatyshyn: What about Saskatchewan?

Mr. Pepin: I invited the government of Saskatchewan as sympathetically as I could to contemplate making a similar contribution. The question of the wharf never having been cleared up—I think that is true—I informed the consortium that the wharf would be on a cost-recovery basis.

It can therefore be seen that I am trying to put together all the loose ends. I am convinced the project will go ahead, and I am dedicating myself fully to that objective.

Mr. Fulton: Perhaps the minister will give an unequivocal yes or no as to whether or not the funds for the infrastructure costs will be in place before the end of this month.

Mr. Pepin: Yes, Madam Speaker.

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EXTERNAL AFFAIRS

RATIFICATION OF CANADA-U.S. FISHING TREATY

Hon. James A. McGrath (St. John's East): Madam Speaker, in the absence of the Secretary of State for External Affairs, I wish to ask the Prime Minister this question. In view of the very disturbing reports coming out of Washington that the U.S. Senate may not ratify the Canada-U.S. fishing treaty which is so important to the Atlantic provinces, and in view of the fact that two months ago there seemed to be a disposition on the part of senior U.S. congressmen, as well as Senator Church, the chairman of the Senate foreign relations committee, to get on with ratification of this treaty, I wish to ask the Prime Minister what steps the government took to take advantage of the good will that existed there at that time, in order to

impress upon the U.S. government the importance to Canada of ratification of this important treaty.

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, I was very distressed indeed to realize that ratification of the treaty was somewhat in doubt. The hon. member will recall that it was a previous Liberal government which put that treaty in place and negotiated it. I was somewhat disturbed to learn that so little had been done by the Conservative administration to follow up on that treaty.

Mr. McGrath: My supplementary question to the Prime Minister is this: In view of the fact that the failure of the U.S. Senate to ratify this treaty could have very serious consequences on the east coast fishery, especially the very important scallop fishery, and in view of the fact my colleague, the former secretary of state for external affairs, made representations to Cyrus Vance and Senator Church, I ask the Prime Minister why this government failed to impress upon the U.S. government, at a time when there was good will there toward us, the importance of this treaty to Canada.

Mr. Trudeau: Madam Speaker, I am sure you recognize the element of rhetoric contained in that question. We negotiated the treaty; we signed it; we were ready to implement it. When we left the office of government, the United States were well disposed. Something must have happened during the Tory six months to cause this indisposition, and we are going to try to correct it.

Some hon. Members: Hear, hear!

Mr. Crosbie: Resign.

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EXPORT DEVELOPMENT CORPORATION

STATUS OF LOANS MADE TO IRAN

Mr. Harvie Andre (Calgary Centre): Madam Speaker, my question is for the Minister of State (Trade): it has to do with our business dealings with Iran. Can the minister indicate the current status of Export Development Corporation loans to Iran? Can he indicate if any of these loans are currently in default?

Hon. Ed Lumley (Minister of State, Trade): Madam Speaker, at the present time there are about $125 million in loans outstanding through EDC. I am not aware at the present time if any of them are in default.

Mr. Andre: I realize the minister may have difficulty figuring out the policy of his government toward Iran. Can he advise the House what instructions he has given to the Export Development Corporation? For example, has he instructed them to cease disbursing any further funds in addition to the $125 million in loan commitments that are outstanding?

● (1440)

Mr. Lumley: Madam Speaker, my colleague, the Secretary of State for External Affairs, has stated that our policy with regard to Iran will be announced within a week.

* * *

ROYAL CANADIAN MOUNTED POLICE

ALLEGED DISSATISFACTION WITH SALARIES AND GRIEVANCE PROCEDURES

Hon. Warren Allmand (Notre-Dame-de-Grâce): Madam Speaker, my question is for the Solicitor General. Would the hon. gentleman confirm whether it is correct that over 100 members of the RCMP have formed an association to establish collective bargaining in the force, due to dissatisfaction with salaries and grievance procedures? If so, what response is being made by the minister and the government to this initiative?

Hon. Bob Kaplan (Solicitor General): Madam Speaker, I have given a lot of thought to grievances within the RCMP. It is quite true there has been the formation of this collective bargaining association. I am giving it consideration because there has been within the ministry for a number of years an RCMP act in revision and under consideration. I have made this a top priority. That act contains grievance procedures. It was in the Speech from the Throne, and I hope to be able to bring it forward soon. I hope the members of the force will try to live with it and give it a chance before they consider abandoning it and seeking some other way of resolving grievances.

Mr. Allmand: Madam Speaker, would the Solicitor General confirm whether it is correct that a larger number than average are now quitting the force due to low morale and dissatisfaction with working conditions?

Mr. Kaplan: Madam Speaker, no, I do not believe that is the case. There is a report in the papers today to the effect that a larger number than average are quitting in the province of Alberta. That is a fact; I have checked it. But the reason seems to be economic conditions in Alberta, rather than any particular problems with grievance procedures in that province.

AMENDMENTS TO ROYAL CANADIAN MOUNTED POLICE ACT

Hon. Allan Lawrence (Durham-Northumberland): Madam Speaker, now that the Speech from the Throne has indicated that the Solicitor General is proceeding with those amendments to the RCMP legislation which were prepared for him by the previous government, would he tell us why on March 9 he indicated that he did not intend to proceed with those amendments?

Hon. Bob Kaplan (Solicitor General): Madam Speaker, I do not know what the hon. member is referring to. I have never said we will not be proceeding with them. We are proceeding

with them. I have made some important changes to them and I shall be bringing them before cabinet shortly. Members of the RCMP themselves, along with members of the House, will have an opportunity to consider them soon. Basically, they implement the recommendations of the Marin commission, but they are updated so as to take some current circumstances into consideration.

GRIEVANCES OF CERTAIN MEMBERS OF FORCE

Hon. Elmer M. MacKay (Central Nova): Madam Speaker, I should like to direct a supplementary question to the Solicitor General. In light of his previous remarks, is he prepared to review sympathetically some of the outstanding grievances which have existed with respect to particular members of the force, including people such as McCleery, Brunet and a member of the force called Danch who did not have his court costs paid, despite the fact that he was successful in the Federal Court. Is the minister prepared to review these matters sympathetically?

Hon. Bob Kaplan (Solicitor General): I am prepared to review sympathetically any matter an hon. member wishes to bring to my attention.

Some hon. Members: Hear, hear!

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INDUSTRY

TERMS OF CONTRACT WITH FORD MOTOR COMPANY

Mr. Ian Deans (Hamilton Mountain): Madam Speaker, I have a question for the Minister of Industry, Trade and Commerce. In view of the fact that the contract between the government of Ontario and the Ford Motor Company—which was negotiated concurrently with the contract between the federal government and the Ford Motor Company—was tabled yesterday in the Ontario legislature and contains no clause which in any way gives Ford the right to restrict making public the terms of the contract, does the minister stand by his statement of yesterday that such a clause exists in the federal contract and, if so, why is it there?

Hon. Herb Gray (Minister of Industry, Trade and Commerce): Madam Speaker, I understand that a telex confirming Ford has agreed to the release of the agreement on the Essex engine plant is on the way. I am having the contract translated so that it may be available to the House in both official languages, and I hope to be able to table it tomorrow.

Mr. Deans: Madam Speaker, I assume the minister is familiar with the terms of the contract, since he has indicated he has studied it frequently. Is he prepared to tell the House what terms there are in that contract which guarantee the jobs in the province of Ontario which were supposedly guaranteed at the time the $68 million was extended to Ford?

Mr. Gray: Madam Speaker, my review of the contract indicates that the commitments contained in it related to the building, operating and equipment of the new Essex plant. However, at the time it was entered into, it was the expectation of everyone that those activities would be in addition to activities at the existing Ford facilities.

This has been confirmed by statements of the president of Ford of Canada himself, and this is why I am seeking a meeting as soon as possible with the heads of the parent company, as well as of the Canadian subsidiary, in order to urge them to reverse the decision announced yesterday with respect to the casting plant and to the lay-offs at Oakville.

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EXTERNAL AFFAIRS

PUBLICIZING OF CIDA POSITION PAPERS ON INTERNATIONAL AFFAIRS

Mr. Douglas Roche (Edmonton South): Madam Speaker, my question is directed to the Prime Minister. In the past year, the Department of External Affairs and CIDA prepared two position papers outlining the major trends in international affairs to which Canada will have to respond in the 1980s. These papers were intended to be a base for a parliamentary review of Canada's foreign policy.

It is the intention of the government to release these objective, professional papers and provide a reference to the Standing Committee on External Affairs and National Defence, so that it may proceed with such a study?

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, I am not aware of the particular content of those papers, but I will take the question as notice and discuss it with the Secretary of State for External Affairs when he returns.

Mr. Roche: Madam Speaker, can I infer from the Prime Minister's response that he is in favour, in principle, of the Standing Committee on External Affairs and National Defence conducting public hearings, and proceeding with such a study, allowing input from Canadians, particularly those who are interested in a constructive and vigorous foreign policy for Canada in the 1980s?

[*Translation*]

Mr. Trudeau: I have explained to the hon. member that I did not know the content of these papers, and I cannot assure him in advance that I shall make public all the papers which were prepared while his party was in power. I suggest that the hon. member himself would be opposed to that.

[*English*]

REVIEW OF ROLES OF EXTERNAL AFFAIRS AND NATIONAL DEFENCE

Mr. J. M. Forrestall (Dartmouth-Halifax East): Madam Speaker, my supplementary is addressed to the Prime Minis-

ter. We have heard since the election from the Secretary of State for External Affairs, as well as from the Minister of National Defence, that they do not believe reviews of their respective roles are required at this time. Does that represent government policy?

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, the subject was not discussed in cabinet, to my knowledge, but by way of a general answer I would say that I am in agreement with what the ministers are reported to have said. We do not see a need for extensive and fundamental reviews of those two areas of government activity.

Such reviews were undertaken, as the hon. member will recall, in the late 1960s. They were subject to some criticism by the public and, indeed, by the opposition at that time, on the grounds that rather than acting, we were studying. It is our intention in this case to act, because our studies have already been completed.

Mr. Crosbie: What about Iran?

VEHICLE OF FINANCIAL ASSISTANCE TO CARIBBEAN COUNTRIES

Mr. Bob Ogle (Saskatoon East): Madam Speaker, my question is addressed to the Prime Minister and it relates to the grave difficulties which the government of Jamaica is currently experiencing in its financial dealings as a result of a recent conflict with the International Monetary Fund.

In the absence of the Secretary of State for External Affairs, my question to the Prime Minister is this: In view of the fact that Canada has been expected to contribute an urgently needed $8 million U.S. to a World Bank program giving balance of payments support to Caribbean countries, including Jamaica, can the right hon. gentleman assure the House that this needed Canadian assistance will be made available through the World Bank, and that other official Canadian aid programs will not be hampered by this financing crisis?

● (1450)

Right Hon. P. E. Trudeau (Prime Minister): I will have to ask the Secretary of State for External Affairs for an update on this subject. As of a couple of weeks ago, I know there was an exchange between the government of Jamaica and the Government of Canada. The last communication of which I was made aware was from the government of Jamaica, indicating that there had been a rejection of the IMF approach and consequently it was asking us to hold back on any action for the time being.

Mr. Ogle: My supplementary question is to the Prime Minister: it is of a slightly different nature. Considering that needed Canadian equipment produced for the use of Alcan in Jamaica, which they need and want, is now ready for shipment and is reportedly being delayed because of the IMF decision, will the Government of Canada take supportive action to ensure that such shipments are proceeded with as soon as possible?

Mr. Trudeau: I will be happy to take notice of the question.

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IMMIGRATION

TIMOTHY LEARY—REASON ALLOWED TO ENTER CANADA

Mr. Dan McKenzie (Winnipeg-Assiniboine): Madam Speaker, my question is for the Minister of Employment and Immigration. In view of the fact that on previous occasions, former Liberal immigration ministers have refused to issue ministerial permits permitting Timothy Leary entry into this country, what new circumstances presently exist whereby Mr. Leary has been given a ministerial permit, especially in light of the fact that one of the purposes of Mr. Leary's visit was to give his first Canadian commercial performance at a Winnipeg hotel in which the minister and his brother have a financial interest? Does this not constitute a conflict of interest, in which case the minister ought to consider his resignation?

Some hon. Members: Shame on you.

Some hon. Members: Resign.

Hon. Lloyd Axworthy (Minister of Employment and Immigration): Madam Speaker, I am very pleased that the hon. member has raised that question, because he has been guilty in the past week of issuing a number of public charges based on totally erroneous information which he has now repeated in this House. Let me point out to the hon. member, first, and to other members of the chamber, that it is not the purpose of the Immigration Act to provide for censorship of view in this country.

Some hon. Members: Hear, hear!

Mr. Axworthy: A previous minister of immigration, Mr. Nicholson, put forward a statement—called the Nicholson doctrine—that there should be no attempt to prevent Canadians from hearing a variety of points of view, whether or not they are controversial. Just because the hon. member for Winnipeg-Assiniboine does not happen to agree with the position of Mr. Leary does not mean to say he should not be given the right to come to this country. In fact, if we were to follow the rules as to what the hon. member for Winnipeg-Assiniboine thought was right or wrong, virtually no one would be coming to this country to present their points of view. I would say, Madam Speaker, that—

Some hon. Members: Order.

Mr. Axworthy: In direct answer to the question—

Some hon. Members: Oh, oh!

Mr. Axworthy: —let me say that on March 6 I was given a recommendation by the department, in which I concurred, that

Mr. Leary be granted the opportunity to undertake a cross-country tour and to be available to entertain in the cities of Montreal, Toronto and Ottawa. I concurred in that recommendation made by department officials, contrary to the statement made by the hon. member for Winnipeg-Assiniboine that we contradicted them.

Some hon. Members: Order.

Madam Speaker: Order, please.

Mr. Axworthy: Madam Speaker—

Madam Speaker: Order, please. A supplementary question from the hon. member for Winnipeg-Assiniboine.

Mr. McKenzie: We are not talking about expressing opinions; we are talking about a conflict of interest. Obviously, the minister has not read his guidelines. You are not supposed to assist your relatives. In this case, you were assisting yourself in a commercial venture. You also issued instructions at Winnipeg and other cities that this man was not—

Some hon. Members: Order.

Madam Speaker: If the hon. member has a question, will he come to it very quickly.

Mr. McKenzie: My question is: Are you going to submit your resignation, or have you discussed this matter with the Prime Minister, to whom I have written on this matter? It is clear and simple that you have broken the guidelines of a minister.

Some hon. Members: Oh, oh!

Madam Speaker: Order, please.

Mr. Axworthy: The question there is really one of my privilege, because the hon. member for Winnipeg-Assiniboine refuses to listen to the truth. The truth is that I concurred in the recommendation on March 6. At no time after that—

Some hon. Members: Oh, oh!

Mr. Axworthy: Madam Speaker, do hon. members on the opposite side want to hear the truth, or not?

Some hon. Members: Oh, oh!

Mr. Axworthy: I do not think they do.

Some hon. Members: Oh, oh!

Mr. Axworthy: The fact of the matter is that on March 6, on an application from a Toronto law firm which was acting as agent for Mr. Leary, the recommendation was made. At that time, I received no further application or representation from anybody, including my relatives, concerning his appearance at a Winnipeg hotel. I learned about it probably at the same time as the hon. member did, by reading an advertisement in a Winnipeg newspaper; but no representation was made, nor was any contact made, about his appearance. The recommendation was concurred in on March 6. The arrangement for him to appear at the hotel was on April 1, and there was no other communication in between time.

Some hon. Members: Hear, hear!

Some hon. Members: Order.

Madam Speaker: Order, please.

* * *

[*Translation*]

NATIONAL DEFENCE

DATE OF PUBLICATION OF DECISION CONCERNING PURCHASE OF MILITARY TRUCKS

Mr. J.-Roland Comtois (Terrebonne): Madam Speaker, my question is directed to the Minister of National Defence.

Now that a decision has been made concerning the new F-18A fighter plane, could the minister advise the House about the program worth some $300 million to replace some 2,800, 2½-ton military trucks, and indicate at what time a decision will be made concerning this?

Hon. J. Gilles Lamontagne (Minister of National Defence): Madam Speaker, as mentioned by the hon. member, it is true that under the armed forces equipment modernization program, there exists a program to purchase military trucks. We are drafting the specifications and, as usual, we shall make sure that the economic and industrial spin-offs are shared as fairly as possible among all Canadian provinces, in particular Quebec.

* * *

[*English*]

VETERANS AFFAIRS

PRORATA PENSIONS FOR WIDOWS OF VETERANS ON DISABILITY PENSION

Hon. Stanley Knowles (Winnipeg North Centre): Madam Speaker, my question is for the Minister of Veterans Affairs. In view of widespread support for the proposition that prorata pensions should be paid to widows of disabled veterans where the veteran's disability pension was below 48 per cent, and in view of the statement made to the media by the minister a couple of weeks ago that he was planning to bring in such legislation, can he tell us if it will be introduced in the House at an early date?

Hon. Daniel J. MacDonald (Minister of Veterans Affairs): Madam Speaker, I am very conscious of the legislation to which the hon. member makes reference. I would also say that I am very conscious of the legislation brought in by the former minister. Much preparation has been done on this legislation to date. I will be making further recommendations, and I will

be speaking with my colleagues on this very subject at a time yet to be decided.

Mr. Knowles: When the minister brings in legislation respecting the subject which I just raised, will he also be bringing in the long-promised review of the War Veterans Allowance Act, as well as other pieces of veterans' legislation that need to be brought up to date?

Mr. MacDonald: Madam Speaker, this is all under review by the department at the present time.

* * *

AUDITOR GENERAL'S REPORT

RECOMMENDATIONS OF SEVERAL COMMISSIONS—MINISTER RESPONSIBLE FOR RESPONDING TO REPORTS

Hon. Perrin Beatty (Wellington-Dufferin-Simcoe): Madam Speaker, I have a question for the Prime Minister. The Auditor General's report, released today, recommends that the government co-ordinate its response to the recommendations in the Lambert report, the d'Avignon commission and the Auditor General's findings.

I ask the Prime Minister, has the government decided to vest the responsibility for responding to these reports in a single minister and, if so, who is that minister?

Right Hon. P. E. Trudeau (Prime Minister): Yes, Madam Speaker. It will be the President of the Privy Council.

Mr. Beatty: I have a supplementary question for either the President of the Privy Council or the Prime Minister. The Auditor General's report which was issued today devotes an entire chapter to the need for improved accountability and control of federal Crown corporations, as was recommended in Bill C-27 introduced by our government.

In view of the fact that while the Speech from the Throne recommends the creation of at least three new Crown corporations, and no mention was made of the intention of the government to reintroduce legislation dealing with Crown corporations in the Speech from the Throne, and no mention exists on the order paper of today, why has the government refused to take action to date or to give any indication of any intention to take action to bring improved accountability and control to Crown corporations?

● (1500)

Mr. Trudeau: Of all people, Madam Speaker, I would have thought the former minister would know the answer to that question. He knows that preparation respecting the responsibility and control of Crown corporations has been the cause of work by the Liberal government for at least two years, and that when his government took office, a draft bill—which was given to the then minister—was a bill that had been drafted by our administration. So he knows very well what our intentions are in this regard.

PRIVILEGE

MR. BAKER (NEPEAN-CARLETON)—SUGGESTED BREACH OF CONFIDENTIALITY

Hon. Walter Baker (Nepean-Carleton): I gave Madam Speaker notice of a question of privilege involving the Minister of Employment and Immigration (Mr. Axworthy).

At 2.15 p.m. today Madam Speaker tabled before the House of Commons the report of the Auditor General to the House of Commons for the fiscal year ended March 31, 1979, in which there are references to the operation of government. Earlier in the day, before this report was tabled in the House of Commons, there was delivered to the office of each member of Parliament a statement entitled: "Unemployment Insurance: Undetected overpayments in 1978 projected by the Auditor General of Canada, Statement by the Honourable Lloyd Axworthy, Minister of Employment and Immigration, April 16, 1980."

That was done this morning before the report was tabled in the House of Commons and during a period of time when there was a lock-up for the press and for members of Parliament, a lock-up which a number of members of Parliament attended. I do not know whether the minister attended or not. Perhaps he did not have any reason to attend. There is no doubt that he was not referring to anything else but the report of the Auditor General as tabled, because in the document which he delivered to all our offices in advance there was the following paragraph:

The Auditor General's annual report, tabled today—

That is in the past tense, "tabled today". It continues:

—estimates that UI overpayments in 1978 may have amounted to $290 million.

It goes on to quote a number of statistics out of the Auditor General's report.

The fact of the matter is that members of the House of Commons who saw that report were subject to quite an appropriate condition of confidentiality until that matter was tabled here in the House of Commons. I think it is a matter that is quite serious. It involves two things. The minister's behaviour is a discourtesy to the Auditor General in the first place.

Some hon. Members: Hear, hear!

Mr. Baker (Nepean-Carleton): I do not know whether it has escaped his attention or not, but the Auditor General is a servant of Parliament, not a servant of the minister. That is the first thing. The second matter is that it is a contempt of this House, and I think a minister of the Crown should know better. I believe the minister should be required to stand in his place, apologize to the Auditor General and offer at least an explanation to this House of Commons and indeed apologize to the House for this contempt of this House.

Some hon. Members: Hear, hear!

Hon. Lloyd Axworthy (Minister of Employment and Immigration): Madam Speaker, it is unfortunate that, in the

enforced vacation period the hon. member has received since February 18, he did not take the time to read reports which were previously issued by his government when they were in office. If he had taken that time, he would have recognized that in October of 1979 the Canada Employment and Immigration Commission issued its annual report. Appended to that report was the Auditor General's report relating to the activities of the Canada Employment and Immigration Commission, at which time the exact figures and numbers that were contained were tabled in October of 1979.

Mr. Baker (Nepean-Carleton): Tabled today.

Mr. Axworthy: All the information relating to overpayment under the Canada Employment and Immigration Commission was contained in the report of the Auditor General tabled in this House in October, 1979.

The report that was issued today was simply to give members of Parliament the opportunity to understand a number of corrective measures which we have since introduced upon learning of those statements of the Auditor General. It was simply to provide information to members so that they would not rush off in great haste and make great charges, but would understand that work by this government has been done to take the proper remedial measures based upon the Auditor General's report which was issued last October by the hon. member's own government. I suggest that the member go back and read that report.

Some hon. Members: Hear, hear!

An hon. Member: It was tabled today. That is sleezy.

MR. HNATYSHYN—JAMMING OF BROADCASTS OF HOUSE PROCEEDINGS

Hon. Ray Hnatyshyn (Saskatoon West): Madam Speaker, I rise on a question of privilege at the earliest possible opportunity upon being apprised of a set of circumstances which affects the rights and privileges of all members of the House of Commons, their rights and prerogatives in terms of the dissemination of the broadcasting of the proceedings of the House of Commons. Specifically I refer to the fact that in the city of Saskatoon the provincial government, through its Crown corporation, Sask Tel or Saskatchewan Telecommunications, has in fact taken the step of jamming the transmission of the proceedings of this House of Commons to the citizens of Saskatoon.

An hon. Member: Shame.

Mr. Hnatyshyn: In terms of the responsibility which Madam Speaker has to articulate, and in fact to investigate and take steps with respect to protecting the rights of members of the House of Commons, compels me to raise this matter at this particular point in time. Apparently what has happened is that there has been the transmission, through the facilities under Madam Speaker's chairmanship, of the proceedings of this House to Saskatchewan which has been received by the equipment of Saskatoon Telecable Limited. This equipment has received the signals and the intention has been that it be carried over the lines owned and controlled by Sask Tel in Saskatoon. What has happened has been an interference with that particular dissemination.

I would be interested in hearing from the minister responsible, the Secretary of State and Minister of Communications (Mr. Fox), as to what attitude the government takes with respect to this interference and with respect to responsibility for and jurisdiction over broadcasting in Canada, particularly as it relates to the House of Commons. I bring this matter to Madam Speaker's attention as a question of privilege and as a matter which is under her responsibility in terms of the broadcasting of the proceedings of the House of Commons. There has been an interference in the dissemination of the proceedings here to the people of Canada. I ask for a ruling with respect to that matter so that there will be no further interference with the broadcasting to Saskatoon.

Hon. Francis Fox (Secretary of State and Minister of Communications): Madam Speaker, indeed I think it unfortunate that this situation has developed, one which has prevented people, particularly in the area of Saskatoon, as I understand the problem, from witnessing the proceedings of the House of Commons over the past week.

This question was drawn to my attention late last night. I must say that at first glance it appears to be a dispute between the cable company and the Saskatchewan Telephone Company. In any event, if Madam Speaker so desires, I will more than willingly put all the inquiry possibilities at the disposal of my department at the disposal of the Chair so as to get to the bottom of the matter, and to report to Madam Speaker.

MR. ANDRE—NOTICE OF QUESTION OF PRIVILEGE TO BE RAISED

Mr. Harvie Andre (Calgary Centre): Madam Speaker, in view of the absence of the hon. Leader of the Opposition (Mr. Clark), I simply want to rise to give notice of the intention to raise a question of privilege tomorrow arising out of the remarks by the Prime Minister (Mr. Trudeau) during the throne speech debate yesterday, which might be of particular interest to the Minister of Energy, Mines and Resources (Mr. Lalonde).

Hon. Erik Nielsen (Yukon): Madam Speaker, you have not ruled yet on the question of privilege which was raised by the hon. member for Nepean-Carleton (Mr. Baker). There can be no doubt that the reference was specifically to the Auditor General's report that you tabled today. Perhaps you, Madam Speaker, would like to take the matter under consideration and bring down a ruling tomorrow.

• (1510)

It seems to me that one of those responsibilities which you have taken on now is to enforce the rights and privileges of all hon. members of the House, and one of those long established in the history of our precedents is that ministers do not act in

this way, particularly under these circumstances where a lock-up existed and all of the attendant security for the purpose of avoiding the kind of leaks that this minister apparently has deliberately let himself in for by this press release.

Those words in my submission, Madam Speaker, are unmistakeable and place the minister in a very difficult position. Either he apologizes and admits to the error, or you, Madam Speaker, have the problem on your hands of recognizing the rights and privileges of members of this House and of bringing down a ruling, so that if we see there is a breach we can act further on it.

[*Translation*]

Madam Speaker: I wish to point out to the hon. member that the hon. member for Nepean-Carleton (Mr. Baker) has not followed his intervention by a motion and therefore that I do not have to follow it up.

It can be considered that the hon. member for Nepean-Carleton's remarks are derived, in a way, from the proceedings of this House since there is certainly some correlation between what he said and the fact that I tabled a document today. But without a motion I could not follow it up and it is deemed that the explanations given by the Minister of Employment and Immigration (Mr. Axworthy) were considered satisfactory.

[*English*]

Mr. Nielsen: I wonder if I might follow that up, Madam Speaker, in no way questioning your ruling, of course.

Madam Speaker: Order. I think the matter is sufficiently clear to members of this House. I have determined that since there was not a motion attached to the remarks of the hon. member, there was no reason for me to follow up on them. I think hon. members have heard the explanation of the Minister of Employment and Immigration.

MR. NIELSEN—PAST PRACTICE ON QUESTIONS RAISED

Hon. Erik Nielsen (Yukon): Madam Speaker, I have another question of privilege that relates to the practices of this place.

Madam Speaker: Is this a new question of privilege?

Mr. Nielsen: Yes, it is a new question of privilege, Madam Speaker, arising out of your treatment of this question. The practice of your predecessors has always been, whether a question of privilege raised was accompanied by a substantive motion or not, to rule either that the question of privilege raised at the time was such or was not.

There have been two ways that questions of privilege have been treated under our proceedings; the one such as that raised today by the hon. member for Nepean-Carleton (Mr. Baker), and the other a formal question of privilege preceded by notice under our rules, and which is extensively dealt with in a very formal way.

Always in the past I submit, Madam Speaker, your predecessors, and particularly the one you succeeded, have always ruled on questions of privilege of this nature which have been raised quite consistently and regularly in our proceedings. Indeed, when those opposite were on this side, that was the manner in which these questions were treated; Mr. Speaker always made a decision as to whether there was a question affecting the rights and privileges of members of this House.

I would hope, Madam Speaker, that you would, as I am sure you will, follow that past practice so that we are not forced into the position in respect of this kind of a question, for instance where in future every single question of privilege raised must be preceded by notice and supported by a substantive motion.

[*Translation*]

Hon. Yvon Pinard (President of the Privy Council): Madam Speaker, I humbly plead with you that you do not let that kind of lecture on procedure influence your judgment, since the Standing Orders are very clear on that point. The second point of privilege that the hon. member is trying to raise amounts to nothing more than a criticism of the decision you rendered in accordance with the Standing Orders of the House. As a matter of fact, all members know that you cannot say whether there is or is not a prima facie question of privilege when no motion has been moved, as is now the case.

In the past, Madam Speaker, some hon. members did use the question of privilege as a pretext to argue or debate a matter, that is true, but sooner or later the Speaker of the House always reached the conclusion that that was a very interesting issue but only for debate. I do not see in this case any question of privilege that requires an examination or a decision by the House, because ultimately it is the House that decides whether or not there is a question of privilege. So, Madam Speaker, I think we can seize this opportunity to remind ourselves that we should not abuse the time of the House and engage in that kind of a debate and that any member who feels his privileges have been really infringed upon should move a motion as required after raising the issue.

[*English*]

Hon. Walter Baker (Nepean-Carleton): Madam Speaker, I am interested in how attitudes can change here from Parliament to Parliament, depending on where people sit.

I listened to what my colleague, the hon member for Yukon (Mr. Nielsen), said with respect to what might have been construed as a ruling of yours, and I use that phrase because my friend, the government House leader has talked about arguing with a ruling of Madam Speaker.

The fact of the matter is, Madam Speaker, that you did not make a ruling, particularly in respect of the substance of the privilege and the substance of my comment. What you said was that there was no motion attached to it. However, there still remains, as the hon. member for Yukon said, even in a case where there is no motion, a question of privilege; and

what the hon. member for Yukon was saying was that with regard to my particular submission, however articulate or inarticulate it was, there has been no finding by you as to whether there was a breach of privilege by the hon. member, not involving process but the substance. That question, I respectfully submit to the Chair, is still before the House and I hope it will be resolved.

I would think that the procedure my friend has suggested is a commendable one, Madam Speaker, and I suggest with respect that you perhaps consider it. If there is then an appropriate question of privilege as a result of what has happened, as has happened before, instructions can be given, a motion can be drafted and the motion put. That has happened here before. That is an old practice.

I put that to you Madam Speaker, because it is quite important that what may be questions of privilege—and I am not making any judgment as to what Your Honour's judgment may be—should not be decided quickly, and certainly should not be deemed to have been decided by this House when you in effect have only dealt with the process and not with the substance.

[*Translation*]

Madam Speaker: It seems to me that if we want order in the proceedings of the House, we should indeed be adhering to the rules. I decided there was no question of privilege because the hon. member did not move a motion after arguing his case. I agree this is a matter that can be debated and I am prepared to hear arguments about it but in the circumstances there is clearly no question of privilege.

● (1520)

[*English*]

MISS MACDONALD—MOSCOW OLYMPICS—REQUEST LETTER BE TABLED

Hon. Flora MacDonald (Kingston and the Islands): Madam Speaker, I rise on a question of privilege which arises out of the question period. It has to do with the reply by the Prime Minister (Mr. Trudeau)—or the non-reply—when he was asked to table a copy of a letter to which he referred yesterday. It is a letter which he said he wrote to President Carter and from which he quoted or made reference very extensively.

In the time-honoured tradition of the House, when an hon. member is asked to table a document to which he has referred, it is normally so tabled. The Prime Minister has not done so today. His remarks of yesterday have caused confusion both in his own office and in the Department of External Affairs. It has caused confusion to the extent that three explanations were put out after his reply in the House of Commons by various government departments.

In order to clarify this question and to know exactly what the Prime Minister was referring to when he mentioned the letter in the House, it would be the normal and traditional courtesy to table the document when asked. Therefore, on that question of privilege, I ask that you see that the rules are enforced and that that document is tabled by the Prime Minister.

[*Translation*]

Hon. Yvon Pinard (President of the Privy Council): Madam Speaker, I would suggest you take that question under advisement. I shall inform the right hon. Prime Minister about it, but I was there and it seems to me that the Prime Minister referred to notes, and when referring to notes there is no obligation to table any document. In any event, the Prime Minister will be in a position to explain himself what he said.

Madam Speaker: I think the suggestion of the President of the Privy Council is wise, and I shall take that question under advisement.

[*English*]

Miss MacDonald: Madam Speaker, I rise on the same question of privilege. The Prime Minister said, and I quote his words for the benefit of the President of the Privy Council (Mr. Pinard) as they are reported in *Hansard* at page 21:

> Our policy on the Olympics and on other matters has not just been to take stands of our own, and in this matter I have indicated in a recent letter to President Carter that we would support him in the measures he announced and that we would join him in those measures.

The Prime Minister was referring to the Olympic Games. He referred to a letter which he had written to President Carter with regard to measures in which he supported him, and then he had to have his office clarify his answer. What we are asking is that that letter be tabled by the Prime Minister.

[*Translation*]

Mr. Pinard: Madam Speaker, if I may humbly suggest that you do not take the question under advisement any more; there is absolutely no question of privilege. It is not because the Prime Minister refers to a letter in his speech that he is forced to table it in the House. There is absolutely no Standing Order of the House which forces an hon. member or a minister or the Prime Minister to table a document if he does not refer to it or if he does not have it before him, and it is far removed from the *Hansard* quotation given by my hon. colleague.

[*English*]

Madam Speaker: Since this is a matter involving the Prime Minister (Mr. Trudeau) and he is not present in the House, perhaps he will want to offer an explanation tomorrow. Nevertheless, I will take the matter under advisement.

* * *

POINT OF ORDER

MR. MAYER—SUPPLEMENTARY QUESTIONS ALLOWED GOVERNMENT MEMBERS DURING QUESTION PERIOD

Mr. Charles Mayer (Portage-Marquette): Madam Speaker, I rise on a point of order. It concerns the apparent practice that has developed in question period of allowing government members a supplementary question. We have a limited time

during question period to raise the concerns that affect the country and our constituents. I am concerned, if the practice develops further of allowing government members to have supplementary questions, that it will deprive me of a chance to raise important issues which come up and affect my constituents.

Some hon. Members: Oh, oh!

Mr. Mayer: Government members have access to cabinet and caucus. I would respectfully submit, Madam Speaker, that you have a close look at allowing this practice to develop further.

ROUTINE PROCEEDINGS

[*English*]

OFFICIAL LANGUAGES COMMISSIONER

TABLING OF STUDIES

Madam Speaker: I have the honour to lay upon the table special studies by the Commissioner of Official Languages on the Library of Parliament and on the House of Commons Administrative Organization.

* * *

[*Translation*]

PETRO-CANADA

TABLING OF ANNUAL REPORT

Hon. Marc Lalonde (Minister of Energy, Mines and Resources): Madam Speaker, pursuant to Standing Order 41(2), I wish to table in both official languages the annual report of Petro-Canada for the year ending December 31, 1979.

* * *

[*English*]

IMMIGRATION ACT, 1976

MEASURE TO INCREASE LOANS TO IMMIGRANTS

Hon. Lloyd Axworthy (Minister of Employment and Immigration) moved for leave to introduce Bill C-2, to amend the Immigration Act, 1976.

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

Introduction of Bills

UNEMPLOYMENT INSURANCE ACT, 1971

MEASURE TO AMEND

Hon. Lloyd Axworthy (Minister of Employment and Immigration) moved for leave to introduce Bill C-3, to amend the Unemployment Insurance Act, 1971.

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

* * *

MUNICIPAL GRANTS ACT, 1980

MEASURE TO ESTABLISH

Hon. Paul J. Cosgrove (Minister of Public Works) moved for leave to introduce Bill C-4, respecting grants to municipalities, provinces and other bodies exercising functions of local government that levy real property taxes.

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

* * *

BRETTON WOODS AGREEMENTS ACT

MEASURE TO INCREASE AMOUNT OF SPECIAL DRAWING RIGHTS

Hon. Pierre Bussières (for the Minister of Finance) moved for leave to introduce Bill C-5, to amend the Bretton Woods Agreements Act.

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

* * *

BANKS AND BANKING LAW REVISION ACT, 1980

MEASURE RESPECTING BANKING INSTITUTIONS

Hon. Pierre Bussières (for the Minister of Finance) moved for leave to introduce Bill C-6, to revise the Bank Act, to amend the Quebec Savings Banks Act and the Bank of Canada Act, to establish the Canadian Payments Association and to amend other acts in consequence thereof.

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

* * *

[*Translation*]

SALTFISH ACT

AMENDMENT TO INCREASE BORROWING POWER OF CANADIAN SALTFISH CORPORATION

Hon. Roméo LeBlanc (Minister of Fisheries and Oceans) moved for leave to introduce Bill C-7, to amend the Saltfish Act.

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

* * *

COASTAL FISHERIES PROTECTION ACT

AMENDMENT REVISING PENALTIES FOR VIOLATION

Hon. Roméo LeBlanc (Minister of Fisheries and Oceans) moved for leave to introduce Bill C-8, to amend the Coastal Fisheries Protection Act.

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

* * *

• (1530)

[*English*]

LABOUR INFORMATION BUREAU ACT

MEASURE TO ESTABLISH

Hon. Gerald Regan (Minister of Labour) moved for leave to introduce Bill C-9, respecting the establishment of the Labour Information Bureau.

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

* * *

[*Translation*]

CANADA NON-PROFIT CORPORATIONS ACT

MEASURE RESPECTING NON-PROFIT CORPORATIONS

Hon. André Ouellet (Minister of Consumer and Corporate Affairs) moved for leave to introduce Bill C-10, respecting Canadian non-profit corporations.

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

* * *

ELECTRICITY AND GAS INSPECTION ACT

INSPECTION OF ELECTRIC AND GAS METERS AND SUPPLIES

Hon. André Ouellet (Minister of Consumer and Corporate Affairs) moved for leave to introduce Bill C-11, relating to the inspection of electric and gas meters and supplies.

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

BANKRUPTCY ACT, 1980

MEASURE RESPECTING BANKRUPTCY AND INSOLVENCY

Hon. André Ouellet (Minister of Consumer and Corporate Affairs) moved for leave to introduce Bill C-12, respecting bankruptcy and insolvency.

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

* * *

[*English*]

ECONOMIC COUNCIL OF CANADA ACT

RELOCATION OF GOVERNMENT AGENCIES

Hon. Paul J. Cosgrove (Minister of Public Works) moved for leave to introduce Bill C-13, respecting the relocation of government agencies.

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

* * *

DIPLOMATIC AND CONSULAR PRIVILEGES AND IMMUNITIES ACT

MEASURE TO AMEND

Hon. Yvon Pinard (for the Secretary of State for External Affairs) moved for leave to introduce Bill C-14, to amend the Diplomatic and Consular Privileges and Immunities Act.

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

* * *

LIVESTOCK FEED ASSISTANCE ACT

MEASURE RESPECTING TRANSPORTATION COSTS

Hon. Yvon Pinard (for the Minister of Agriculture) moved for leave to introduce Bill C-15, to amend the Livestock Feed Assistance Act.

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

* * *

[*Translation*]

SPEECH FROM THE THRONE

CONTINUATION OF DEBATE ON ADDRESS IN REPLY

The House resumed, from Tuesday, April 15, consideration of the motion of Mrs. Côté for an address to His Excellency the Governor General in reply to his speech at the opening of the session, and the amendment thereto (Mr. Clark, Yellow-

head) (p. 31) and the amendment to the amendment (Mr. Broadbent) (p.43).

Hon. André Ouellet (Minister of Consumer and Corporate Affairs and Postmaster General): Madam Speaker, when I interrupted my speech last night, I was saying that the PQ government was not reliable, that it had abused in the past and would still try to abuse in the future the faith of well-intentioned people. Knowing that a large number of Canadians want a new Canadian constitution, the Parti Québécois is trying with its referendum in Quebec to get a mandate to negotiate a new agreement with the rest of Canada. We must not be taken in by that PQ stratagem. The new agreement wanted by a great majority of Canadians is an agreement between Canadians in Quebec and in the other provinces within Canada, not an agreement between Quebec on the one side and Canada on the other, not an agreement between two sovereign entities, apart, face to face, as René Lévesque wants.

So those who would want to give Mr. Lévesque a mandate to negotiate a new agreement within Canada are kidding themselves because they should know and remind themselves that the known option, the avowed objective of the Parti Québécois, is to get out of the federal regime. So sovereignty is their objective, and association is a convenient ploy added by the Parti Québécois to try and get more votes in the referendum. In 1976, by voting for the Parti Québécois, the hand went into the wringer, and in 1980, by voting Yes in the referendum the whole arm is going to go through it, and normally when the arm is in the wringer, it is then very difficult to keep the whole body from following.

That is why, through you, Mr. Speaker, I want to ask my voters in the riding of Montreal-Papineau and all my fellow citizens in Quebec: Frankly, are you tried of being well in Canada? Frankly, are you tired of belonging to one of the greatest countries in the world? Are you tired of enjoying one of highest standards of living? Are you tired of benefiting from all the advantages and the wealth of the Canadian federation? Do you really have grievances so serious that you think you cannot solve them within Canada? Sincerely, I do not believe so. I believe you do not have any reason to be tired of all that and, consequently, it is very important that you vote No on May 20.

● (1540)

The PQ supporters would like us to believe that if the taxes paid to Ottawa by Quebeckers went instead to the Quebec government, this last government could finance the same social programs, provide the same services to the people and generate the same economic advantages. This is false, completely false. There would not be enough money for this, unless of course the taxes of Quebeckers were increased substantially.

During the referendum debate in the National Assembly, the separatists really laid it on. They really showed that ridicule has never killed anyone. The outrageous remarks of agriculture minister Jean Garon were equalled only by his own circumference. How can Mr. Garon seriously pretend that the farmers as a group will be those who benefit most from Quebec sovereignty when neither he himself nor his leader, Mr. Lévesque, are willing to guarantee to milk producers the same level of quotas that they now have within the Canadian system? It is all very well to say that the Quebec government will provide farmers with the same subsidies as does the federal government, but if the quotas are reduced, each farmer will lose thousands of dollars because his production will no longer be sold in the other Canadian provinces and because his overproduction will no longer be eligible for the subsidy.

The total contribution of Agriculture Canada to the economic activity of the various Quebec regions represents between $450 million and $500 million annually, without mentioning the assistance given by the Department of Regional Economic Expansion which also spends several million dollars a year to promote the agricultural development of certain areas in Quebec. Mr. Garon said nothing about the services which Agriculture Canada provides Quebec farmers through its institutions in Sainte-Foy, its experimental farms in La Pocatière and Normandin, its Lennoxville research station, and its facilities in Saint-Jean and Saint-Hyacinthe. Mr. Garon also omitted to speak about the considerable assistance given by Ottawa to the Granby farm co-operative, the largest in Canada, and to several other dairy co-operatives in Quebec. In fact, Mr. Speaker, I could say that the good farmer who has both feet firmly planted on the ground will be the last to be conned by the separatists.

Since I represent a constituency in the Montreal area, I would also like to tell to Quebec minister Bernard Landry, who brags about doing much for the economic revival in Montreal with his OSE program, that he can brag and boast and pat himself on the back, that he can multiply his television advertisements concerning this program, but he will still look like a school boy watering his rink with his little garden hose while the Canadian government is much better equipped with a big fire hose to do something effective and much more meaningful in the Montreal area. We only have to recall that the Canadian government spends directly each year in the Montreal area about $5 billion in wages, social assistance, subsidies, capital expenditures, guaranteed loans and contracts.

The Canadian government is very much present in Montreal in every sphere. I am thinking of Air Canada, the Canadian National, the National Harbours Board, the major postal installations, Transport Canada with its airport at Mirabel and Dorval, the Federal Development Bank, the National Film Board, Canadair, CBC. If Quebec were to separate, all these companies, all these departments, would leave Montreal or would at least reduce their activities by one-half. To make up for those losses, Mr. Landry would need much more than his small OSE program. The contracts awarded by Ottawa to Montreal-based companies or departments—and I shall con-

clude with this—are vital to the economic momentum of the city. There is nothing mean in saying No the day of the referendum; the No I ask my voters to cast is more significant, reveals more moral strength, courage and indeed wisdom than a Yes expressing abdication, surrender and resignation.

Mr. Speaker, I want to remain in this country and contribute to its renewal.

Mr. Deputy Speaker: I regret to inform the hon. member that the time alloted to him has expired.

[*English*]

Mr. Gordon Towers (Red Deer): Mr. Deputy Speaker, it is certainly with pleasure that I have this opportunity of doing my first pleasant duty in this Thirty-second Parliament in extending to Madam Speaker my sincere best wishes on her onerous and demanding task as moderator of this assembly. May Divine Providence guide her in her deliberations. I have every confidence that Madam Speaker's ability, experience and charm will combine to serve this body well. She can be assured of my respect and co-operation at all times.

It is my sincere hope that this Thirty-second Parliament will be a working Parliament, a responsible Parliament, a Parliament ready to address itself to the root problems which plague this great nation of ours. These problems will not be resolved by cosmetic legislation, by the application of a band-aid here or a lollipop there. They will be resolved only if we identify them, gear in on them and put long-term measures in place to correct them. That is why I was pleased to hear the Prime Minister (Mr. Trudeau) say through the Speech from the Throne that recognition would be given to members of Parliament so that they would have the privilege and the opportunity of stating the cause and the case of the people whom they represent.

I want to read that portion of the throne speech to which I refer. It appears at page 6 of *Hansard* for April 14, 1980, as follows:

> Like all of your colleagues in the House of Commons, you who represent the people of Saskatchewan, Alberta and British Columbia, have a responsibility to represent your constituents to the nation. You also have an extra responsibility in the present circumstances to represent the nation to your constituents. It is a task no one else can fulfil. My government is prepared to co-operate fully in helping you to achieve this.

That is a challenge the Prime Minister has given to us and one which as a representative of the province of Alberta I am prepared to accept; but we do have to have the co-operation of members of the government and they must listen to us in order for us to accomplish this task. This is of fundamental importance. I must stress most emphatically that the Minister of Energy, Mines and Resources (Mr. Lalonde) pay special attention to what we have to say because, after all, we are here not only as representatives of Canada, but also as representatives of our respective constituencies and the resources of the province of Alberta, as I interpret this privilege, should exist for all members. We must work together as a Parliament casting partisan gain aside so that the national interest is served. The nation looks to this institution, Parliament, for leadership, for direction, for the social and political sustenance which will feed the search for identity and the quest for national unity.

● (1550)

The Speech from the Throne refers to the siren call. I hear siren calls across Canada; strident, harsh, frightening. Those siren calls would have this nation divided. Those siren calls pit region against region and province against province. They contribute to a further balkanization of Canada. The time for action is now. It is not too late for men and women of good will to address themselves to this fact of life. Now is the time to begin afresh to right wrongs, redress imbalances and bring unity where there is division.

I represent a riding in Alberta, as I said earlier, but I am first and foremost a Canadian and a Canadian I want to remain, a Canadian from Alberta who is a member of a great confederation, a confederation we must make stronger. Certainly any callousness, especially from the minister of energy, can make our work in Alberta much harder because we are here, as I said earlier, to protect the rights and privileges of that province.

The representatives of that province and their own legislature have drawn up programs, and I trust that the minister of energy will listen well to their presentations. Unilateral action on the part of any member of this government can destroy the confidence that we require in order to have a strong confederation. I cannot state that emphatically enough to impress upon this government the situation that can be created if they will not listen and act upon the advice that we give.

What are some of the ills that plague our confederation? What are some of the problems we have to resolve? Actually, when the present Minister of Transport (Mr. Pepin) was minister of industry, trade and commerce in the early seventies, he allowed that industry to begin to deteriorate. Under the last administration and the leadership of the then minister of transport, the hon. member for Vegreville (Mr. Mazankowski), we in western Canada were starting to pull out of some of the problems that existed. They were mentioned in this House. I remember them well. The former minister of transport who is now in the other place stated that the whole transportation system was in a mess. Under the leadership and guidance of the hon. member for Vegreville, it was being brought out of that mess. I hope the present Minister of Transport will continue down that road of progress started by the hon. member for Vegreville.

I must impress upon you, Mr. Speaker, that up to the present time the Minister of Transport is not off to a good start. He has created doubt in the minds of the farmers of western Canada by suggesting that he might pull out some of the support granted to the development taking place at Prince Rupert. That is not the way to engender confidence in the minds of western people, including those I represent in Alberta.

I must also impress upon you, Mr. Speaker, the fact that the members of the consortium who are also involved in this

development must have the confidence of the national government that they are not going to be thwarted or misguided in their reference. Such is not the case at the present time because they are having doubts. I hope the Minister of Transport will give credence to this problem immediately and eradicate any of the doubts in the minds of those representatives who are members of the consortium.

We must never lose sight of the fact that Canada is the envy of most of the rest of the world. We are owners of the most valuable piece of real estate on this planet. We have the natural resources. We have the human resources to achieve greatness. We have the raw materials, physical and human. Do we as a people lack the knowledge and the initiative to use these resources wisely? I think not.

We have the means and the wherewithal to build a great nation but we can no longer content ourselves with temporary solutions to chronic and long-term problems. We lack an industrial strategy. What might Canada have been like today with an industrial strategy and an effective science policy? In 1978 we spent less than 1 per cent of the GNP on research and development. The United States spent 2.3 per cent; Switzerland, 2.2 per cent; West Germany, 2.1 per cent; The Netherlands, 2 per cent, Sweden, 1.8 per cent; Japan, 1.7 per cent; Scandinavia, 1.4 per cent.

In 1972 the Lamontagne science committee recommended that Canada strive for gross expenditures on research and development of 2.5 per cent of GNP by 1980. The recommendation was ignored and expenditures on research and development actually dropped below 1 per cent and have remained below 1 per cent for the past eight years.

You may wonder, Mr. Speaker, why I am so concerned about research and development. Let me impress upon this Parliament that the agricultural community is more dependent upon advancing research and technology than a great many businesses that we have in Canada. We require fertilizers, new types of grains, new types of equipment; what do we do with zero tillage and all that at times when energy costs are increasing?

What would the net effect have been if we had wisely planned and executed even a 1 per cent increase? What if it had been 1.94 per cent, half way between the Scandinavian countries and the 2.5 per cent recommendation of the Lamontagne committee? Economists tell us that even a 1 per cent increase starting in 1972 would have resulted in a million new jobs to date in Canada, 400,000 of them in manufacturing alone, an area where we have a tremendous debt to cope with today in the end products that are manufactured in Canada.

We could have created $20 billion plus in new manufacturing sales for our domestic market and for the critical export trade also. We could have created an entire new industry in the research and development field which would have generated approximately 60,000 jobs for scientists, engineers and the graduates of our universities.

Young farm people go to universities too. They cannot all find jobs on the farms. They have to go out and get jobs. We need to have a market for our farm products. Therefore, it is all tied together and we as parliamentarians must give cognizance to that fact.

Government initiative and encouraging expenditures on research and development could have resulted in $1.5 billion in research and development expenditures by industry and a total of 2.5 billion by industry, universities and government. Industrial research and development would have been funded by the revenues of new product sales. I want to impress that this could have been accomplished without any cost to the taxpayer. This is what I like. For too long we relied on these programs being funded by the taxpayers.

Surely the time has arrived when we can expect this adequate programming to provide for its own funding. If we are to survive as a manufacturing and trading nation, we must begin with basics. We must begin with a strong research and development component in our economy. We must begin to develop the technology at home to process our own resources. Let me impress upon you, Mr. Speaker, that we in western Canada are very cognizant of this because it is what we want to do. We want to do that there because we want to keep our young people in our provinces. We must halt the process whereby we continue to be hewers of wood and drawers of water. We must accept the realization that it is not government which provides jobs in Canada but small business, manufacturing, the marketplace. Only there may be found sustaining means of improving our quality of life and safeguarding our standard of living.

● (1600)

Mr. Speaker, I will not take up the time of this House by dissecting the elements of the Speech from the Throne, but there are certain basic reflections I would leave with you. I am a rancher, a farmer, a small businessman, and as such I know I am speaking for literally thousands of people out in western Canada. Canadian small business is in trouble. Canadian small business is a victim of the cost-price squeeze. When I say "Canadian small business" I mean to include ranchers, farmers, all those involved in retailing and manufacturing. Equity is important to each and every Canadian—equity in the home, equity in the land, equity in a business. Without this equity we become serfs of government, we become crofters, tillers and workers of land we do not own because of the severe economic pressures of money and high interest rates.

Increasing farm credit loans to the maximum of $100,000 is nothing more than band-aid treatment. The debt load on farmers is already too high. Extending further credit to a segment of our population already heavily committed to equity, land and equipment is tantamount to offering a drink of Kool-aid to a drowning person. High interest rates are not the answer to the basic problem. More credit is not the answer. We must look more closely at the global package of problems which confronts the farmer, the rancher, the small businessman. We must adopt measures which ensure that the small businessman is rewarded for risk venture. We must take measures to provide for the continuity of family farms.

We must cease to apply punitive tax measures which discriminate against individual initiative and the rugged work ethic. Where in the Speech from the Throne—this is an omission, I am sure—is reference made to further progress in the abolition of the capital gains tax? We must examine our capital gains law as it applies to the small businessman, the merchants, the small manufacturer, the farmer, the rancher. After all, small business is the backbone of this nation. It is the linchpin of the economy. It provides more than 70 per cent of the jobs in Canada yet it is treated as a poor cousin. Small business does not have the corporate clout, the strong voice of the multinationals. It has few champions in Parliament, it has little input into the making of the laws and regulations which affect its destiny.

Small business was dealt a particularly hard blow when the last Parliament was dissolved. Among the many progressive measures contained within the first pro-business budget in years was provision for the small business development bonds which would have resulted in lower interest rates in the smaller business community. Madam Speaker, unless the government brings back before the House some type of program of a similar nature, that is all down the drain.

Small business is being driven to the wall. If our economy is to flourish we must study and adopt economic strategies which favour all businesses in Canada, both large and small, but my emphasis today is on small business. A current publication of the Canadian Organization of Small Business, the *Voice of Small Business*, polled its subscribers and 75 per cent of those surveyed wanted a reduction in the size of the federal deficit. One of those who responded said: "If I consistently spend more than I earn I end up bankrupt; it is time government started operating according to the same principle as I apply to running my own business."

One of the phrases used in the Speech from the Throne causes me serious concern. We read that the government intends to increase still further the sphere of government operations. Mr. Speaker, an increase in government means increased taxes and greater burden on every Canadian. I do not think we can afford it.

Uncontrolled government spending threatens every Canadian owner-manager. Continued government deficits have led to double digit inflation which is destroying savings, eating up business investment and profits, forcing interest rates out of sight and stealing the rewards of entrepreneurial courage and hard work. We could all learn a lesson from the Dickens character who equated balanced spending with happiness and harmony and over-expenditure with misery. I hope the government is taking this to heart. Let us set ourselves to the task now.

I want to dwell for a few moments on Bill C-28 of the last Parliament, which dealt with pensions and allowances for veterans and for their wives and families. It was interesting to observe the hon. member for Winnipeg North Centre (Mr. Knowles) introduce a motion on this subject under Standing Order 43 in the House yesterday and follow it up with a question today. Madam Speaker, it is amazing what a guilt complex can do, even to the hon. member for Winnipeg North Centre. The NDP is well known for its support of motherhood concepts, but when members over in that corner have an opportunity to address themselves to actual legislation, they are quick to put distance between compassion and partisan politics as soon as it serves their own particular purpose. The hon. member for Winnipeg North Centre and his colleagues had ample opportunity in the last Parliament to address themselves to a continuation of beneficial legislation. But did they? No; they placed themselves and partisan politics before the well-being of this nation. I am sure our veterans are not so naive as not to recognize grandstanding for what it is.

To sum up, this country is great and will be greater because of its people and resources. We have an awesome responsibility to develop programs and policies which pay more than lip service to this thesis. I, for one, am willing to roll up my sleeves and begin to hammer out workable solutions to long-standing problems. An old Chinese proverb declares that every journey of a thousand years requires a first step. We must take that first step to build a better Canada for all Canadians in this, the first session of the Thirty-second Parliament.

[*Translation*]

Hon. Marc Lalonde (Minister of Energy, Mines and Resources): Mr. Speaker, first I would like to join all previous speakers and extend my best wishes to the distinguished members of Parliament whom we have elected to chair our meetings and our proceedings. I also want to join all those who congratulated the mover and the seconder of the Address in Reply to the Speech from the Throne. They both spoke very eloquently of their constituency and their country, and I wish them a long parliamentary career. Finally I would like to thank sincerely my electors of Outremont who gave me their confidence for the fourth consecutive time. May I simply say to them that I will try to continue to deserve the confidence they have shown in me since 1972.

Mr. Speaker, I would like to comment today on the diagnosis made by this government on energy conditions, our guidelines, our undertakings as well as the steps which we intend to take. I would also like to say a few words about the consequences of the PQ energy project in Quebec.

[*English*]

There is now a broad consensus that the world is facing a serious oil problem. We rely too much on a resource whose production and price are dictated in large part by the political whims and upheavals of an unstable Middle East. We also realize now that even if stability and reason were restored, the world would have to curb its appetite for OPEC's oil.

Strong efforts are needed for energy reasons; they are absolutely essential for economic reasons. The energy crisis is an economic crisis. Surely, everyone realizes by now that higher energy prices mean bad news for the world economy. The world is paying dearly for its failure, so far, to correct the basic imbalance between oil demand and supply. Continued failure to act will result in a worldwide economic crisis.

● (1610)

From a wide energy viewpoint, Canada is well off. Last year our net trade balance in energy was more than $4 billion. However, this is small comfort to Canadians worried about one commodity: oil. A country as rich in energy as Canada can and must move off OPEC oil and, as soon as possible move off the world oil market.

Canada is rich in renewable energy resources. These must play a larger role. We must also use our more plentiful natural gas and other fuels to replace oil. We must curb our demand for oil. And we will.

The energy crisis is also a crisis of Canadian nationhood. Unlike the situation in unitary states like Britain or Norway, energy benefits and burdens are not evenly shared across the country. The distinction between winners and losers is stark, easy to see, and potentially destructive. Failure to resolve this issue will jeopardize our energy future. Worse, it could pit Canadian against Canadian in a way never before witnessed in this country. Thus we must, when looking for energy solutions, first address issues of fairness and unity.

We must also address the paradox of high foreign ownership and control of the petroleum industry. There is no shortage of Canadian petroleum talent. The list of success stories grows daily. There is money available from Canadians who are among the biggest savers in the world. We must bring more Canadians into positions of ownership and control.

Mr. Speaker, there is a broad consensus on the nature of these problems. But there is no agreement on the solutions. The former Conservative government no doubt tried to respond to the problems, but they were not successful. Indeed, Parliament and the electorate rejected the approach contained in the budget because it was unfair to consumers; it would have let OPEC determine Canadian oil prices, it did not deal adequately or fairly with the revenue distribution question, it was too weak in its encouragement of substitution away from oil, and it offered little to encourage Canadian participation.

I shall be releasing shortly an analysis of some of the budget energy proposals. For now, let me highlight some of the shortcomings I have noticed.

First, let us consider oil prices. The public seems to have the view that the budget package would have caused domestic prices to rise by $4 per barrel in 1980 and by $4.50 per barrel annually to 1984. The reality, however, would have been different. The budget package included continuation of payment of world oil prices to domestic oil sands plants. It also included an automatic adjustment of the domestic oil price to 75 per cent of the world price in 1983 and to 85 per cent in 1984.

The result of these factors, coupled with the dramatic increase in the world prices which took place in 1979, is that Canadian oil prices would have risen faster than expected even at the time the pricing negotiations were under way.

If, for example, world prices were to rise from present levels at 2 per cent above the inflation rate—a very modest assumption—year-over-year changes in our price would turn out to be as follows under the budget deal: In 1980, prices that consumers pay on average for petroleum products would have risen by over $7 a barrel if we include the effects of the proposed excise tax on transportation fuels; in 1981, a further $5.80; in 1982, a further $4.70; in 1983, $10.90, as the domestic price is adjusted to 75 per cent of the world price; and in 1984, $7.60 more, to reach 85 per cent of world price.

These numbers assume that we do not see a repeat of a 1979-style world price increase. Is there anyone in this House who would stake much money on that sort of optimism? No, the reality would probably have been much worse for the consumer.

Of course, no one could have predicted the world oil price outlook which we now face. No one can do so now with any confidence. And that is precisely why in today's world we would not want to link our price to OPEC's price, and that is why we want a price determined in Canada on the basis of Canadian decisions.

Some hon. Members: Hear, hear!

Mr. Lalonde: The budget package would also have given enormous revenues to the major producing province, Alberta. We have no quarrel whatsoever with the concept that provinces deserve a fair share of the revenues from the sale of their resources. And a fair share in Alberta's case means a province that is by far the wealthiest member, in per capita terms, of the Canadian federation.

Furthermore, we welcome the economic surge in the west. Canadians everywhere share in the excitement at what is going on there. We will do our best to help the process of sustained and diversified growth. But there must be some balance in the way the oil and gas revenues are shared. There is no preordained formula for sharing the proceeds of our energy wealth. We must seek together a fair deal.

The previous budget package, in my view, did not contain a fair deal. The budget did move to reduce the revenues which would otherwise have accrued to the industry, and we agreed with that part of the proposals. But the package offered little to help Canadian firms.

Energy is the fastest growing sector in the Canadian economy. We must transform this sector. Not only is our target 50 per cent Canadian ownership of the industry, but we want a number of the large firms to be Canadian owned and controlled and become prosperous.

The amount of the revenues currently accruing to each of the several players is important. So too, however, is the way each party will be affected by future changes in the world oil price. In our view, the budget package did not deal adequately with this.

When our economy is hit by big OPEC price hikes, federal revenues shrink and our expenditures rise as we attempt to offset the effects of the price shock. In short, the federal government loses when OPEC gains. So, too, do the governments of the energy consuming provinces. In contrast, the energy producing areas enjoy all the upside potential. I do not

think anyone could describe as reasonable a deal where the federal government bears the downside burden and the other parties get the upside gain.

Let me make a final comment on the budget package. We could use much more of our surplus natural gas and other commodities for our own purposes, rather than exporting more while watching oil imports grow. But our gas producing industry has an export bias. Perhaps the most important reason for this is that the profits from exports exceed by a wide margin those from domestic sales. We have a system in place which encourages producers to seek foreign markets, rather than apply their considerable talents to pushing out oil from the domestic market. We believe that was not addressed adequately in the last budget.

● (1620)

We believe we have a better way. Our way begins with a set of clear, strong, nationally-oriented principles. We set out these principles during the election campaign and I now want to confirm, in case there is any doubt, that these are the foundation for our policies and proposals.

These are our principles: security, fairness and opportunity should be the touchstones of Canadian energy policy. In oil we seek security at reasonable made-in-Canada prices. Certainly this means price levels to the consumer lower than in the budget package. We reject world prices as a standard for Canadian supply prices. We will establish a new blended oil price system incorporating the cost of domestic and imported oil. We agree without hesitation that Alberta is entitled to significantly growing per capita revenues from its oil and gas resources and that other energy-producing provinces should also benefit substantially from the sale of their resources. We want a revenue system which, without further increases in world oil prices, leaves the federal government with at least as much revenue as in the December 11 budget, without having to impose punitive taxes on the Canadian consumer.

Some hon. Members: Hear, hear!

Mr. Lalonde: We want a revenue-sharing system that is structured so that if world prices rise the national government gets the share it needs to carry out its national responsibilities. We seek a pricing and incentive system which fosters rapid substitution of natural gas for oil. We will ensure accelerated development of indigenous supplies especially off the east coast. We will ensure the petroleum industry the incentives it needs to help achieve our energy goals, but we will ensure that Canadian-owned and Canadian-controlled firms play a greater role. We will strengthen and expand Petro-Canada. We will increase our conservation efforts. We will use our energy wealth to create the basis for sustained, widespread industrial growth.

In Atlantic Canada offshore oil and gas developments will, under our policies, stimulate new industries and jobs. We will also encourage diversified development in western Canada whose resource wealth is already a strong magnet for investment.

These principles respond to the concerns of the majority of this House and the majority of Canadians everywhere. We will stick to these principles. They will be at the heart of any decision we make on energy. We have already made some of these decisions. We have provided $80 million in new funds to Petro-Canada and have asked that some of this money be used to establish a new alternative energy corporation which will aggressively seek the energy sources and solutions that we will need for the generations to follow us.

Some hon. Members: Hear, hear!

Mr. Lalonde: We are moving rapidly to obtain new and secure oil supplies, starting with Mexico. As a first step in establishing a new made-in-Canada price, we have notified Syncrude and Suncor that the price of synthetic oil will no longer be automatically tied to international prices.

We ended the special tax allowance for the frontier in favour of a more appropriate incentive program which would promote greater participation in the frontier by Canadian companies. These are just the first steps.

Mr. Crosbie: What will you pay in Mexico? Will it be made-in-Canada oil in Mexico?

Mr. Lalonde: Our principles will be the framework for oil pricing negotiations and for other initiatives we will be proposing to this House.

Mr. Crosbie: The Mexican gas dance.

Mr. Lalonde: However, the framework leaves considerable scope for movement with respect to a range of issues, as it should. We are determined to fulfil our responsibility to the country, but we will not be intransigent. Nor is there any question of our using our powers to override the legitimate rights of producing provinces. We are not declaring war on provincial powers, let alone turning the provinces into colonies or territories, as some appear to have said. On the contrary, we are determined to reach, as we have done in the past, a fair, negotiated settlement. To do so we will entertain considerable flexibility on most of the key elements of a new package: the price of old oil, the price of synthetic oil and so on. There is plenty of room to make a deal if negotiations are carried on in good faith.

I have dwelt at some length on energy pricing and revenue sharing, but we must not become so mesmerized by these questions that we neglect other necessary actions to secure our energy furture. We will not do this. We will act to support new initiatives.

Canada faces serious economic challenges in the 1980s but it also has tremendous opportunities. It is not by a further weakening of the federal government that we will meet those challenges and those opportunities.

[*Translation*]

The debate has indeed reached a turning point. For some time now, Canadians have been witnessing the erosion of their federal administration and many are deeply shocked by it.

Mindful Canadians are well aware that a province on its own could not meet the challenges of the modern world with as much decisiveness as a large nation united in its diversity. In its most recent publication, the C. D. Howe Institute states the following:

> The main selling point for federalism at this stage is that the ten provinces probably have a better chance of success in solving their economic problems if they work on them together. This conclusion is dictated primarily by the interdependence of the ten provinces occupying the Canadian economic space.

The erosion of the federal government's powers would be dangerous enough were we faced only with economic and energy problems. But we now have in Quebec a premier who wants to break up Canada and he is aiming for the logical and ultimate end product of this process, that is, total decentralization. As a Canadian, I do not feel that is proper for Canadians, and as a Quebecker I am convinced that separation, be it called independence or sovereignty-association, would be altogether disastrous for my province and for its people. Energy is an obvious example of the benefits that Quebec derives from its participation in the Canadian federation. It demonstrates also how a dynamic national energy policy makes it possible for a region to develop its own positive resources in its own way, while recognizing its responsibilities to the rest of Canada and sharing the wealth of other regions. Canadians must unite and state positively their need for a national energy policy; we have to wonder what our separatists have to offer.

Well, what do Messrs. Lévesque, Pariseau and Bérubé, our separatists, say? They continue their long list of complaints about imaginary grievances against the rest of Canada and claim wrongly that Quebec would be better off without the rest of Canada. Quebeckers who read the papers or hear these lamentations see them immediately for the blatant nonsense they really are. There is danger, however, that this nonsense, if it is repeated often enough and not disproved, may convince those who are ill-informed. I am glad to say that several powerful voices are now being heard and contradicting the most extravagant claims of the PQ. I should like to join forces with them and mention a few examples. The PQ representatives, anxious to demonstrate their scorn for the blessings of the Canadian federation, show that they do not care much for the effects oil prices have on Quebec consumers. In fact, some PQ ministers even go so far as to say that Quebeckers should pay world prices for their oil. Are they really aware of what they are saying? If it did pay world prices, Quebec would immediately, and I insist immediately, have to pay $3.8 billion more a year for its oil, that is some $600 more for every Quebecker. And that would be only a start.

The oil pricing agreement we are seeking will be directly related to the cost of production in Canada. But Mr. Lévesque and his colleagues want Quebeckers to pay the prices set by the international cartel known as OPEC. Had Quebec not been part of Canada, it would have paid, to the end of 1980, $9.5 billion more for its oil since 1974 than it will in fact, thanks to the Canadian single price policy we implemented in 1974. Today, I appeal to my Quebec compatriots and beg of them, with all the conviction that I can muster, not to let themselves be taken in by those peddlers of illusions the Péquistes are. Especially in the field of energy, separatist dreams can only lead us directly to a sombre and sinister reality.

● (1630)

If, tomorrow morning, Quebec were to get its sovereignty-association, if, as the PQs are suggesting, it had to pay world prices for the oil it uses, as the PQ ministers would have it, every single barrel of oil in Quebec would cost $20 more than it does now, and every gallon of gas would go up by 57 cents tomorrow morning. And here is what that increase would mean in terms of the pocketbook of every Quebecker, man and woman. It would cost $400 more a year for a Quebec family to heat the home whether it be with gas or oil. A family with a car that drives about 12,000 miles a year would have to pay $450 more for gas. The taxi driver who drives some 60,000 miles a year would have to dig out of his pockets about $2,250 more to drive his cab. And the owner of a dairy farm, who uses about 2,200 gallons of diesel fuel and gas would have to pay $1,250 more a year. In addition to that, the average Quebec family would have to pay an extra $400 for non-energy product consumption, that is for all it buys that is not energy proper but which contains oil products and whose prices would naturally go up. As all those statistics are interrelated, there is nearly no limit to the additions that can be made. If you take an average Quebec family which owns a home, has a car and uses oil or gas to heat itself, well, under the PQ plan that average family tomorrow morning would pay in additional expenses an amount of $1,250 a year. That is what they are trying to sell us. That is the sad reality of the PQ ideology and that is what I am warning all Quebeckers against. The alternative is simple, progress further with Canada or move back with the PQ plan.

The Parti Québécois also lays strong emphasis on the hydroelectric resources of the province and even talks about them as being the miracle answer to the energy problems of an independent Quebec. Here again the PQ philosophy is closer to fiction than reality. Canadians in Quebec and elsewhere are proud of the spirit of entrepreneurship and the technical competence of those men and women who made Quebec's power resources what they are today. It is a considerable asset for the province and the country as a whole. But it is nonsense to suggest, as the Parti Québécois does, that revenues generated by the exports of hydroelectric power could compensate for the costs of imported oil at world prices. At present, Quebec consumes $6.9 billion worth a year of imported oil. If they had to pay the world price, could the sales of electric power to the United States compensate for such an amount? Far from it. If you take 1979 as an example, total sales of Quebec power to the United States would amount to about

$200 million to $300 million which would leave only a small deficit of about $6.6 billion. Well, the Parti Québécois has got us used to $500 million deficits but now they are offering us a $6.6 billion deficit.

In any case, even if it were possible to strike a certain balance between the cost of imported oil and the revenues from the sales of electricity, which is not the case, Quebec would find itself in a much worse situation than the one it is and has been in. It would be more vulnerable to higher prices for imported oil, more vulnerable to embargoes and so on than we are now. A PQ minister recently worried about the possibility that Alberta oil deliveries to Montreal might dwindle in the 1980s and that Quebec would then be exposed to oil shortages, while Ontario and the western provinces would be completely protected.

Yet, this is exactly what would happen if Quebec withdrew from Canada. However, Quebec is part of Canada and will go on being part of it. Therefore, the dark prediction of the Quebec energy minister is completely false. We shall do everything possible to reduce our dependence on imported oil. However, as long as there is a risk of a shortage, this risk will be shared equally by all Canadians. This is the basis of our country. This is the profound meaning of being part of Canada. When we imagine what would be the energy and economic situation of a sovereign Quebec, we become rapidly convinced of the need to vote no to the question now asked by the Parti Québécois.

Mr. Speaker, to remain united in spite of our differences, and united for the welfare of everyone is the only logical solution offered to all Canadians if we want to be able to face the numerous problems that will arise in the next ten years. When we speak about oil, natural gas and coal, we are speaking about sources of energy which are essential for our standard of living and quality of life, but at the same time, we are speaking about types of energy which cannot be renewed once they have been used. Not so much for ourselves as for those who will come after us, we may have to think about expanding our horizons. No province and no government alone can develop a true national energy policy. And in this area as in so many others, unity and co-operation are essential.

Mr. Speaker, we are determined to develop a true Canadian energy policy which will take into account the legitimate aspirations of the provinces and the needs of the entire country. In conclusion, I can only invite the people of Quebec not to cut themselves off and not to reduce the importance of Quebec by withdrawing from Canada at such a critical period, and not to deprive themselves of all that the rest of Canada is able and willing to provide them.

• (1640)

[*English*]

Mr. Fred King (Okanagan-Similkameen): Mr. Speaker, may I count on you to convey to Madam Speaker on behalf of myself and the fine Canadians whom I am honoured to represent in the riding of Okanagan-Similkameen the following message:

Madam Speaker, please accept sincere, warm and appreciative congratulations on your elevation to your present exalted position. May we fortify that congratulatory message with our personal invitation to become acquainted with both the peoples and the scenic values of our favoured part of Canada by favouring us with an early visit?

I feel distinctly honoured, Mr. Speaker, to participate in the throne speech debate as the member of Parliament representing the citizens of Okanagan-Similkameen in British Columbia. Although I was a member of the Thirty-first Parliament, this marks the first occasion on which I have risen to address the House. I would therefore ask your indulgence as I briefly speak of the unique character and personality of this section of Canada which I am honoured to represent.

The riding of Okanagan-Similkameen occupies some 200 miles of international border with the United States. Its western boundary is about 150 miles from the Pacific ocean, and its eastern extremity about 200 miles from the Rocky Mountains. Its geography extends from Princeton and Merritt in the west to Grand Forks and Christina Lake in the east. It centres on the Okanagan Valley, including Osoyoos on the forty-ninth parallel to 100 miles north past the growing community of Westbank. The major city in the riding is Penticton, the city of peaches and beaches and which is also noted as the home town of the famous Penticton Vees Hockey Team, the last amateur Canadian team to capture world hockey supremacy when they defeated the Soviet Union team by the score of five to zero in the crucial final game. I was honoured to be present in Germany on that occasion.

The Okanagan Valley and its parallel counterpart, the Similkameen Valley, are world famous producers of tree fruits—apples, pears, peaches, apricots and cherries. I hope that in season I will be able to share with some of you underprivileged members of this House the incomparable flavour experience of eating freshly picked cherries from my own orchard.

Some hon. Members: Hear, hear!

Mr. King: In addition to orchards, these valleys now support Canada's finest vineyards. A thriving and growing wine industry has earned recognition as vintners without equal in Canada or the world. The riding contains the largest cattle ranch as well as many dozens of smaller ranches. Lumber and mining are very important elements of the economy.

Many in this chamber have visited the Okanagan and Similkameen as tourists in the summer seeking sun, sand and water which we have in abundance and in the winter for skiing at any of the dozen excellent ski facilities. Now we see the latest phenomenon of our Canadian society, attracted by its benevolent climate, its lakes and mountains, its quality of life; retired persons from across Canada are moving in increasing numbers to spend their senior years in the most ideal surroundings to be found in Canada and perhaps the world.

With that as a preamble from a native son of the Okanagan, I will move from the virtues of my riding to an equally sincere and objective, but not so flattering, review of the government's intent as revealed in the content of the Speech from the Throne.

My riding was newly created for the May 22 election. The area has previously been represented by the CCF, the Liberals, the Social Credit and the Conservatives. I know that I state the obvious when I say that I was elected because more of the electorate endorsed my positions and policies as well as those of the Progressive Conservative Party than supported the views of the other four candidates. While this is obvious, I mention it because I believe we must impress on hon. members opposite that their situation in western Canada is a direct result of the rejection of the policies and the philosophical positions of their party and their leader.

Unfortunately, nothing in the Speech from the Throne would lead us to any degree of optimism that the offensive nature of that government's position has been noted in more than a cursory fashion and dismissed with the casual statement that in the west many believe their problems are ignored, their voices unheard, and their contribution is unrecognized. We believe it sincerely. There are many other descriptive phrases that could be added to the recitation of the factors that offend western Canadians. I suggest that, using the throne speech as the criterion for change, western Canadians can only look to the future with added apprehension.

Now, Mr. Speaker, permit me to respond directly to the throne speech. The Ottawa *Citizen* of April 15 gave it the headline, "An Admission of Errors". It went on to say:

> With a fanfare of generalities, the Trudeau government has unveiled a throne speech that reads like an agenda for what it should have done during its previous 11 years in power.
>
> Changed circumstances, including a weak dollar, enormous government deficits and devastating interest rates (resulting largely from the cumulative effects of the spending of the past), have extracted from the government an expression of concern—
>
> The throne speech makes no mention of a budget, no mention of a strategy designed to create an economy in which interest rates would not be set to remain competitive with U.S. rates.

It is interesting to note that in the throne speech the government chose to acknowledge duly elected members from the three western provinces under Part V of the speech, a section which is entitled "An Active Foreign Policy". I trust that the government which authored the Speech from the Throne will by its words and actions prove that that inclusion was inadvertent.

Western Canada is not foreign territory. Many of us on this side of the House ask that the government remember and recognize that fact. We are representatives of that great part of Canada, and we will resent any action which demonstrates a lack of respect for the electoral decisions taken in this past election.

Let me dispute a statement made early in the Speech from the Throne which reads;

> We observe today not only the beginning of a new Parliament but the start of a new era.

Yes, we do have a new Parliament and we have a new decade, but we have an era complete with the same old, tired faces in the government, the same old clichés, divisive tactics, tired responses and the same old answers to the same old questions—questions raised because of the same old and damaging Liberal policies which have brought our nation to this low point in its history.

● (1650)

I read that "Canadians expect much of this Parliament" and I ask you if this is so, Mr. Speaker. I would doubt that such high expectation exists. Many Canadians have become cynical and embittered by the disappointments of the last dozen years. The electoral results must emphasize to hon. members opposite that the target of that cynicism in our part of Canada is Liberal policies, past and present. The question that must be addressed to hon. members opposite, Mr. Speaker, is: "Do you care?".

We read in the throne speech that "the first task is to clear the accumulation of essential legislation left from previous Parliaments". And later in the same paragraph we read:

> To that end, my government is relying on the good will of members and senators of all parties.

I think I can assure hon. members of the government that they can rely on at least the same degree of co-operation and evidence of good will on the part of the opposition as they displayed in the Thirty-first Parliament in their role as the opposition. I know, Mr. Speaker, that hon. members of the government will take great comfort in my words as they review their conduct, particularly as recorded in *Hansard* on November 6 and 7 last year, and on most other occasions as well.

We have a legacy of national misdirection, foisted on Canada by repeated offerings of succulent expediency over a nourishing diet of basic sound policy by federal Liberal governments under disastrous leadership in the past 12 years. This legacy of Liberal government policies has led this nation to a situation which can only be described as a litany of despair and disaster—inflation, high interest, unemployment, bankruptcy and division. Where is this vaunted Liberal ability to govern? It is not to be found in history and, unfortunately for Canada's immediate future, it is not to be found in the performance of this government, judging from the content of the subject matter today.

As a western Canadian I am resentful of the tone and implications of many of the statements contained therein. Who, may I ask, have been the main beneficiaries of this government's past policies? The western electorate? The western electorate in the last two trips to the polls has demonstrated with some knowledge its view of confederation in action under the auspices of the Liberal government.

The sinister, underlying message contained in the throne speech is that this government is determined to centralize more power in Ottawa, to resist regional initiatives and rights, to act highhandedly with individuals and regions in the so-called name of Canada's total well-being, but with the underlying intent of changing forever the face and nature of our nation.

These changes are not being allowed to evolve from the concerns and aspirations of the persons who are citizens of Canada; these changes to our structures, our standards, our social order do not result from a groundswell of sentiment or persuasion but from the dictates of those opposite who seek to force philosophical, ideological and economic change insidiously upon us.

There are many vital factors that this throne speech fails to address. There is the same old theme dominating the message. We have heard it all before—the land is strong, inflation wrestled to the ground, security, equity, opportunity, the future is bright, responsible government, sharing, strengthened national institutions, economic challenges. Mr. Speaker, this government continues to be long on rhetoric and short on substance on matters of concern to Canadians.

The throne speech includes the warning that "in every part of Canada there are forces which are driving us apart rather than bringing us together". It also tells us:

To all these forces of discontent, my government has one clear response.

I suggest to you, Mr. Speaker, that this response is: "Give us more power; trust us, the government that brought you such goodies as 20 per cent interest, metrification, undisciplined spending, damaging inflation, a weakened defence posture, regional, cultural and linguistic division—trust us." Trust us indeed!

We are told that "Canadians are a sensible people. They understand that these are difficult economic times throughout the world". Mr. Speaker, Canadians also understand that the difficult economic times they face as a nation are a direct result of past undisciplined action on the part of tired, uninspired government presently led by the honourable reconstituted Prime Minister (Mr. Trudeau).

That understanding is held no more acutely anywhere than it is held in western Canada. One has only to peruse the voting pattern in the last two elections to underline that western Canadians are sensitive to what Liberal philosophical positions hold for our part of the nation.

The throne speech also tells us that "Canadians will accept sacrifice to meet the economic challenges of the 1980s, but that they will not accept injustice". Mr. Speaker, I trust that this government will note well, capitalize that fully and underline it distinctly. A distressed and sometimes disillusioned western Canada will not—and I repeat, will not—accept unjust confiscation of its rights and its resources.

In the next paragraph the speech tells us that "Canadians recognize the need to live within their national means". Mr. Speaker, Canadians as individuals indeed recognize this fact. Our difficulties as a nation have arisen because the government opposite has abused and reabused this basic principle and once again gives every indication that the depth of its commitment to fiscal responsibility is to indulge in clichés while its actions belie its words. The Speech from the Throne is full of promises to expand government activity, to increase control of the economy in a marked and ominous shift to the left.

The speech then states:

In particular, my government recognizes the need to protect those Canadians most affected by unacceptably high interest rates.

Mr. Speaker, it is interesting to note that the Minister of Finance (Mr. MacEachen) includes some 10,000 Canadian mortgage holders only in that category; the other 500,000 are apparently deemed by the hon. minister to be enjoying the experience of increased mortgage payments.

"Energy policy is as important for Canada in the 1980s as railway policy was in the 1880s". The railway era was one which had as its major thrust private initiative with the supporting activities of government. We see in this throne speech a deliberate but not surprising direction taken in energy policy by a government whose disastrous record in this field speaks for itself. We see an energy policy that promises greater intervention by government. We see another government agency, the Petroleum Price Auditing Agency, set up to be the window on the agency the Liberals set up to be a window on the industry. PetroCan, which was set up by that government across the floor to be a window on the industry, will now have another agency looking into its window.

• (1700)

How long will this proliferation and duplication of effort by agencies of government go on? Just so long as there is a Liberal government whose objectives are self-perpetuation, larger bureaucracies, greater burdens on the taxpayer, a resolute intent to avoid realities which would require some evidence of a discipline that does not have any place in the philosophies of modern Trudeau Liberalism.

So the energy policy speaks only of greater government activity, new agencies, new measures and new directions. But surprisingly, and totally out of character with the challenging nature of the preamble which was a challenge to Canadians to seize the opportunity, there is no vision for Canada of self-sufficiency in energy matters; no such future. This government speaks instead of negotiating foreign contracts, creating greater dependence on others, which is a step away from national energy freedom. Then the government compares it to the 1880 railway era. That is irresponsible.

In the Speech from the Throne this sentence appears:

My ministers believe that Canadians want more effective government, not necessarily less government.

The Speech from the Throne, Mr. Speaker, clearly signals that Canadians will now suffer bigger government, more government intervention in their lives, new agencies proliferating and the activities of old agencies intensified. It will be a confirmation, as Geoffrey Stevens put it, of the darkest suspicions about the socialistic predilection of the Prime Minister and his cohorts.

Canadians do want effective government. That same Liberal government under the present Prime Minister has been effective. It has effectively split our nation on regional and cultural lines. It has effectively given our nation a gross national debt whose burden voids our ability to act independently on such important basics as internal interest rates. This retreaded

Liberal government has been effective in making this energy-rich land of Canada increasingly dependent on foreign sources of petroleum products. This government has effectively and unnecessarily, by studied inattention and inaction, made our nation's industries and transportation services vulnerable to interruptions in foreign oil supply.

I can go on and on with a recitation of this government's previous failures, but this is the effective nature of the government opposite.

I would characterize the citizens of Okanagan-Similkameen as not too different from the mainstream of citizens across Canada. They are hard-working, honest, patriotic, independent and God-fearing. They resent indifference, and particularly they resent indifference spiced with arrogance, the hallmark of Liberalism.

Please understand this: We do not ask that confederation extend us some advantage denied others. We do ask, and we insist, that we not be taken advantage of because of our loyalty to that confederation. The Prime Minister in equating happiness with prosperity does a disservice to Canadians who believe that there are other distinctive elements in the recipe. Recognition and respect are two which should notably be added, for material prosperity without the psychology of contentment means but little in the well-being of the individual, the region or the nation.

If the policy of government is addressed to favour those regions of Canada with electoral strength to the disadvantage of those areas which do not represent equivalent electoral clout, we can expect the voice for regional autonomy to become more strident.

I have found, Mr. Speaker, that the preoccupation of the people in Okanagan-Similkameen is with national and international affairs. We are deeply concerned with the aloof stance taken by this Liberal government in its past incarnation, a stance which denied a responsible shouldering of the load to defend our freedoms against the growing threat of Soviet expansion and aggression.

Thus I am happy to note for the first time in 12 years of Liberal throne speeches a reference to our commitment to NATO. It is unseemly that it took a demonstration of Soviet aggressive intent in Afghanistan to move this government, and I await with some misgivings based on past attitudes the actions of this government backing up its throne speech statement.

Environmental concerns in the riding of Okanagan-Similkameen require senior government financial assistance. Water quality considerations have the utmost priority. Limited precipitation of only 11 inches per year provides very little natural flushing action in our lakes. It takes 60 years of runoff to displace the water in Okanagan Lake. Increasing populations require immediate action. Sewage outfalls must be removed from limited flow waterways. We will be seeking means from this government to help local jurisdictions accomplish this goal.

In the throne speech reference is made to the multicultural mosaic of Canada. I expect recognition from this government of the aspirations of the many new Canadians in my riding to preserve certain aspects of their culture while engrossing themselves in their responsibilities as Canadians. I look for responsive encouragement from this government to those aspirations.

I see nothing of substance in the throne speech for the fruit farmer or the rancher who has an operating loan of $25,000, $50,000 or $100,000 bearing interest at 20 per cent. I see nothing substantial to help the small independent logger struggling to make payments on his $75,000 worth of trucking equipment. I see nothing substantial to offer relief for the merchant who finds the burden of carrying stock on his shelves and on his racks beyond his capacity under the high interest rates imposed by this government's management.

I see nothing of substance offered to young Canadians seeking to own homes. The policies which we advanced provided mortgage interest deductibility and offered operators of small businesses substantial relief from the burden of interest.

By inference, the Liberal opposition implied that they had something better to offer. The throne speech reveals the shallowness of their criticisms, the audacity of their endeavour and their overwhelming compulsion for power overcoming responsibility and reason.

● (1710)

Mr. Paul E. McRae (Thunder Bay-Atikokan): Mr. Speaker, it is with a great deal of pleasure that I have the opportunity to speak in this Thirty-second Parliament.

I begin by congratulating Madam Speaker on her appointment. She has served Parliament well over the past seven or eight years. I believe she will do a very fine job in her new role. It is fitting that a woman take the chair as Speaker in this House. We look forward to her deliberations and judgments which, as in the past, will be fair and carefully worked out.

I also want to congratulate the mover and seconder on the eloquent speeches they made in initiating this debate.

In spite of what some opposition members have said, this is one of the best throne speeches I have heard since coming here, and this is the fourth Parliament in which I have been a member. What we have in the throne speech is basically a call to Canadians to come together and unite for a strong Canada.

As a representative of two communities very close to the centre of this country, Thunder Bay, being the larger community, and Atikokan, with some smaller communities in between, we take very seriously our role bridging the west and the east, a kind of centre point in this country. As Canada's second largest port and the world's largest grain port, we are very pleased that the throne speech has given prominence to the movement of grain. The government has clearly indicated it will do everything in its power to ensure more grain is moved.

The central role of Thunder Bay is a prime factor in this movement. At the present time, about 70 per cent of our grain moves through Thunder Bay. We have been told by people

such as the senior officials of the CPR that if it were not for the Crownnest rates all grain could be moved cheaper through Thunder Bay, through the Seaway and around through the Panama canal to ports in the Orient. That is the best way to move grain.

We are very anxious that some improvements be made in the movement of grain through Thunder Bay. We believe that rerouting the CN and CP track along the same corridor and building new yards near where the grain is to be discharged will help significantly in bringing this about.

The community of Atikokan has a great deal more difficulty. Two mines were shut down in the past two years resulting in 1,200 people being put out of work. There are some serious problems there. I was not happy during the six or eight months the Clark government was in power. There was much that could have been done in that area that was not done. In particular, with the kind of thinking that prevailed in the public service, especially in organizations like CMHC where there was a terror of making a mistake or doing anything because people did not know from one day to the next whether they would be wiped out—

Some hon. Members: Oh, oh!

Mr. McRae: The people from CMHC did not support the people in my community who are having massive problems trying to hold on to their homes and so on. I hope there will be a new era in this regard.

The world of the 1980s is extremely complex. As Canadians and members of Parliament in the debate that has gone on over the past several years, there has been a tendency to oversimplify the problems that face us. There is a whole set of unique problems that have not been faced in the past. I have said that many times in this House of Commons, as have some members opposite. We are facing problems of inflation and high unemployment at the same time as massive interest problems. We are facing a whole series of economic problems that are different in magnitude and quality from those faced in the past. There is no question about that. We face social breakdowns that were never experienced in the past. We face problems in terms of global breakdown and the difficulty that individual nations are having in coming to grips with their problems. The same is true of multinational corporations. These are problems that previous governments did not have to respond to.

When I spoke in this House two years ago, we talked of a 5 per cent inflation rate as a kind of base zero. We now talk of 10 per cent as base zero. The rate of inflation in the U.S. has been running at about 18 per cent for the past few months. These problems are not being solved.

Added to that is a single factor that is unique. I refer to the beginning of a realization in the past two, three or four years that there is a very grave energy shortage. It is grave in both Canada and the United States. I want to speak about that and economic problems in a minute.

The point I wish to emphasize is that there are not simple answers to these problems. Increasing the money supply, the interest rate or, as the NDP would do, increasing government spending and creating greater demand and purchasing power will not work and have not worked for quite some time. We have increased demand at a tremendous rate and it has not worked. There are many reasons for that.

We have to look at the eighties as a new kind of era. I wish to refer hon. members to the remarks made by the Prime Minister (Mr. Trudeau) on New Year's eve in 1975 going into 1976. He talked about lifestyle changes. He was criticized for that. Some of those lifestyle changes are going to be with us. The energy problem is one that highlights this, but that is only one of them.

I wish to deal with the energy situation. I was particularly pleased with the references in the throne speech to the energy problem. The throne speech was superb in that regard. I was pleased because most of the thinking that went into that came from people on this side, not just government members but members of our caucus. It followed very, very carefully the statements we made during the campaign.

There are a couple of simple things we can say. We were told last June by the National Energy Board that conventional crude oil production in Canada in 1978, the last year for which they had figures, was approximately 1.4 million barrels a day and that that production would be down to something in the order of a little over 500,000 barrels a day by 1990. That is a reduction to just a little over a third. It has presented us with a series of problems. We were also told at that time that the gas supply demand curves would meet about 1992 or 1993. This was revised upwards.

Then we had what I call the famous Thursday when the prime minister stood up and announced that there could very well be a shortage of oil in eastern Canada if there was a bad winter. Then the minister of energy got up two and a half hours later and announced we were going to give away or sell 2.8 trillion cubic feet of natural gas. That was an interesting day, and the interesting thing about it was that he had to be asked six times by our members when we were on the other side what the cross-over date between supply and demand was under the new scheme, and the answer finally came out, after the sixth try—1997.

So we have a serious problem with respect to oil and natural gas. There are some solutions to it but I think this is the basis of the thinking that went on.

• (1720)

The idea that permeates the opposition in this debate is interesting: it is that because you have done something one way for the last 12 years you are always going to continue doing it that way. I tell you, Mr. Speaker, the world is changing and we will have to learn to change with it.

One of the major changes in our thinking in the last six or eight months was that we could no longer go along with the notion of world oil prices—that world oil prices bear no relevance to Canadian needs. It was one thing when the world

price was $12 or $13 a barrel. It is another when it doubles or almost triples in the course of a year, when you go from $13 to $30 or $34. It is a wholly different ball game. So we decided we had to abandon the notion of world oil prices and come to the notion that oil prices within Canada should be related to cost, and we came up with the notion of a "made in Canada" price, which is really a blended price.

I am concerned about the interpretation which the opposition, and particularly the producing provinces—I have especially in mind Alberta—place upon this notion of a blended price. I sense in Mr. Lougheed, not in the people of Alberta, a kind of paranoia that worries me. It amounts to an almost desperate plea on behalf of his province. He is looking upon crude oil, and rightly so, as being a depleting resource which will virtually disappear in the next 15 or 20 years, and therefore he has to get as much out of it as he can as fast as he can.

I believe this is a mistake because I think this is not the case. I think Alberta has a depleting resource in oil in a very short space of time, and a depleting resource in a somewhat longer space of time in natural gas. In a much longer space still it has a depleting resource in tar sands, and in a much longer space again in coal.

I think what we have to do with this whole scene is to make people in Alberta and the government of Alberta believe that there is stability in this, that Canadians are willing to pay a reasonable amount to the people of Alberta over a long period of time and that this blended price, which will be made up of a certain price for conventional crude oil and a different price for tar sands, differing gas prices and so on, this blend of prices in terms of secondary and tertiary production, will be very, very gentle to Alberta and will sustain over the long term the economy of Alberta. It is not one of those things where, when it runs out, it is all over. It is a long-term thing and I think it is the long-term agreement which we make with Alberta which will be extremely important.

A final word on this price question—I overlooked one particular point I wanted to make. Getting back to the National Energy Board, the board produced a paper and all members were involved in it in terms of its presentation. It was presented to all sides of the House in November last. It showed that by 1985 revenue from oil and gas based on a $1 increase every six months—not on $4 or $4.50 a year but on $1 every six months—would be in the order of $30.54 billion, most of which would be going to Alberta, and that the provincial share would be something close to $10 billion—$9.80 billion. That is without the $4 or the $4.50 we are talking about.

I am not opposing this, but that would ensure to Albertans something in the order of $5,000 per man, woman and child per year. This would be sustained over a long period of time because the blended price would give us that effect. So I think Albertans have to feel easy about their future. I know they will want to share their resources with Canadians, and I do not think the present government means to grab, as we are hearing. That is not what we are trying to do. What we want is a fair deal for all Canadians while at the same time giving Albertans a generous allowance for enabling us to use those resources. And we believe those resources exist basically for all Canadians.

There are other things we are concerned about in our energy policy as it is enumerated. One of them is, of course, to find alternate sources for conventional crude oil from the world markets where we know we shall need to obtain crude oil. Do not forget that we are talking about moving from 1.4 billion barrels to 516 million barrels by 1990. So we shall need to buy offshore oil, and we on this side are very pleased that shortly after the new government came to power we were able to negotiate a most satisfactory initial arrangement with Mexico. We hope to do the same with Venezuela and the Mexican President will, I understand, be in Canada next month or the month after for the signing. We think this deal is very important because it is important to diversify in this respect. But we do have the problem of having to purchase close to 300,000 barrels a day for the east coast, for the Atlantic provinces, and we think some of this demand can be reduced considerably by the very rapid building of the Q & M pipeline. We think this has a very high priority and that we should substitute natural gas, of which we have a certain abundance. I do not think we have sufficient abundance to sell any more off, however. But there is certainly some abundance at this stage of the game and this would replace the oil we purchase for Atlantic Canada.

The strange Tory government meandering around this PetroCan issue was something I could not understand. It struck me as unbelievable at a time when the Canadian government needed a basic instrument for a national policy, an instrument which itself could do things when it was necessary to do them. This was the whole basis of PetroCan; it was not just something designed to increase Canadian ownership or to keep an eye on the industry. It was basically an instrument for a national energy policy, and it is a fine instrument. To talk about giving it away or selling it or God knows what seemed incomprehensible to me. But we are back on stream. We believe PetroCan is a fine instrument and we shall be doing our best to make it a larger and more viable company, to allow it to move into areas into which it has not moved before so as to develop new sources of oil and gas, and also to act as an umbrella for other energy problems.

We are very pleased the government has announced that there will be an alternate energy corporation. This may begin under Petro-Canada, it may be entirely separate, but it is extremely important that we should have an alternate energy corporation. We are very pleased the Speech from the Throne contains such an undertaking.

• (1730)

I think there is a very serious problem within the Department of Energy, Mines and Resources which has to do with the whole notion of conservation. It seems to me that we must deal with that notion at much greater length than we have until now. It fits in with my thinking of the new world into which we are moving. I am not sure that the Department of

Energy, Mines and Resources, functioning as it does now mainly as a department of energy supply, is giving sufficient attention—here I am referring to both governments, not to one or the other—to a reduction in demand, to the conservation that is necessary. It seems to me that the whole alternate energy field as well as the conservation field is a new field we must develop, and perhaps at some point that field should be put under a separate ministry or organized in a somewhat different way so that there is a prime requirement in the area of alternate energy.

I think the throne speech has made a very valuable contribution to the future of Canadian energy in the statement on the blended price notion, that we are trying to develop a long-term pricing system which suits the people of Alberta and also meets the needs of all Canadians.

At the beginning of my speech I alluded to the kind of world into which I think we are moving and the kinds of concerns we have. I indicated that some of the problems which would seem to be almost insoluble were related to our economy. Certainly the Canadian economy is facing very difficult times.

First, I should like to get rid of the notion which seems to be coming from the other side that the budget which was defeated in December and which was a tough budget was one which we were not tough enough to take, that it was ridiculous for us to throw out that budget because we were going to have to bring in the same kind of budget. I can accept that it was tough, there is no question about that, but it was also foolish. I cannot believe that a government whose major concern in the budget was inflation would set in front of this Parliament an 18 cents excise tax which would have increased the inflation rate in this country by 1.5 per cent to 2 per cent. Most economists would agree that it would have had that very effect. There was no problem on this side with the idea that the government should raise more money or reduce the deficit—we did not dispute that fact. But we do dispute the fact that you have to increase the inflation rate by 1.5 per cent to 2 per cent to achieve that aim.

I think that was a basic difference between our outlook and theirs. The point was not that we would not have accepted a tough budget; the point was that it was a foolish thing to do, something that did not make sense in terms of the time or in terms of the expectations of Canadians.

Some hon. Members: Hear, hear!

Mr. McRae: I went to the Canadian electorate. I do not know whether there was deceit in this or it just happened, but people adopted the idea that gasoline prices must go up and that the 18 cents was going to contribute in some way to providing more gasoline. That was not true. This was straight general revenue. I find it very difficult day in and day out to say this. Let us accept that we did not defeat the government because they gave us a tough budget. We defeated it because the 18 cents excise tax did not make sense.

An hon. Member: How about the Gallup poll?

Mr. McRae: It has nothing to do with the Gallup poll. You were pushing us like mad. But the point is that the 18 cents tax did not make sense because it would have increased inflation by 1.5 per cent to 2 per cent.

We have been faced, in the last two years at least, with interest rates that are exceptionally high and that have grown, certainly in the last 12 to 15 months, to a point where they are creating some very serious problems in the Canadian economy. I am not satisfied that either our government or the Conservative government has attacked this in a total way, and I am pleased that the Minister of Finance (Mr. MacEachen) wants to know more and hear more alternate suggestions.

An hon. Member: He does not listen.

Mr. McRae: He has not heard anything to listen to. I am not convinced that the problems being caused to home owners, to small businessmen and to the home construction industry have been tackled correctly. In my community a good, medium-sized engineering firm has no business whatsoever. There is no one coming and saying, "I want to think about this; I have an idea that we should build so and so." That is not happening. There is a basic stoppage at the very basis of our construction trade. These are very serious problems. I hope this problem goes away but I do not think the answers are good enough. I do not think it is good enough to say that we will try to help those who cannot survive otherwise. I commend the government for going that far but I think we are going to have to do more.

I was very concerned during the Thirty-first Parliament about the rationale for high interest rates. We were talking about high inflation rates and comparing the United States and Canada. We said that since interest rates were high in the United States, therefore Canada must have high interest rates. When we in the finance committee met with Mr. Bouey in late

October, I was not satisfied with his answers at all because, basically speaking, when I took the real interest rate—that is the prime rate minus the inflation rate—or when I took the deflated real interest rate, I found that Canada had by far the highest real interest rate of all the members of the summit Group of Seven, of which we are part. Ours was 5.5 per cent. I do not have the figures in front of me for that period, but in March the figure was 5.5 per cent, in the United States it was 2.75 per cent to 3.75 per cent, in West Germany 4.75 per cent, in Japan 1.50 per cent and so on. So we were way up there. What I am saying is that someone who actually lends money in this country is doing much better than if they lent money in the United States or some of the other countries, because their real interest rate is considerably higher.

When I pursued the subject, Mr. Bouey said that we can anticipate higher inflation rates because oil prices are going to go up. There was some kind of hint at that time that we were going to have the 18 cents tax. It concerned me, but I was reasonably satisfied when the government decided to let the interest rates float because I felt that at that point we would find out really about the theory that we needed high interest rates to go as high as they did, in spite of the fact that we had high real interest rates; and, of course, they went up a little higher.

I am beginning to wonder what has been happening. I was rather surprised, and I must admit I should have looked at this earlier, when I had a look at the money supply in this country. I began to see that the real money supply, that is the actual nominal money supply with the deflator factor, in the last 12 months was in the order of 2.6 per cent. It dropped to about 2.6 per cent. In other words, just looking at the average money supply, M1—which is the one accepted by the government, and there is no time to argue whether or not that is right—we find that it increased by 6.8 per cent last year, but the consumer price index increased by 9.4 per cent. So there is a 2.6 per cent loss there in actual money supply. I have asked the Minister of Finance if he will take another good look at what is happening to the M1 and also what is happening to our real interest rates and whether there is not some justification at this particular point for increasing the money supply, at least up to the point—

● (1740)

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

Hon. Allan B. McKinnon (Victoria): Mr. Speaker, first I should like to compliment the hon. member for Rimouski (Mrs. Côté) and the hon. member for Sudbury (Mr. Frith) for the excellence of their maiden speeches as mover and seconder of the Speech from the Throne. We do not always agree with newcomers, but they had points to make and they both made them extremely well during the course of their speeches.

I intend to speak on defence later in this speech, but in view of the time constraint, with a 15-minute bell I understand starting at 5.45 p.m., I will just make a few introductory remarks and ask to carry on tomorrow.

Perhaps this might be a good time to mention the fact that the new fighter aircraft contract was finally signed today. I was rather dismayed that the new government decided not to announce either the selection of the aircraft or the signing of the contract by a statement on motions which would enable the opposition to cross-examine the ministers, something which they do not seem to accept very kindly. However, it was signed today. I believe they signed for the right aircraft. That was our position. I think the F-18A was the better of the two aircraft and came closer to fulfilling the needs of Canada's armed forces.

An hon. Member: Oh, oh!

Mr. McKinnon: I think I heard a little interjection from the NDP. I was rather amused to hear their defence critic suggest that this should be transferred over to a standing committee to make the choice between the two aircraft. I expect that they were thinking of the Standing Committee on National Defence and External Affairs. The hon. member for New Westminster-Coquitlam (Miss Jewett) is well known for her position about military matters which runs exactly counter to the leader of her party. Perhaps it would have been a grand opportunity for the NDP to sort themselves out and find out whether they wanted a plane at all or, as the hon. member for Winnipeg North Centre (Mr. Knowles) moved last fall, that we should not have a plane. The meetings of the committee struck to choose between these two aircraft would have been very peculiar. Asking the NDP, particularly those two members, to choose between those two aircraft is rather like asking Truman Capote to judge the Miss America contest.

Miss Jewett: We did not want either.

Mr. McKinnon: While we are speaking so often on the referendum in this throne speech debate, I should like to point out that the unseemly sight of members of Parliament from Quebec and Ontario quarrelling over which province will have 50 per cent of this contract and which province will have 40 per cent rather dismays members of Parliament from the far reaches of the country. It does not really impress the people from the four western provinces, the Northwest Territories, the Yukon or the Atlantic provinces, that 10 per cent should be considered the normal allotment for those eight provinces and the other two territories. I am glad that has died out.

Some hon. Members: Hear, hear!

Mr. McKinnon: Mr. Speaker, I hope it would be in order if I were now to call it 5.45 p.m.

[*Translation*]

The Acting Speaker (Mr. Ethier): Order. It being 5.45 p.m., it is my duty, pursuant to Standing Order 38(3), to interrupt the proceedings and forthwith put any question to dispose of the subamendment which is now before the House.

The question is, therefore, on the amendment to the amendment (Mr. Broadbent). All those in favour of the amendment to the amendment will please say yea.

Some hon. Members: Yea.

The Acting Speaker (Mr. Ethier): All those opposed will please say nay.

Some hon. Members: Nay.

The Acting Speaker (Mr. Ethier): In my opinion the nays have it.

And more than five members having risen:

The Acting Speaker (Mr. Ethier): Call in the members.

● (1750)

[*English*]

The House divided on the amendment to the amendment (Mr. Broadbent), which was negatived on the following division:

(*Division No. 1*)

YEAS

Messrs.

Althouse
Anguish
Benjamin
Blackburn
Blaikie
Broadbent
Deans
de Jong
Fulton
Hovdebo
Ittinuar
Jewett (Miss)
Keeper
Knowles
Kristiansen
Lewycky
Manly
Miller
Mitchell (Mrs.)
Murphy
Nystrom
Ogle
Orlikow
Parker
Rae
Riis
Robinson (Burnaby)
Rose
Sargeant
Skelly
Waddell
Young—32.

NAYS

Messrs.

Allmand
Andre
Appolloni (Mrs.)
Axworthy
Bachand
Baker (Gander-Twillingate)
Baker (Nepean-Carleton)
Beatty
Beauchamp-Niquet (Mrs.)
Bégin (Miss)
Berger
Blais
Blaker
Blenkarn
Bloomfield
Bockstael
Bosley
Bossy
Breau
Buchanan
Bujold
Bussières
Caccia
Campbell (Miss) (South West Nova)
Campbell (LaSalle)
Cardiff
Chénier
Chrétien
Clark (Yellowhead)
Clarke (Vancouver Quadra)
Collenette
Comtois
Cooper
Corbett
Corriveau
Cosgrove
Cossitt
Côté (Mrs.)
Cousineau
Crombie
Crosby (Halifax West)
Crouse
Cullen
Cyr
Dantzer
Darling
Daudlin
Dawson
De Bané
de Corneille
Demers
Deniger
Desmarais

Messrs.

Dick
Dingwall
Dinsdale
Dion (Portneuf)
Dionne (Chicoutimi)
Dionne (Northumberland-Miramichi)
Dubois
Duclos
Dupont
Dupras
Duquet
Ellis
Elzinga
Epp
Erola (Mrs.)
Ethier
Evans
Ferguson
Fisher
Fleming
Flis
Forrestall
Foster
Francis
Fraser
Fretz
Frith
Garant
Gass
Gauthier
Gendron
Gimaïel
Gingras
Gourd
Gray
Greenaway
Guay
Guilbault
Gurbin
Halliday
Hamilton (Qu'Appelle-Moose Mountain)
Hamilton (Swift Current-Maple Creek)
Hargrave
Harquail
Hees
Henderson
Hervieux-Payette (Mrs.)
Hnatyshyn
Hopkins
Howie
Irwin
Isabelle
Jelinek
Johnston
Joyal
Kaplan
Kelly
Kempling
Kilgour
Killens (Mrs.)
King
Korchinski
Kushner
Lachance
Lajoie
Lalonde
Lambert
Lamontagne
Landers
Lang
Laniel
Lapierre
Lapointe (Charlevoix)
Lapointe (Beauce)
Lawrence
LeBlanc
Leduc
Lefebvre
Lewis
Loiselle
Lonsdale
Lumley
MacBain
MacDonald (Cardigan)
MacDonald (Miss) (Kingston and the Islands)
MacEachen
Mackasey
MacKay
MacLaren
Malépart
Malone
Maltais
Marceau
Massé
Masters
Mayer
Mazankowski
McCain
McCauley
McCuish
McDermid
McGrath
McKenzie
McKinnon
McKnight
McLean
McMillan
McRae
Mitges
Munro (Esquimalt-Saanich)
Munro (Hamilton East)
Murta
Neil
Nicholson (Miss)
Nielsen
Oberle
Olivier
Ostiguy
Ouellet
Parent
Patterson
Pelletier
Penner
Pepin
Peterson
Pinard
Portelance
Prud'homme
Regan
Reid (St. Catharines)
Reid (Kenora-Rainy River)
Roberts
Robinson (Etobicoke-Lakeshore)
Roche
Rompkey
Rooney
Rossi
Roy
Savard
Schellenberger
Schroder
Scott (Hamilton-Wentworth)
Scott (Victoria-Haliburton)
Shields
Siddon
Simmons
Smith
Speyer
Stevens
Stewart
Stollery
Tardif
Taylor
Tessier
Thacker
Thomson
Tobin
Tousignant
Towers
Trudeau
Turner
Vankoughnet
Veillette
Watson
Weatherhead
Wilson
Wise
Wright
Yanakis
Yurko—223.

● (1810)

Madam Speaker: I declare the amendment to the amendment lost.

It being past six o'clock, this House stands adjourned until tomorrow at 11 a.m., pursuant to Standing Order 2(2).

At 6.17 p.m. the House adjourned, without question put, pursuant to Standing Order.

HOUSE OF COMMONS

Thursday, April 17, 1980

The House met at 11 a.m.

● (1105)

ROUTINE PROCEEDINGS

[*English*]

ENERGY

GASIFICATION OF COAL RESERVES—MOTION UNDER S.O. 43

Mr. Bill J. Yurko (Edmonton East): Madam Speaker, I rise, under the provisions of Standing Order 43, on a matter of pressing urgency. In view of the fact that Canadian natural gas exports to the United States have resulted in substantial economic benefits to Canada, and recognizing the importance of additional exports in promoting the construction of the prebuilt section of the Alaska gas transmission line, and in view of the fact that surface and in situ gasification of coal is now technically workable as well as economically feasible, I move, seconded by the hon. member for Athabasca (Mr. Shields):

That this House instruct the government to request the National Energy Board to consider the gasification of Canada's vast coal reserves as a long-term supplement and back-up to present proven natural gas reserves in arriving at the conditions for additional exports of natural gas to the United States.

Madam Speaker: Such a motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

HOUSING

REGULATIONS AND DETAILS OF HOME INSULATION PROGRAM—MOTION UNDER S.O. 43

Mr. Don Blenkarn (Mississauga South): Madam Speaker, I rise on a matter of urgent and pressing necessity. The home heating season is just about finished for this winter period. Home owners and insulation contractors now wish to be able to organize their affairs so that they can insulate properties and take advantage of the savings attributable to better insulation. In the Speech from the Throne there was passing reference to measures to be introduced to encourage higher standards of home insulation.

I, therefore, move, seconded by the hon. member for Brampton-Georgetown (Mr. McDermid):

That this House direct the Minister of Energy, Mines and Resources, in conjunction with the Minister responsible for Canada Mortgage and Housing Corporation, to forthwith issue regulations and detail with respect to the home insulation program, extending that program to all homes built prior to 1975, so that home owners will know for certain the meaning of the promises set out in the Speech from the Throne and will be able to plan to have this necessary work done as soon as possible.

Madam Speaker: Such a motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

PARKS CANADA

POSSIBLE MOVE FROM CORNWALL TO PETERBOROUGH—MOTION UNDER S.O. 43

Mr. Bill Domm (Peterborough): Madam Speaker, I rise on a matter of urgent and pressing necessity, pursuant to the provisions of Standing Order 43.

In view of the recent decision of the Minister of State for Science and Technology and Minister of the Environment, responsible for Parks Canada, to review the previous government's decision to move the Parks Canada regional office from Cornwall to Peterborough, in light of the current unrest among civil servants affected by that decision to put the move under review, because of the financial commitments undertaken by the former government to lease office facilities in Peterborough, in view of the actions of the public and separate school boards in Peterborough county to offer French immersion programs to the children of Francophone employees moving from Cornwall to Peterborough, and due to other plans undertaken by the city of Peterborough and the county of Peterborough to receive these employees, I move, seconded by the hon. member for Durham-Northumberland (Mr. Lawrence):

That the minister be directed by this House to confirm to all parties that this relocation of the Parks Canada, Ontario regional office from Cornwall to Peterborough will proceed as scheduled, in order that the employees might continue with the enrolment of their children in school and take possession of their homes in the Peterborough area, as put in place by the Conservative government.

Madam Speaker: Such a motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

S.O. 43

THE ENVIRONMENT

ACID RAIN—CANADA-U.S. DISCUSSIONS—MOTION UNDER S.O. 43

Mr. Tom McMillan (Hillsborough): Madam Speaker, I rise, under the provisions of Standing Order 43, on a matter of urgent and pressing necessity. Since the Minister of State for Science and Technology and Minister of the Environment (Mr. Roberts) will be in Washington for discussions tomorrow with the United States government regarding acid rain, I move, seconded by the hon. member for Peterborough (Mr. Domm):

● (1110)

That this government express to the United States government the Canadian government's determination to pursue vigorously strategies for the control of acid rain, and that the Canadian government convey to the United States government the unanimous support of this House for the early conclusion of an agreement between Canada and the United States for the abatement of acid rain, which the former minister of the environment, the hon. member for Vancouver South, called "the worst environmental danger Canada has ever faced."

Madam Speaker: Such a motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

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AIRPORTS

REGINA, SASK.—CUSTOMS CLEARANCE SERVICE—MOTION UNDER S.O. 43

Mr. Les Benjamin (Regina West): Madam Speaker, I too, have a motion under the provisions of Standing Order 43. In view of the fact that the federal government has constructed a temporary Customs clearance facility at the Regina airport, but because the federal government refuses to pay overtime to Customs clearance staff, early morning and weekend charter flights returning to Regina have been diverted to Winnipeg to clear Customs—which probably costs about 100 times more than the overtime—adding two hours to the travel time of passengers and wasting 900 gallons of fuel for each plane diverted, I move, seconded by the hon. member for Regina East (Mr. de Jong):

That this House calls on the government to provide Customs clearance service for all flights needing these services at any time of day at the Regina airport.

Madam Speaker: Such a motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

INDIAN AFFAIRS

OIL EXPORT TAX—SHARE FOR INDIAN BANDS—MOTION UNDER S.O. 43

Mr. Stan Schellenberger (Wetaskiwin): Madam Speaker, I rise under the provisions of Standing Order 43. In view of the urgent need for Indian band financing, and because the federal government six years ago collected certain band funds, I move, seconded by the hon. member for Peace River (Mr. Cooper):

That the government immediately repay Indian bands their share of the oil export tax.

Madam Speaker: Such a motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

REGIONAL ECONOMIC EXPANSION

MODERNIZATION OF SYDNEY STEEL CORPORATION PLANT—MOTION UNDER S.O. 43

Mr. Rod Murphy (Churchill): Madam Speaker, I rise under the provisions of Standing Order 43. In light of the fact that the premier of Nova Scotia requested a meeting this week with the Minister of Regional Economic Expansion (Mr. De Bané), that the minister refused this meeting, that the purpose of such a meeting was to discuss the necessity of a grant to modernize the facilities at the Sydney Steel Corporation plant, and in view of the fact that the Liberal party promised during the last election campaign to provide $50 million to modernize the plant, I move, seconded by the hon. member for Winnipeg North Centre (Mr. Knowles):

That the minister meet with the premier of Nova Scotia immediately to discuss this matter; and that this government keep its campaign promise to provide at least $50 million for modernization of the plant.

Madam Speaker: Such a motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

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VETERANS AFFAIRS

CALL FOR IMMEDIATE REINTRODUCTION OF BILL C-28—MOTION UNDER S.O. 43

Mr. Dan McKenzie (Winnipeg-Assiniboine): Madam Speaker, I rise on a matter of urgent and pressing necessity under the provisions of Standing Order 43. Given the fact that Bill C-28, which was introduced by the Conservative government last December to benefit Canada's war veterans' widows, given the fact the filibustering of the NDP and Liberals in the last Parliament prevented it from becoming law, and given the

fact that these deliberate and constant delays should not be borne on the back of the veterans, I move, seconded by the hon. member for Grey-Simcoe (Mr. Mitges):

That this government immediately reintroduce Bill C-28 in its entirety and make its benefits retroactive to December 6, 1979, when the bill was first introduced by the hon. member for Victoria.

Madam Speaker: Such a motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

SHIPPING

DREDGING OF SALMON ARM, B.C.—MOTION UNDER S.O. 43

Mr. Nelson A. Riis (Kamloops-Shuswap): Madam Speaker, I rise, under the provisions of Standing Order 43, on a matter of urgent and pressing necessity. Given the fact that a major part of the economy of Salmon Arm, B.C., is dependent upon access to the waters of Shuswap Lake and access is presently not available via the federal wharf due to the natural silting-in process, I move, seconded by the hon. member for Beaches (Mr. Young):

That this House immediately instruct the Minister of Fisheries and Oceans to initiate action to ensure the shipping channel is dredged before the high water of the spring freshet.

Madam Speaker: Such a motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

• (1115)

ORAL QUESTION PERIOD

[*English*]

ENERGY

NEGOTIATIONS WITH PRODUCING PROVINCES ON OIL PRICING

Hon. Jake Epp (Provencher): Madam Speaker, I would like to direct a question to the Minister of Energy, Mines and Resources. The present oil pricing agreement expires on July 1, which obviously raises the need for new agreement by that date. Can the minister tell the House whether or not negotiations have begun with the producing provinces and, if not, have dates been finalized for the commencement of negotiations with those provinces?

Hon. Marc Lalonde (Minister of Energy, Mines and Resources): Madam Speaker, I had the opportunity of meeting with the ministers of energy from the producing provinces very shortly after my appointment. We conducted exploratory discussions at that time. I have been in touch with the provinces since, and our plan is to get in touch once again and meet in the next few weeks, hopefully in the early part of May.

Mr. Epp: Madam Speaker, we are aware of the exploratory meetings which the minister had with the producing provinces and the ministers responsible. But I specifically asked him if dates have been set for negotiations to commence, in view of the fact there are but a few months left prior to the July 1 deadline. Further, has the minister presented any federal proposals, in terms of either supply or price, to the producing provinces?

[*Translation*]

Mr. Lalonde: Madam Speaker, I indicated in my reply to the previous question that a meeting would be scheduled for early May. The date will be set by mutual agreement with the provinces concerned and, at that time, we will take up the specific study of certain aspects which could constitute the basis for a new oil pricing agreement.

[*English*]

Mr. Epp: Madam Speaker, the minister's answer again proves that things are very nebulous and that their policies have not been nailed down, with only two months from May 1 before the expiration of the present agreement. Neither the Speech from the Throne nor the minister's address to the House yesterday made any real commitment to energy self-sufficiency, particularly oil self-sufficiency, for Canada.

Is energy self-sufficiency a goal of this government, or has the minister concluded that the present policies of this government, whatever they may be, will not give us self-sufficiency? If, in fact, self-sufficiency is their goal, can the minister give us a date when he hopes to attain that goal?

Mr. Lalonde: Madam Speaker, of course self-sufficiency is a goal of this government, but I do not intend to give phony dates, like the previous government, which they could not obviously uphold.

Miss MacDonald: You do not even try.

* * *

INDUSTRY

CANADA-U.S. AUTO PACT—SUGGESTED REVISION TO PREVENT LOSS OF JOBS

Mr. Edward Broadbent (Oshawa): Madam Speaker, I have a question for the Minister of Industry, Trade and Commerce: it is of deep concern to every Canadian taxpayer as well as to Canadian auto workers.

Is the minister aware that the, Volkswagen Corporation plans to expand its operations in the United States, and that the American government is now negotiating with Honda and Datsun to build plants in the United States? If so, would he not agree that unless these companies' operations are brought

within the framework of a revised Canada-U.S. automotive agreement very soon, the results for Canada can be devastating both in the loss of thousands of jobs and in a major increase in what is now an automotive trade deficit of over $3 billion?

Hon. Herb Gray (Minister of Industry, Trade and Commerce): Madam Speaker, it is our intention, when we begin our formal consultations with the United States on the auto pact, to raise the whole matter of the third country imports as well as our interests with respect to the Canadian automotive industry. We also want to deal with the matter of increased activity in Canada by these third countries.

I also want to inform the House that this coming Monday I will be meeting in Ottawa with the special trade representative of the United States, Ambassador Askew. One of the items on the agenda will be this very matter.

Mr. Broadbent: Madam Speaker, talks at this level have been going on for many years between the Government of Canada and officials of the United States. Considering not only the information I have just mentioned, about expansion of non-North American plants in the U.S. which are going to cause us serious problems, considering the announcement today by General Motors of thousands of lay-offs in both countries, and Ford's announcement yesterday of thousands of lay-offs in both countries, will the minister not now seize the opportunity of this genuine crisis in the industry to arrange a meeting at the top level, including the Canadian Secretary of State for External Affairs and himself, to get a renegotiated pact in place by the end of this year?

● (1120)

Mr. Gray: Madam Speaker, we began with a series of meetings I have been holding with the presidents of Canadian companies, within days of the new government taking over, to carry out our commitment to have a better automotive industry in Canada—

An hon. Member: It is really working well.

Mr. Gray: —and we intend to proceed as quickly as possible to do something that has not been done before by the previous Conservative government or previous Liberal governments, that is, to have formal consultations under the relevant clause of the Canada-U.S. automotive agreement.

I am glad to see that the hon. member recognizes that this is a North American crisis problem. We are treating it as such, because our priority is to preserve Canadian jobs and to create more Canadian jobs; and I hope to have the support for this of the hon. member and all members today.

Some hon. Members: Hear, hear!

Mr. Broadbent: Madam Speaker, if it is a crisis for Canada, it is a crisis because for 12 years the Liberals did nothing up to this point in getting our share of these jobs.

Some hon. Members: Hear, hear!

Mr. Broadbent: That is why we have a crisis. I would like to ask the minister, in that context, since the profits of virtually every one of the North American automotive companies—Chrysler, Ford, General Motors, and American Motors—are all higher in Canada than in the United States, and since their production, with the exception of one company only, this year is not going to live up to its commitments under the Canada-U.S. automotive agreement, will he promise Canadians today that the Government of Canada this year will compel them to live up to their commitments—at least for 1980?

Mr. Gray: Madam Speaker, we are all glad that the hon. member and his party have suddenly remembered the plight of the auto workers.

Some hon. Members: Oh, oh!

Mr. Gray: This is something we have been concerned with since the outset and began working on as soon as we became the government. We are going to use the authority we have under the Canada-U.S. automotive agreement to preserve Canadian jobs and, hopefully, to add to them.

Some hon. Members: Hear, hear!

* * *

ENERGY

DATE OF SELF-SUFFICIENCY IN OIL

Mr. Harvie Andre (Calgary Centre): Madam Speaker, my question is for the Minister of Energy, Mines and Resources. A few moments ago he castigated this side of the House for our stating 1990 as the target date for achieving self-sufficiency. I would remind the minister that on March 21, in a Canadian Press interview, the Minister of State for Economic Development, in the other place, on the question of oil self-sufficiency stated, "It can and must be done before 1990".

Some hon. Members: Oh, oh!

Mr. Andre: Can the minister indicate whether that minister was indicating a desire, and how his policies on pricing and revenue-sharing would help Canada achieve self-sufficiency, if not by 1990 but at a date that he suggests is more appropriate?

An hon. Member: Who is stating government policy?

Hon. Marc Lalonde (Minister of Energy, Mines and Resources): Madam Speaker, indeed the previous government had mentioned 1990 as the date, but the previous minister of energy had also indicated that by 1990 we would still be importing 250,000 barrels a day. This is why I said that this target set by the previous government was just a phony date which had no realistic basis.

An hon. Member: It is your own minister in the Senate.

Mr. Lalonde: As far as we are concerned, indeed we want self-sufficiency for Canada and we do hope and think that we can achieve it before 1990.

Some hon. Members: Oh, oh!

Mr. Baker (Nepean-Carleton): Who is the phony?

Mr. Lalonde: If the current exploration off the east coast proves to be as encouraging as is thought, we might be able to reach that level much earlier than the most optimistic forecasts that were made by the Tories. But as far as we are concerned, I am not going to be tied to a specific date.

Mr. Andre: Madam Speaker, my supplementary question is for the same minister. During the election campaign, the minister described the Liberal pricing policy this way, as quoted in the January 29 edition of *The Globe and Mail:*

> If the price of conventional is X, you will have a price of X plus Y for the non-conventional oil, and then the international price—you know what it is—but we have indicated we will continue to subsidize the price . . . So what you would end up with would be a mix of these prices.

An hon. Member: Order.

● (1125)

Mr. Andre: Since then the minister's statements have been more grammatical but no less clear—or no more clear.

Some hon. Members: Oh, oh!

Mr. Andre: Can the minister tell the House what his pricing formula is, and how his pricing formula will isolate Canada from increases in OPEC and Mexican prices?

[*Translation*]

Mr. Lalonde: Madam Speaker, I indicated in our preliminary and later discussions with my colleagues of the various provinces that I had no intention of dealing in speculation about specific figures, neither here in the House nor elsewhere.

COMPENSATORY MEASURES RESPECTING LAPRADE HEAVY WATER PLANT

Hon. Roch La Salle (Joliette): Madam Speaker, my question is also directed to the Minister of Energy, Mines and Resources. I should like to bring up an old story, that of the compensatory measures negotiated with the then government several months ago concerning the Laprade heavy water plant entailing compensation of some $200 million negotiated between the Quebec and federal governments. Does the minister intend to deal swiftly with this matter and settle it once and for all since, to my mind, it is certainly justified?

Hon. Marc Lalonde (Minister of Energy, Mines and Resources): The matter was discussed with the former Liberal government and, more particularly, with the then minister of finance, now the Minister of Justice.

I have received a letter from the Quebec energy minister and I am now looking into the situation and more recent developments. I shall be pleased to advise the hon. member of any further developments in that regard.

Mr. La Salle: Madam Speaker, I should like to put a supplementary question.

In view of the fact that we had already agreed and accepted to settle those compensatory measures of roughly $200 million, under certain conditions dealing, for example, with the saving of energy, would the minister assure us that he will recommend to the Minister of Finance the payment of those $200 million since the minister knows quite well that we will have to say yes from time to time if we want to get as massive a No vote as the Prime Minister hopes for?

Mr. Lalonde: Madam Speaker, as the hon. member knows, we did discuss a compensatory $200 million formula when we were in power and, as he also indicated, there were certain conditions related to the matter; and that is what we are considering at present.

[*English*]

EXPORT OF NATURAL GAS TO UNITED STATES

Hon. Ray Hnatyshyn (Saskatoon West): Madam Speaker, my question is to the Minister of Energy, Mines and Resources. I want to ask whether he maintains the position he took on December 6 last in opposition to the export of natural gas to the United States. In particular, does he believe—and I quote him— "everything has to be signed, sealed and delivered, particularly the financing plan . . . for the whole Alaska pipeline . . . before we start exporting one cubit foot of gas out of this country to the United States". Is that still the position of this government, or his own particular position as minister?

[*Translation*]

Hon. Marc Lalonde (Minister of Energy, Mines and Resources): Madam Speaker, the hon. member is aware that we have received a number of proposals calling for an increase in gas exports, or even for some amendments to the agreement we had signed when we were in power. We have decided to postpone any action concerning this until we can obtain much clearer indications as to what the Americans intend to do than those the previous government could obtain. We want to get firm assurances that the Alaska pipeline project will be started.

[*English*]

Mr. Hnatyshyn: Madam Speaker, if that is intended to elucidate the position, I am afraid it does not accomplish that particular end. In terms of the minister's policy with regard to natural gas, on March 4, shortly after being sworn in to his present position, he made the statement that one of his first priorities would be to introduce an export tax on natural gas. Is that a statement of government policy, and does it continue to be so?

Mr. Lalonde: Madam Speaker, I do not recall ever having made such a statement.

Some hon. Members: Oh, oh!

Mr. Lalonde: If the hon. member has such a quote, I would like to see it. But this is not part of government policy.

* * *

&tu (1130)

GOVERNMENT EXPENDITURES

IMPROVED FINANCIAL INFORMATION TO PARLIAMENT

Mr. Doug Anguish (The Battlefords-Meadow Lake): Madam Speaker, my question is directed to the President of the Treasury Board. In view of the fact that the 1978-79 Auditor General's report indicates that the spending of the government is not under control and recommends improved information to Parliament as one part of a remedy, and since the Comptroller General was asked by the public accounts committee on March 8, 1979, to review the topic of improved information for Parliament, as suggested by the Lambert commission and several other government reports, with a mandate to report back to the committee no later than December of 1980, will the minister assure the House that the original deadline will be met and that progress reports will be issued as the report proceeds?

Hon. Donald J. Johnston (President of the Treasury Board): Madam Speaker, the original deadline cannot be met by reason of a series of events that have taken place—changes of government, and so on—but I can assure hon. members that the improvement of financial information to Parliament is a priority item for Treasury Board.

I have had frequent discussions with the Comptroller General on this subject and we shall, I hope, be presenting experimental forms of estimates later this year for the following fiscal period. So the program is delayed, but it is moving ahead efficiently now and I think the hon. member's request will be satisfied in the current year.

Mr. Anguish: Since this is a priority item in the view of the government, and taking into consideration the fact that the public accounts committee is already overburdened with work, will the minister refer reports and recommendations aimed at improving information to Parliament to a special committee of the House which would be struck for the sole purpose of providing recommendations to Parliament for improving the efficiency and accountability of government?

Mr. Johnston: The question covers a variety of points, Madam Speaker. I think I answered the question with respect to the form of the estimates, and we shall be happy to furnish progress reports in that regard.

With respect to the over-all position, the hon. member may be aware of the IMPAC studies being conducted by the Comptroller General in nearly every major department of government. These surveys are being completed; we hope to complete all of them this year in the 27 departments. Plans for action are being agreed upon with those departments and I would say this program is moving ahead very effectively—I believe the Comptroller General will agree with me.

* * *

ENERGY

CONSULTATIONS ON PRICE OF SYNCRUDE OIL

Mr. Jack Shields (Athabasca): Madam Speaker, my question is for the Minister of Energy, Mines and Resources. Will the hon. gentleman advise the House whether or not he consulted with all nine partners of the Syncrude agreement prior to his unilateral announcement fixing the price of Syncrude oil, and will he provide detailed information as to the time, place and extent of that consultation?

Hon. Marc Lalonde (Minister of Energy, Mines and Resources): Madam Speaker, I did not consult the nine partners in the business. This was a government decision and it has to be taken. However, I did discuss this issue with the minister of energy from Alberta on March 17, in Edmonton, and also around March 26, by telephone.

Mr. Shields: I find it difficult to believe that an agreement made by this government—

Some hon. Members: Order.

Madam Speaker: Will the hon. member please ask his question?

Mr. Shields: Recognizing the total disruption to the tar sands industry, the uncertainty that has been created with regard to their development, and the resulting economic hardship to small businesses in Fort McMurray, Cold Lake and Bonnyville.

Madam Speaker: Order. Will the hon. member please ask his question very soon.

Mr. Shields: Yes, I will.

Some hon. Members: Now.

Mr. Shields: Thank you, Madam Speaker. I am asking the question. In view of the number of small businesses that have gone bankrupt, will the minister inform the House whether an analysis was carried out to determine the cost, not only to the economy of the local communities but to the Canadian economy, of a minimum of a one-year delay in the development of the Alsands project and the project at Cold Lake?

Mr. Lalonde: I am afraid the hon. member has not been well informed as to what the decision has been. The decision has been not to tie, in future, increases in the price paid for tar sands oil to international prices. I have a statement here by the president of Suncor which reads as follows; I am sure it will interest the hon. member: "Suncor will continue to receive the

present price until a new pricing agreement has been reached, so there is no immediate impact on our earnings from this decision."

In effect, this means that the tar sands plants are receiving, at the present time, the same price as they were receiving in the past, and I have indicated that while negotiations are taking place with the producing province we intend to continue to pass on the necessary increases which would come under the formula. So nothing has changed, except it has been clearly indicated to the companies concerned that in the future we will not be tied to the international price or to the price fixed by OPEC which, as hon. members know, is the equivalent of an international cartel.

Right Hon. Joe Clark (Leader of the Opposition): I have a brief supplementary. I would preface it by asking the minister, if he was quoting from a formal document and not from a press clipping, whether he would follow the rules of the House and lay it on the Table.

My question has to do with the so-called consultation with the producing provinces. Would the minister confirm that what he and the Prime Minister the other day referred to as consultation was, in fact, a telephone call of advice to the minister of energy of Alberta roughly one hour before the decision which had already been taken was communicated to the press?

Mr. Lalonde: As to the first point, if the Leader of the Opposition is interested, I will table the copy of *The Globe and Mail* of April 17 in which this statement is reported. I am sure the Leader of the Opposition has full confidence in *The Globe and Mail*.

Some hon. Members: Hear, hear!

Mr. Lalonde: As to the second part of the question, I want to advise the Leader of the Opposition I had an extensive exchange of views with the minister of energy for Alberta on March 17 and I phoned him on March 26, I believe, which was two days before the announcement was made; if I remember well it was made on March 28.

* * *

FINANCE

CONSUMER PRICE INDEX—EFFECT OF HIGH INTEREST RATES

Mr. Bob Rae (Broadview-Greenwood): Madam Speaker, my question is directed to the Minister of Finance; it concerns the consumer price index which was announced this morning by Statistics Canada, showing that the price of basic products such as home heating fuel has gone up by 19.5 per cent, year over year, and dairy products by 14.5 per cent, year over year.

Can the hon. gentleman tell us whether it is still his view that the way to fight this kind of inflation is by having 20 per cent interest rates, when there is increasing evidence from a number of observers that pouring gasoline on interest rates only fuels inflation rather than fighting it?

Hon. Allan J. MacEachen (Deputy Prime Minister and Minister of Finance): The hon. member has asked for my views on inflation. There are a number of aspects to my views which I could not possibly put forward during the question period.

An hon. Member: Bring down a budget.

Mr. MacEachen: One of my jobs as Minister of Finance is to fight off proposals which would add to the inflationary pressures in this country. I am grateful to the House of Commons that the proposal put forward by the hon. member's leader, which was inflationary and, if accepted, would add an immediate and appreciable increase in prices to Canadians for food, clothing, transportation and other commodities, was rejected. That is one view I would like to convey to the hon. member, but I do not want to accept the outlandish proposals his party is putting forward at the present time.

• (1140)

Mr. Rae: Madam Speaker, I want to thank the minister for that clear and frank reply to my question which, I am sure, will clear the air for those Canadians who are very concerned about knowing the direction of government policy. The government is running on a unique blend of fog and cynicism, which has become its characteristic.

I wonder if the minister can give us a guarantee that consumers who are being so hard hit, not only by inflation but also by interest rates—which are contributing to inflation and not fighting it—will be protected in an economic statement, a budget or whatever the minister wants to call it, as soon as possible by means of a cost of living tax credit or some similar device to ensure that those Canadians who can least afford it are protected from the effects of inflation and higher interest rates, which are now clearly the policy of his government.

Mr. MacEachen: Madam Speaker, obviously one of the objectives of the government is to cushion every possible group, and particularly those groups which need protection most, against the effects of inflation. We have announced in the Speech from the Throne that the government does not wish to revive the 18-cent excise tax on gasoline, which would have been quite inflationary.

We have announced in the Speech from the Throne that we intend to introduce as quickly as possible the guaranteed income supplement, which will be of major assistance to the elderly in this country who are suffering from the effects of inflation. We have already indicated that we are taking steps to assist home owners to meet this particular crisis—

An hon. Member: What are they?

Mr. MacEachen: —as a result of extraordinarily high interest rates. So I tell the hon. member that these are three immediate proposals which are designed to meet and cushion the effect of inflation in this country.

Oral Questions

STATISTICS CANADA

EXPECTED TABLING OF CERTAIN REPORTS

Hon. Sinclair Stevens (York-Peel): Madam Speaker, my question is for the President of the Treasury Board. I wonder if he can indicate to the House whether he has been confirmed as the minister responsible for Statistics Canada for at least the coming months and, if so, when may we expect him to table the three reports which have now been concluded dealing with Statistics Canada, namely, the Newcombe report, the Price Waterhouse report and the Sir Claus Moser report?

Hon. Donald J. Johnston (President of Treasury Board): Madam Speaker, I do have responsibility for Statistics Canada. I hope to table the Price Waterhouse report and the Sir Claus Moser report within the next several days.

With respect to the Newcombe report, I have already indicated that it was not my intention to table it because of some of the personal references which are contained in it, but that I would be pleased to make it available to spokesmen of opposition parties who would like to review its contents. I am prepared to reconsider my position on that, if they insist that it also be tabled.

Mr. Stevens: Madam Speaker, I would like the minister to reconsider his decision not to table the full Newcombe report, but I also ask when he might indicate to the House what remedial action he intends to take with respect to Statistics Canada.

Mr. Johnston: Madam Speaker, the situation at Statistics Canada is now the direct responsibility of Mr. Larry Fry, who is the chief statistician acting under a short mandate. He has already studied the reports and is taking remedial action in the area of management improvement and some of the areas which were recommended in the Price Waterhouse report. I will be making a further statement at the time I table the report which, as I indicated, should be within the next several days.

* * *

EXTERNAL AFFAIRS

BOYCOTTING OF OLYMPIC GAMES IN MOSCOW

Mr. Chris Speyer (Cambridge): Madam Speaker, my question is to the Prime Minister. I would like to return to the general topic of the Olympic boycott. Apart altogether from what the Prime Minister perceives to be the effects of a boycott on the Russian people and the Russian government, and apart altogether from what any other country does, is the time not long overdue when the Prime Minister should assert the moral authority of his office and lead the Canadian people by concrete action, as opposed to sanctimonious statements—

Some hon. Members: Order.

Mr. Speyer: —and that we as a country should take the view that we are not going to Moscow?

Some hon. Members: Hear, hear!

Right Hon. P. E. Trudeau (Prime Minister): No, Madam Speaker.

An hon. Member: What?

Mr. Trudeau: I said "No".

Mr. Crosbie: He said "No".

Mr. Speyer: Prime Minister—

An hon. Member: Address the Chair.

Mr. Speyer: Sorry, Madam Speaker. Do you appreciate—

Some hon. Members: No.

Madam Speaker: The hon. member should remember that he must address the Chair.

Mr. Speyer: Madam Speaker, I have a supplementary question for the Prime Minister. I wonder if the Prime Minister appreciates the symbolism to our people of a strong stand with respect to the Olympic boycott independent of other countries and independent, even, of the effect that it might have on Russians. Does the Prime Minister appreciate the symbolism of that to the Canadian people?

Mr. Trudeau: Madam Speaker, I am afraid I cannot agree with the hon. member. If he thinks that symbolism is just for the sake of symbolism and, in the terms of his own question, has no effect on the Soviet Union, then indeed I disagree with him.

* * *

[*Translation*]

NATIONAL UNITY

QUEBEC REFERENDUM—ESTABLISHMENT OF PROGRAM TO ALLOW GREATER PARTICIPATION BY QUEBEC FEDERAL MEMBERS

Mr. Maurice Dupras (Labelle): Madam Speaker, my question is directed to the President of the Privy Council. While I am aware that the business of the House is important and that it is urgent to dispose of it, and although the No team is gaining wider support from Quebeckers in all regions, I should like to know if the President of the Privy Council has obtained from the opposition parties an agreement which would allow us, as Quebec elected members, to be more visible and active during the referendum campaign. I know, Madam Speaker, that all men and women in Canada generally, but more specifically in Quebec, are anxious to know what part we will play if—

Madam Speaker: Order, please. Would the hon. member ask his question.

Mr. Dupras: Madam Speaker, my question is this: I would like to know whether the opposition parties have agreed to a pairing system or any other arrangement which would allow hon. members from the province of Quebec to be more active and more present in the province during the referendum campaign?

Hon. Yvon Pinard (President of the Privy Council): Madam Speaker, it is true that we face a double task in the next few weeks: to deal with an extensive legislative program while at the same time getting involved in and supporting the No forces during the referendum campaign in Quebec.

Personally, Madam Speaker, I am confident that all members of the House will be willing to dispose of the accumulated legislative work in a spirit of co-operation and good will, as required by His Excellency the Governor General in the Speech from the Throne. In any case, negotiations have already been initiated with the parliamentary leaders of the opposition parties, and I am confident that satisfying agreements will be reached, enabling us to deal with the House legislative program within reasonable time while at the same time finding ways to allow hon. members, particularly those from Quebec, to go campaigning. This would be done by postponing votes, if need be, or by organizing the work in such a way that we can contribute, directly or indirectly, to the success of the No forces in Quebec and ensure the unity of Canada.

* * *

[*English*]

ENERGY

EXPORT OF NATURAL GAS TO UNITED STATES

Mr. Ian Waddell (Vancouver-Kingsway): Madam Speaker, I want to return to the matter of energy self-sufficiency and put a question to the Minister of Energy, Mines and Resources. I think the minister might agree with me that one way to energy self-sufficiency might be to keep our natural gas for our own use.

● (1150)

When he was the Liberal opposition energy critic, he told this House that exports of natural gas to the United States should not be authorized unless there is an ironclad commitment regarding the building of the whole Alaska gas pipeline: those were the minister's words. Now that he is in a position to do something about that, could he tell this House what he meant by "an ironclad commitment?"

Hon. Marc Lalonde (Minister of Energy, Mines and Resources): Madam Speaker, I had a meeting with the Secretary of Energy from the United States very shortly after my appointment. I reviewed the whole situation with him. I passed on to the American authorities the concern of this government about the delays that were being faced concerning the firm and final decision by the United States authorities on the construction of the Alaska gas pipeline. The Secretary of Energy of the United States indicated that his government now was convinced that the project should go, and that he was pushing very strongly with the private partners in the United States who are responsible for the project, so that this project indeed proceeds.

Very shortly, I am meeting—tomorrow, I believe—with one of the main private sponsors in the United States about this particular project in order to get a full report of the most recent meeting which has taken place. I am keeping very much on top of this question in order to be fully aware of developments, and the government will have to make a decision later on.

Mr. Waddell: Madam Speaker, let me remind the minister that Parliament put an ironclad guarantee into the Northern Pipeline Act of 1978 when Parliament indicated that one cannot prebuild this pipeline without an ironclad guarantee of financing. Yet last week the minister's government allowed the National Energy Board to open up this whole question and to open up the possibility of the pipeline company prebuilding without that guarantee.

Before there is any change in the Northern Pipeline Act, before he lets them prebuild the southern portion and take Canadian gas to the Americans without a guarantee of the northern portion being built, will the minister assure the House that he will come back to the House and get permission from the House of Commons to make any changes to that act?

Some hon. Members: Hear, hear!

Mr. Lalonde: Madam Speaker, no change has been made to the Northern Pipeline Act, and obviously no change would be made to the act without coming to Parliament. What the National Energy Board is doing at the present time is holding hearings under the authority the Energy Board has under legislation passed by Parliament.

NEB REVIEW OF GAS EXPORT DECISION

Hon. Erik Nielsen (Yukon): Madam Speaker, I have a supplementary question for the Minister of Energy, Mines and Resources. On December 7, 1979, he described the gas export decision of the National Energy Board, and I quote him, "as one of the biggest sellouts in Canadian history".

An hon. Member: Right on.

Some hon. Members: Oh, oh!

Some hon. Members: Hear, hear!

Mr. Nielsen: Does he still hold that view and if he does, is it an explanation of why he is using the Energy Board to review this matter, for the purpose of saving his own face with respect to that statement?

Hon. Marc Lalonde (Minister of Energy, Mines and Resources): Madam Speaker, certainly I said what the hon. member quoted, and I still believe, indeed, that that was the wrong decision made by the government at the time.

Some hon. Members: Hear, hear!

An hon. Member: Without knowing anything about it.

IMPORTATION OF CRUDE OIL FROM MEXICO

Mr. J. M. Forrestall (Dartmouth-Halifax East): Madam Speaker, I have a further question for the Minister of Energy, Mines and Resources when he concludes his conversation with the socialists to the left.

In view of the upcoming agreement between Canada and Mexico with respect to the importation of crude from that country, can the minister shed some light on the situation with respect to the capacity of eastern refineries to handle that portion of imports which will fall into the category of heavy crude?

Hon. Marc Lalonde (Minister of Energy, Mines and Resources): Madam Speaker, when an agreement is reached with Mexico, we will be in a position to comment on the details arising out of that agreement.

Miss MacDonald: It was all ready for signing in January.

Mr. Lalonde: At the present time, discussions are taking place with the Mexican authorities. No agreement has been signed yet, and I will not comment until we have that agreement.

Miss MacDonald: Oh, what happened?

Mr. Forrestall: Madam Speaker, I am left with the impression that the minister is not aware that there will be a mixture of heavy and light crudes and that we have no refining capacity whatsoever in Atlantic Canada for heavy crude. If that is their way to self-sufficiency, they are on the wrong track.

My supplementary question has two points to it. The former government had agreed in principle to extend required financial aid to the companies involved in the refining. I wonder if the government is prepared to indicate whether they would honour that commitment; and, second, whether or not in the negotiations with Mexico a firm understanding has been arrived at, or is being pursued, with respect to movement in Canadian ships of that imported crude.

Mr. Lalonde: Madam Speaker, I am very happy to see that the hon. member is aware of the nature of the refineries in Nova Scotia.

Some hon. Members: Oh, oh!

Mr. Lalonde: As far as the agreement is concerned, again, and the consequences arising out of the agreement, we will comment once the agreement has been reached and signed.

Mr. Forrestall: I will be raising a question of privilege at twelve o'clock.

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POST OFFICE

RURAL SATURDAY POST OFFICE SERVICE

Mr. Laverne Lewycky (Dauphin): Madam Speaker, my question is directed to the Minister of Consumer and Corporate Affairs and Postmaster General. In view of the numerous requests that many rural members of Parliament have received for the retention of rural Saturday post office service, could the minister advise this House whether or not his government is intending to continue the policy of the previous Conservative government in closing down rural post offices on Saturdays?

[*Translation*]

Hon. André Ouellet (Minister of Consumer and Corporate Affairs and Postmaster General): Madam Speaker, I am pleased to inform the House that we will not go ahead with such reductions in services without first consulting the elected representatives of this Parliament as well as the representatives of local associations of postmasters and their assistants.

[*English*]

Mr. Lewycky: I have a supplementary question, Madam Speaker. Has the minister conducted, or does he intend to do so, any studies on the economic and social hardships that Saturday closing of rural post offices would present to rural communities?

[*Translation*]

Mr. Ouellet: Madam Speaker, such a study can certainly be carried out. As Postmaster General, I can right now assure the hon. member that my policy will not be to cut back this service on Saturdays and I do not think, either, that it is the intent of the present Liberal government.

* * *

[*English*]

NATIONAL DEFENCE

NEW F-18A FIGHTER AIRCRAFT—EFFECT OF INFLATION ON PRICE

Hon. Allan B. McKinnon (Victoria): Madam Speaker, I should like to direct a question to the Minister of National Defence, although the Minister of Supply and Services might wish to reply, concerning a contract which was signed yesterday.

Considering that the inflation rate has risen very sharply in the United States recently, and in the matter of the F-18A may have risen as much as 50 per cent in costs in two years, can either minister tell us how they can rationalize their decision being made based on an assumed inflation rate of 8 per cent?

Hon. J.-J. Blais (Minister of Supply and Services): Madam Speaker, although there is a ceiling price which includes the 8 per cent, as the hon. gentleman is well aware, there is also provision that adjustments can be made from time to time in order to reflect the real inflation rate on a yearly basis.

Mr. McKinnon: Madam Speaker, I wonder if the Minister of Supply and Services could inform the House, apart from their contract, and if the worst comes to the worst in the United States, and the United States navy as well as the United States marine corps decides not to buy the F-18A, if they have a contingency plan of what Canada's action will be in that event.

Mr. Blais: Madam Speaker, I can advise the hon. member that we have every expectation that the number of aircraft that are contemplated as being produced by the manufacturer will indeed be produced. We have every assurance that even the numbers which have been contemplated will be surpassed and that Canada's position will be enhanced as a result.

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HEALTH CARE

COST-SHARING WITH PROVINCES

Mr. Bill Blaikie (Winnipeg-Birds Hill): Madam Speaker, my question is directed to the Minister of National Health and Welfare. In view of continuing crises in Canada's health care system, such as those brought on by the refusal of provincial governments to meet their share of needed health care funds, with the possibility of a nurses' strike in Alberta being the latest result of provincial stinginess, can the minister tell the House what she intends to do about this problem before Justice Hall's report comes down this summer?

• (1200)

Hon. Monique Bégin (Minister of National Health and Welfare): I studied carefully, Madam Speaker, the possible lines of action before the recommendations are made to us by Justice Hall on putting medicare back to where it should be in every part of Canada.

Some hon. Members: Hear, hear!

Miss Bégin: With the state of the matter when we came back to the government, we concluded that it was best not to interfere with the ongoing public hearings, to let the public see more facts and to let Justice Hall and the people he has gathered around him in his team, Mr. Malcolm Taylor and others, do their work and make recommendations to the government which could be, I hope, ideas other than just the two heavy legal tools left to us in today's legislation on medicare.

Mr. Blaikie: I have a supplementary question, Madam Speaker. That was an answer that was unacceptable to the Minister of National Health and Welfare when it was given to her in the last Parliament by the Conservative government, and it is unacceptable to me now.

In view of Liberal party commitments during the election campaign to discourage health care premiums, deterrent fees and extra billing, would the minister indicate what she intends to do now to reduce the cost of health care for individual Canadians which, according to the consumer price index, rose 1.7 per cent in the last month?

Miss Bégin: Madam Speaker, I think the hon. member is forgetting a few facts of life. The commission existed: we did not create it; the Conservative government created it. Do you prefer to have the work of the commission cancelled? My common sense tells me, no: the commission should be supported in its work, and that is the decision we made.

Recommendations should be made to us by June 30. In the meantime, we have always said that the public must get involved and tell us if they want free health care. What did we do? We tried to put the facts to the public. But what happened? In New Brunswick, for instance—am I not right—the Conservative government just withdrew their user fees they had put last year. Is that not a victory for medicare?

Some hon. Members: Hear, hear!

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CANADA MORTGAGE AND HOUSING CORPORATION

FUNDING FOR NON-PROFIT AND CO-OP HOUSING

Hon. Paul Cosgrove (Minister of Public Works): Madam Speaker, in response to a question put by the hon. member for Vancouver East yesterday, I would like to report that the difference, or shortfall, between allocation and express demand for non-profit starts for 1980 is 6,089, and for co-ops it is 2,978. I cannot confirm allocation increase for this year, but I am considering it as a device to try to take some of the heat out of the tight rental market.

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PRIVILEGE

MISS MACDONALD—MOSCOW OLYMPICS—REQUEST LETTER BE TABLED—RULING BY MADAM SPEAKER

Madam Speaker: Order. Yesterday the hon. member for Kingston and the Islands (Miss MacDonald) rose on a question of privilege to ask that the right hon. Prime Minister (Mr. Trudeau) table a copy of a letter sent by him to President Carter to which he referred during the question period on Tuesday, April 15, 1980. While the Prime Minister is at liberty to table this letter if he chooses to do so, I must point out to the House that there is no obligation upon him to table the letter, which he did not actually quote but to which he merely referred.

I may refer to certain rulings on similar questions, one of November 16, 1971, at page 9599 of *Hansard* by Mr. Speaker Lamoureux, where he says:

In fairness, looking at the matter as objectively as I can, I do not see how it is possible for the Chair to make a ruling at this point that a document that has simply been referred to but has not been directly quoted should be tabled in debate. I find it difficult to rule otherwise. Hon. members may look at the citations that have been quoted in a very interesting and forceful way by the hon. members for Yukon and Peace River. They are clear to me. If a document has been actually cited or quoted in debate by a minister of the Crown, it has to be tabled. If only reference is made to it, I do not see how there can be an obligation to table it.

Therefore, I feel that the question of privilege should not be pursued at this time.

MR. FORRESTALL—ENERGY—ALLEGED INADEQUATE RESPONSES OF MINISTER

Mr. J. M. Forrestall (Dartmouth-Halifax East): Madam Speaker, I rise on a question of privilege arising out of wholly inadequate responses by the Minister of Energy, Mines and Resources (Mr. Lalonde) to concerns in Atlantic Canada in respect of refining capabilities and the negotiations going on with Mexico regarding an energy agreement with that country.

My question of privilege arises from two points. First of all, I accept completely the right of treasury bench members not to answer questions if they choose not to, and I am not questioning that right; but my question of privilege has to do with the right of members in this chamber to be heard, not to be treated in the derogatory manner in which the Minister of Energy, Mines and Resources has treated this House and the people of Atlantic Canada.

I do not ask that you make a ruling, Madam Speaker, but I would ask you to advise the Table that at the earliest opportunity I would like to take him to task for his arrogance toward eastern Canada and this chamber with regard to that negotiation at the appropriate time at ten o'clock.

Madam Speaker: We have taken notice of this grievance and the hon. member realizes that it is not a question of privilege.

* * *

BUSINESS OF THE HOUSE

WEEKLY STATEMENT

Mr. Baker (Nepean-Carleton): Madam Speaker, it being Thursday I would like to put the usual House business question to the government House leader. As part of House business, in view of your ruling on the point of order involving the correspondence between the Prime Minister and President Carter, and the reply of the Prime Minister, is it the intention of the Prime Minister to table the correspondence that was referred to in the ruling? I realize he is not required to, but from the point of view of clarity I wonder if he will table that correspondence?

Mr. Trudeau: No, Madam Speaker. I would be very happy in a question period to attempt again to clarify the substance of the Canadian government's policy, but I would not intend to table letters which are exchanged between heads of government.

Mr. Baker (Nepean-Carleton): I thank you very much. I do not want to interfere, but I wonder if the government House leader is prepared to tell us today the business of the House. I have particular reference to the continuance of the throne speech debate, at least at the outset. Perhaps he could answer that question first.

[*Translation*]

Mr. Pinard: Yes, Madam Speaker. As the hon. member knows full well, we will have to deal urgently with legislative measures, some of which must be adopted before May 15. My learned colleague knows very well that supply proceedings do not apply since the estimates for this year could not be tabled in time. We have therefore been negotiating on that matter and I am confident that we will agree on a special order of business that will enable us to deal with supply in due course and grant the government interim supply for May 15.

Moreover, some technically urgent bills must be passed by May 15 and that is why we are looking at the possibility of cutting short the throne speech debate by the last two days, after the vote on Tuesday night. That is not final, but I shall inform the hon. member and also my colleague of the New Democratic Party in due time when we reach a decision. Again I give them notice that it is possible that the debate on the address in reply will be suspended so as to give the opposition parties enough time to examine and if need be challenge those measures, some of which must be passed before May 15 and others before June 30.

That is our frame of mind regarding the business for the next few days. I shall let the opposition House leaders know our final decision as soon as possible.

● (1210)

[*English*]

Mr. Baker (Nepean-Carleton): Madam Speaker, there is one further aspect. There is a bill on the order paper standing in the name of the Minister of National Health and Welfare to amend the Old Age Security Act. Will that bill be called for first reading today and is it a priority bill for the government?

The second matter that I wanted to speak to today is with respect to the bill on veterans' benefits. I know that a bill is ready. Is the intention of the government to give notice of that bill and to call it quickly?

Mr. Pinard: Madam Speaker, I will have to look into the hon. member's last question. With regard to the GIS bill, it will be introduced very soon but not today, and it is a matter of priority for this government.

PRIVILEGE

MR. HNATYSHYN—ENERGY—STATEMENT ON SELF-SUFFICIENCY BY 1990

Hon. Ray Hnatyshyn (Saskatoon West): Madam Speaker, I rise on a question of privilege on a matter which arose during the course of the question period in answers given by the Minister of Energy, Mines and Resources (Mr. Lalonde). By way of background, I want to point out that the Prime Minister (Mr. Trudeau) and the Minister of Energy, Mines and Resources during the course of the election campaigning for this Parliament made statements to the effect that I, in the course of committee proceedings, had indicated that we would not attain energy self-sufficiency by 1990 and that we would be some 250,000 barrels short.

That particular proposition, as the minister knows full well, is incorrect and false. In the course of the discussions in that committee report it is clear that I indicated that, on the basis of existing policies, without natural gas substitution and conservation methods we would in fact be short by that number of barrels according to the best estimates of the department.

The minister has brought forward this particular proposition and statement and repeated it again and in my estimation he is misleading the House. This matter was independently reviewed by the press which, after reviewing the record, repudiated the position taken by the Minister of Energy, Mines and Resources. If the minister persists in repeating these untruths, he will gain the reputation of being the Pinocchio of Canadian politics.

Mr. Nielsen: He almost is now.

Hon. Marc Lalonde (Minister of Energy, Mines and Resources): Madam Speaker, the hon. member has made his case. I will be very happy to table in the House the transcript of the committee session where the statement made by the hon. member is recorded. The statement speaks for itself and I will not engage in a debate on its interpretation.

I would also like to say to my hon. colleague and friend from Dartmouth that he and I are far from being arrogant and are well known for our respective humility as well as our great interest and concern for eastern Canada. I hope that I will have his support in any measures which I bring forward to help the development and growth of eastern Canada, as we are all trying to do.

[*Translation*]

Madam Speaker: Order, please. It is obvious that the point raised by the hon. member for Saskatoon West (Mr. Hnatyshyn) was a good subject for a debate. It was a matter of opinion, so I do not think I can consider it as a question of privilege.

[*English*]

MR. KNOWLES—OFFICIAL REPORT—ARTICLE IN THE OTTAWA JOURNAL

Hon. Stanley Knowles (Winnipeg North Centre): Madam Speaker, I rise on a question of privilege in accordance with a notice which I sent to Your Honour this morning under the provisions of Standing Order 17(2). My question of privilege relates to an article in today's issue of *The Ottawa Journal* which, in my view, in an unwarranted attack on the editor and staff of the *Hansard* of the House of Commons.

There seems to be an attempt in this article to indulge in a certain amount of humour, but it starts off by saying:

Hansard lies.

Half way through the article it describes something that appeared in *Hansard* and then says:

Pack of lies.

Then toward the end the article contends that *Hansard* is:

—fooling with the facts—

It ends by saying that an effort should be made to:

—make it more accurate—

I am not rising to defend members in former Parliaments—it has not happened in this one—who may have tried to get changes in *Hansard* beyond genuine corrections. That is not the point. I am rising to defend the dedication and the hard work of our *Hansard* staff.

Some hon. Members: Hear, hear!

Mr. Knowles: We all know that they work under trying circumstances, especially during question period when there is a great deal of calling back and forth. It must be awfully hard for the reporters to get as much as they do. We know that they make a serious effort to turn out each day a *Hansard* that is an accurate report of what went on in this House of Commons.

I feel it is most unfair that these people, who work so hard for us and have no chance to defend themselves, are attacked in this way. I rise on behalf of all hon. members to defend the editor and staff of *Hansard*. Perhaps Your Honour might consider inviting the writer of this article to call upon the editor of *Hansard* who, I am sure, would be glad to show that writer the whole process.

Madam Speaker: I am sure that the remarks of the hon. member for Winnipeg North Centre (Mr. Knowles) will be a comfort to the staff of *Hansard* who work under considerable pressure to give us these reports on time. I will pursue the suggestion of the hon. member.

ROUTINE PROCEEDINGS

[*English*]

AUTOMOTIVE INDUSTRY

TABLING OF AGREEMENT WITH FORD MOTOR COMPANY

Hon. Herb Gray (Minister of Industry, Trade and Commerce): Madam Speaker, I wish to table under the appropriate standing order copies in both official languages of the agreement between the federal government and the Ford Motor Company dated October 23, 1978, relating to the Ford Essex engine plant. I also have copies for the opposition spokesmen.

* * *

● (1220)

SPEECH FROM THE THRONE

CONTINUATION OF DEBATE ON ADDRESS IN REPLY

The House resumed from Wednesday, April 16, consideration of the motion of Mrs. Côté for an address to His Excellency the Governor General in reply to his speech at the opening of the session, and the amendment thereto (Mr. Clark).

Hon. Allan B. McKinnon (Victoria): Madam Speaker, may I congratulate you upon your elevation to the high post you hold. I am certain you will grace the position and we look forward to a long tenure under your charge.

When the bell started ringing last night I was speaking on the Speech from the Throne and I had mentioned the new fighter aircraft contract which was signed yesterday. I have not quite finished my remarks about it so I will finish them before I get into the main part of my speech.

I would caution the Minister of Supply and Services (Mr. Blais) and the Minister of National Defence (Mr. Lamontagne), who provided the money to pay for this contract, to watch that contract very carefully. We are living in very fluid times, particularly with regard to finances. I am curious about many matters regarding that contract but unfortunately, as I mentioned last night, the minister did not see fit to table the contract and make a statement on motions at the same time. When a statement is made on motions in the House, it gives opposition spokesmen and members on all sides the opportunity to grill the minister and ask a long series of questions. There must be 30 or 40 questions that members of this House would like to put to the Minister of National Defence or the Minister of Supply and Services concerning that contract and the choice that was made. It takes weeks of questions to try and work through such a series of questions if we have to rely upon question period only. I hope this is not an indication that this government is going to return to their old style of not tabling documents and not making statements on motions procedures which help very much to clarify the business of the House and in fact to speed it up.

I would like to say a final word about the allocations to regions, which I mentioned last night. I would be very surprised if the NFA contract, when tabled, indicates that there is an allocation to regions of the work involved. I would be very surprised indeed. I cannot see how the government can dictate to the prime supplier that he must put so much work into any province or any region. This would give the supplier a wonderful opportunity to have cost overruns and then blame the government who directed that the work be put into certain regions. I expect that this will be done in the normal fashion by tender and by contract from the prime supplier to the subsuppliers.

That is all I should like to say about the new fighter aircraft at the present time, partly because there are so many questions that the Address in Reply to the Speech from the Throne is hardly the place to try and get answers to such a multitude of questions.

I should like to refer for a moment to a remark made yesterday by the Prime Minister (Mr. Trudeau) in the House which startled me, to say the least. He was asked by the hon. member for Dartmouth-Halifax East (Mr. Forrestall) if the government was considering a review by the Department of National Defence and the Department of External Affairs. The startling answer given by the Prime Minister is recorded in *Hansard* at page 67 as follows:

> Such reviews were undertaken, as the hon. member will recall, in the late 1960s. They were subject to some criticism by the public and, indeed, by the opposition at that time, on the grounds that rather than acting, we were studying. It is our intention in this case to act, because our studies have already been completed.

If the Prime Minister really believes that a study made in the late 1960s is appropriate for action in the 1980s, I wonder where he has been for the last ten years. I suppose he has been in the Langevin Building, surrounded by his sycophants over there, and is totally divorced from what is going on in the world. The Department of External Affairs and the Department of National Defence cannot stay in limbo or maintain the status quo for 12 years!

I asked one of my staff members to let me know a few of the things that have happened since the Prime Minister had the last study on this matter, Mr. Speaker. I might point out also that just a year ago the Hon. Barney Danson said he could well see the need for a white paper on defence and that he intended to move forward with it as soon as possible. Of course, it is an embarrassment for the government to have a majority; they do not care whether they study things or not and will just go their own way.

To return to those ten or 12 missing years in the Prime Minister's life when he was divorced from reality, I would point out a few events that occurred in that time. In 1968 the Soviet Union suppressed Czechoslovakia's spring uprising and invaded that country with massive forces, deposing Mr. Dubcek's regime.

In 1970 the OPEC cartel for the first time forced foreign oil companies to concede increases in the posted price for oil. This was a change from the 50-50 policy that had held before that.

In that year the Hon. Mitchell Sharp presented a white paper on foreign policy to the House of Commons. That was the last one. As well, Willi Brandt commenced the "Ostpolitik" with the aim of recognizing East Germany.

It was in 1971 that the U.S.S.R. surpassed the United States in the number of land based missiles. In the same year Mr. Trudeau visited the U.S.S.R. and signed an agreement for consultation on foreign affairs similar to Soviet arrangements with France. I have not particularly heard about the consultations that have been going on but since they signed an agreement I assume such consultations have been going on. In that year the Indo-Pakistan war broke out after India invaded East Pakistan, which later became Bangladesh.

In 1972 President Nixon visited both Peking and Moscow, ending 23 years without U.S. diplomatic recognition of China. In that year the SALT I agreement was signed, as was the anti-ballistic missile treaty.

These are things that the Prime Minister thinks are not important enough to recognize or to cause us to look at what is going on in the world.

In 1973 the European Common Market expanded from six members to nine with the inclusion of Ireland, the United Kingdom and Denmark. In October the Arab-Israeli war broke out, followed by the imposition of the oil weapon by the Arab nations at that time. Also, NORAD was renewed between Canada and the United States.

It was in May, 1974, that India exploded their first nuclear device, using the technology obtained from a Canadian reactor. In July, Turkish forces invaded Cyprus causing Canada to send troops to that country. They are still there, 15 years later. In August President Nixon resigned as a result of Watergate. All this has escaped the attention of the Prime Minister.

In 1975, with the fall of Saigon and the collapse of the South Vietnamese government, the war in Vietnam ended. Surely this must make some difference to our thoughts on external affairs and to our thoughts on national defence. Certainly the Israel-Egypt war had a startling effect on the views of the Department of National Defence.

In 1975 came the war in Angola where the Soviets with Cuban help were victorious. The Soviets started building a missile base and handling facilities at Berbera in Somalia.

In 1976 the Soviets deployed the T-72 tank in Europe and completed their first aircraft carrier, the *Kiev*.

In 1977 the war between Vietnam and the Cambodian communist regimes erupted. Soviet intervention in the Horn of Africa intensified. They first backed Somalia and then switched to backing Ethiopia. The Cubans, as in Angola, did most of the fighting while the Soviets provided equipment and money.

In 1978 NATO agreed to increase defence expenditures in real terms by 3 per cent per annum for five years. The Iranian revolution began. In that year the U.S.S.R. deployed the SS-20 medium range missile in Europe. This, for the first time, gave them the advantage in western Europe. Their missiles could hide behind the Ural Mountains in Russia and hit any target in western Europe. These were missiles that were transportable on their own, they were not from fixed installations. As opposed to that, the NATO nations' missiles could not even hit Russia from West Germany; they could only extend as far as covering satellite nations, such as East Germany.

• (1230)

In 1979 the Sino-Vietnamese border war started as well as the invasion of Afghanistan by the U.S.S.R. occurred. During all of this period our comatose Prime Minister (Mr. Trudeau) thought nothing was happening; there was no need to look at our defence again and no need to look at external affairs. One wonders what on earth we are going to do. In which direction are we going?

In national defence the budget is now at the $5 billion mark and I think the people of Canada who pay this $5 billion a year have a right to know where Canada is at the present time in the way of defence and where the government is planning to go. If the minister has no ideas on the matter—and there is much evidence that he has none—then I think that he should call for a white paper to clarify his own thoughts, if nothing else. But it would presumably give us a chance to see what is going to happen in the future and what the taxpayer is going to get for his $5 billion.

As far as I can tell, the present government has apparently decided to continue the policies which were enunciated by the Prime Minister in 1968. The Conservatives had planned to issue a white paper on defence in September this year. Given that we are to have no new policy guidance in foreign and defence affairs, we are faced with continued reliance on these tired old ideas of the Prime Minister and his exclusive clique of political senior public servants. It puzzles me that a reshuffling of old ideas would in any way serve the interests of the Canadian people, any more than the reshuffling in the corridors of power would produce anything but the same old mess, which was their sum total of achievement by May, 1979, after some 11 years of accumulated bureaucratic rule.

I would like to speak for a few minutes about this bureaucratic rule. Despite the Canadian tradition of parliamentary government that elected ministers should both make policy and jointly be held responsible for it to the Parliament of Canada, the present Prime Minister had by 1979 perfected a system in which the actual power to make policy was vested in his bureaucrats, and the departmental ministers answered for these policies to the House. They were given enough information that they could answer, or so that they could confuse their answers in the House, and it would appear that is the sum total of their duties.

This demonstration of what amounted to a sweeping contempt for the democratic process permitted the Prime Minister and his inner coterie of senior public servants, led by Mr. Pitfield, of course, to establish in effect a perversion of the cabinet system, especially noticeable in the field of foreign and defence policy. In fact, instead of a cabinet system there was a

Privy Council office system and ministers were apparently invited to append their signatures to documents which they had perhaps only a few minutes to read before they were submitted for formal consideration and ratification by cabinet.

Perhaps no other evidence of this Prime Minister's efforts to usurp the role of departmental ministers is needed than this so-called cabinet system of bureaucratic committees and endless paper flow which he had developed by 1979, in which a departmental minister's role was largely reduced to that of a glorified correspondence secretary.

The new Minister of National Defence (Mr. Lamontagne)—I am sorry that he is not in the House but I feel certain that his duties elsewhere require him to be absent—has already begun to make statements and behave in a manner that should disturb all those who believe that the Department of National Defence deserves a minister who makes policy and takes decisions for himself, not simply acting as the mouthpiece for whomever the Prime Minister has entrusted in his inner circle with the role of making defence policy.

For example, in a recent interview the Minister of National Defence was reported to see no need for a new white paper on defence and stated that such studies were "complicated" and, yes, "boring". Furthermore, the minister was reported to believe that there was no need for a new white paper because he had been presented with so many excellent briefing papers by his officials. Let me say that if these papers of his are so good, the minister should offer to share them with other interested people, namely the taxpayers of this country and their elected representatives in Parliament.

As a member of the previous government I had pledged that we would write a new defence white paper by this fall, and I would challenge the present minister to name the date when he will reveal his government's policy concerning defence—if, of course, they have one.

Given the attitude of the minister toward a new white paper, which amounts really to an abdication of his responsibilities as the effective head of his department, it seems we are likely to be treated to a rerun of the last days of the previous Trudeau administration. I might point out that in the National Defence Act, I believe section 2 says that the Minister of National Defence is responsible for the Department of National Defence for its control and of the armed forces.

Some journalists have already detected a shift of the real power from the Department of External Affairs to the Prime Minister's office. Press releases are emanating from the PMO on foreign policy matters, and when journalists call the Department of External Affairs for details, the spokesmen for the department do not know anything about such policy decisions and have to phone the Prime Minister's office to learn what foreign policy is that day.

We are not so much assessing what the new Ministers of National Defence and External Affairs are now doing or are capable of doing in the future, but how the Prime Minister and his selected acolytes will handle defence and foreign policy.

For a good evaluation of the Prime Minister's early views one can turn to a recent book by journalist Peter Stursberg called "Lester Pearson and the American Dilemma". In this book some of the present Prime Minister's errors of omission and commission are recalled and the full betrayal of the Pearsonian legacy in foreign and defence policy is documented. In interviews with former Liberal ministers such as the Hon. Mitchell Sharp, the Hon. Paul Hellyer and the Hon. Leo Cadieux, it clearly points out the attitude the Prime Minister has toward cabinet government. When he first became Prime Minister he moved to initiate his review—the one that he thinks is still current—on both foreign and defence policy. He began his technique of using the Privy Council office and his own close advisers in the PMO to make policy rather than leaving this to the cabinet and the responsible departmental ministers.

The Hon. Paul Hellyer recalls the technique as quoted in Mr. Stursberg's book as follows:

> In the early stages of the cabinet debates certainly the preponderant point of view was the status quo: Why change, we've got our troops there, they're doing a good job—

This is when he was speaking of the likelihood of cutting down on NATO. He went on:

> Little by little, however, opinion changed, or at least it appeared to change, as the Prime Minister's views became privately known to more and more ministers—
>
> —But in the event, as the days went by, you could see more and more of the leaners in cabinet lining up on the side of change and this was, in my opinion, the whole purpose of the exercise.
>
> —It was rather interesting that the departmental view was just once again tossed aside, and it was after that, or at least, in so far as discussion was concerned, it was after that, the Ivan Head version, probably prepared in co-operation with the Prime Minister, was brought into the discussion. Ivan Head was Trudeau's adviser on foreign affairs. It's an interesting technique.
>
> Normally, the person who writes a cabinet document has a 90 per cent edge over anyone else, and the way that they got around it on two or three occasions—and it was an entirely new technique of the Trudeau government—was just to have someone else write a paper; then they would switch gently from one paper to the other.
>
> The one from the department was in effect rejected and the one written to be more coincident with the Prime Minister's views was the one that was ultimately incorporated into the policy decision.

Not only did the Prime Minister choose to attack Mr. Pearson's foreign and defence policy on the grounds that it was dominated by the military, but Mr. Stursberg shows that his real aim was not just to bring all Canadians forces back to Canada from Europe, but in effect to withdraw from the NATO alliance into a form of neutralism. That he did not succeed was largely due to the strong opposition of the Hon. Leo Cadieux, and no doubt to the many true Liberals, who like Lester Pearson himself, were outraged by this pseudo-NDP policy which took so little account of the real world in which Canada has to live.

● (1240)

If Canada reviews its policy for the 1980s, all members of this House should avail themselves of an opportunity to read some of Mr. Stursberg's work, taken from live tapes and

interviews, in order to remind themselves of the true feelings of this Prime Minister.

Since one of the main objectives of a foreign and defence policy review is to identify new factors which will influence, or are already influencing, the kind of world we live in, and then go on to indicate the broad policy directions we should follow, there would seem to be many changes needed in the eighties. However, for the purposes of this debate, and as defence critic of my party, I will turn to two areas in particular. They are the problems of international security and of oil. In some ways these two subjects are becoming closely linked, since the availability and security of oil supplies is by no means certain, and the future supply of oil has become in a strategic military sense both more significant and more precarious since 1970.

However, I do not mean to imply that the solution to the future security of oil supplies is, or should be, seen mainly in military terms. On the contrary, the best solution for the western world from Canada's point of view would surely be one in which the oil producing states were both strong and independent, but friendly towards the west. But political factors integral to both the nationalist feelings of the peoples of the Middle East, as well as the revolutionary currents sweeping through the Moslem world, have, as we all know, changed the situation dramatically in Iran. In the Iranian revolution, the confusion and violence led to, amongst other things, a cessation of oil supplies which not only increased oil prices but, if it had continued, would have threatened the basis of the economies of many western states.

To put it bluntly, if the internal Iranian situation were to get worse again, or if another Islamic state that was a major oil producer were to experience a similar revolutionary disturbance, many countries in the world, both industrialized and non-industrialized, would suffer serious consequences simply because of the cutoff, or cutback, in total supplies.

It is here that the indivisibility of political, economic and strategic factors in an alliance relationship becomes evident, and the need for a fundamental reassessment by both Canada and her allies is apparent. To put it bluntly, NATO is now, and will be for the forseeable future, dependent on oil supplies from the Middle East for a major part of its energy needs. If this is one of the major constraints on ourselves and our allies, then it should be addressed as a common problem, and whatever political, economic or other solutions we can agree on should be jointly arrived at and acted upon collectively.

There is the recent action of the Soviet Union in invading Afghanistan, which has confirmed beyond a reasonable doubt a major change in Russian policy, many signs of which have been visible for some time, and of which Afghanistan represents both the confirmation of a trend and the latest evidence that we must consider that the old relationship of detente is now dead.

The significance of this should not be underestimated. Most of the policy assumptions of Canada and our allies with regard to the Soviet bloc were based on the idea that, after the end of the cold war, we had developed a more constructive relationship which we learned to call "detente". Even though the two superpowers were adversaries, it was understood that not only should there be agreements to limit the increase in the numbers and types of strategic nuclear weapons, but there would also be no overt aggression; that is, no direct use of force to invade small and neutral neighbouring states like Afghanistan.

However, with the direct invasion of Afghanistan while offering only the flimsiest pretext, the Russians have gone one distinct step further. For the first time since 1945, the Red army has crossed an international frontier between a communist and a non-communist state. The difference here between their invasions and suppression of the revolutions in both Hungary in 1956 and in Czechoslovakia in 1968 is an important one. In both the last two cases the Soviets could argue that they were acting under some type of real treaty obligation and also that they were acting to preserve the status quo.

Therefore, Afghanistan should lead us all, both in Canada and in the alliance, to reassess our policies for the future. Afghanistan should be assessed by the west, and NATO in particular, as an example of how their vital interests can be threatened indirectly without apparently any collective response being possible. That is because of the location of Afghanistan. I put heavy strees on the word "collective" because given that NATO is a defensive alliance made up of a large number of independent states, unless much thought and effort is devoted to arriving at a collective policy, nothing much can be done unless there is a precedent. The geographic zone which the NATO states have defined as the NATO area excludes a large part of the sea routes which bring oil from the Persian Gulf to Europe.

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

Hon. Monique Bégin (Minister of National Health and Welfare): Mr. Speaker, please allow me to first pay tribute and express my friendship and solidarity to the "Yvettes" of Canada. Since you are in the chair at the moment, I will ask you to transmit that to Madam Speaker, and, through the "Yvettes", wish her the best of luck in her new functions.

Some hon. Members: Hear, hear!

Miss Bégin: Mr. Speaker, I want to say a word that may surprise you, being of the other sex. I want to say a word about the "Yvettes" in this chamber, and the two "Yvette" happenings. Because, whatever the analysis made now by the media and everyone, the plain truth about these two meetings is that ordinary women, people of every day, the so-called silent majority, got fed up with being humiliated and decided to speak up. It is to those ordinary people, the vast majority of Canadians, that I would like to speak today.

Their massive presence in favour of Quebec remaining in Canada has changed the *rapport de forces* in the province of Quebec. Women will have played a key role in the vote on the future of our country. In Quebec City, on March 30, there were 1,700 women from the area who shared a brunch to celebrate their No to separation. Sitting next to me was a woman baker in the family business in Lower Town, and next

to her was a young student in accounting at Laval University who had just won the Athlete of the Year medal.

At the Montreal Forum where 15,000 women met on April 7, I recognized a woman of 68 years of age who came with friends in a school bus from a community 55 miles from Montreal. I know of a woman doctor, a cafeteria employee and so-called housewives who were in the audience. None of these women belong to the Liberal party. I think it is important to say that they were ordinary Quebec people who knew what they wanted but do not necessarily work through a political party. They suddenly had a way to express their No to separation with pride and enthusiasm.

What they achieved is of great importance. For instance, they untangled a very dirty trick of the Péquiste government by breaking the isolation in which they had confined the ethnic votes and the votes of Anglo-Quebeckers.

[*Translation*]

In speaking out in favour of a No vote, without self-consciousness, without hesitation, the "Yvettes" have already played a significant role in the referendum debate. For instance, do they realize they have burst open the psychological ghetto in which our ethnic and Anglophone groups were trapped when the PQ government attempted to make them feel guilty about the future No to the referendum? Now, the Quebec-Italians, the Anglophones of Montreal, the Canadian-Haitians know that they do not have to say yes to prove their fellowship with French Canadians because thousands of women whose roots have long since been in Quebec have opposed separation; now, those groups know they do not stand alone, that they can vote No without being bad Quebeckers, false Quebeckers, bad pennies, and express their views about the future of our country. In other words, the "Yvettes" should know, must know, that what they gave back to thousands of ordinary people, of every day people, is their pride, and their loyalty, the right to be true to themselves. Today, on the occasion of the throne speech debate which follows the election of February 18 last, I should like to tell other ordinary Canadians that the government of this country has served them well and will continue to do so.

Today, I should like to find the word to convince those Quebeckers who hesitate, and are unsure about the answer to be given in the referendum, those who have been manipulated, who are sensitive to the PQ propaganda for separation that, overlooking the power struggle of their politicians, the truth, pure and simple, is that federalism has served them well. I would even go farther: nothing can better serve the interests of the humble people, the mass of ordinary Canadians, than Canadian federalism. I want to say this to Quebeckers: do not slip into facility by voting Yes to the question. Keeping federalism, renewing it, improving it, is far more difficult than separating, but it is far more advantageous, and well worth the trouble.

• (1250)

[*English*]

Why do I say that federalism is the best political system we can have, and that federalism has best served—and will continue to do so—the interest of average Canadians, especially those faced with sickness, unemployment or poverty? How can I say this when Canadians so often have difficulty finding their way through the different levels of government which they find, really, a puzzle?

A few years ago Gordon Fairweather, then one of our colleagues in the House and now chairman of the Canadian Human Rights Commission, told the following story about the complexities of our work as federal politicians. One Friday evening when he arrived home in New Brunswick around 10 p.m. a constituent phoned to say: "There is a bear in our backyard. What can you do about it?" Telling this story, Mr. Fairweather turned to his audience and asked, facetiously: "Now, is a bear municipal, provincial or federal?" What does one do when there is a bear in a backyard, and in a city, on top of it all? I am sure Mr. Fairweather managed to find a solution which was good for the man and for the bear because he is aware of the complexities of different levels of government in a country like ours.

We are all at the service of the people and we must bridge these gaps and find our way through the puzzle. It is because our system is complex and power is shared between provincial, municipal and federal governments that we have the best in protection of freedoms and rights and the best in redistribution of income.

[*Translation*]

This is the subject I would like to speak on today, Mr. Speaker. Canadians have now been living under a federal system for 113 years. Historically, our federation is the third oldest in the world, coming after the American federation, established in 1787, and the Swiss federation established in 1848. Half of the global population now lives under a federal system. This proves that the viability of the system, its success as a type of political organization that allows for diversity and unity, that is unity in diversity, has long since been demonstrated.

After the United States, Switzerland, Canada and Australia, the Federal Republic of Germany more recently divided its powers between two levels of government. These federations met with such success that other nations chose to take on at least the appearances. Unfortunately, they have not always applied the major principle of federalism. And countries that may not necessarily appear to us to be worthy from the standpoint of human rights, welfare and freedom of the people happen to be federations and the party now in power in Quebec tell the people: Look at such and such a country, naming a few, we must always see whether such nations are truly applying federalism. Federalism means that there are at least two levels of government, each with specific and strong powers, that check each other, in order that neither can exert

expansionism at the expense of the other. That in a federation is the key to the equilibrium and the welfare of all its citizens. It is in the concept of a balanced division of powers between two levels of government that the strength of a federation lies. Nations where that principle has been applied are successes, and as I say countries such as the United States and Switzerland, Canada and Australia serve as models known to everybody.

However, Canadians over the years accumulated grievances against the government, the bureaucracy, the politicians and the system. I am sure that the large majority of Canadians who speak that way have constructive purposes. And of course this is part of the democratic process, because improving the system is an unending task.

But when each and every imperfection can be debated publicly, the pictures and words conveyed finally give people who are not very politicized the impression they live in an undescribable chaos while all the other countries of the world envy them their standard of living and their democratic rights. So I say to myself that we must help Canadians make over-all comparisons and not be blinded by the dramatization of some minor issues. True, there are and always will there be things to improve in our country, but I also know that we are much better off than others and that it is the extraordinary freedom we have that allows and furthers the work of reformists who want to change things for a better world.

So I feel like saying to all Canadians and to Quebeckers, of course, let us keep on enjoying the exceptional freedom we now have. Let us keep criticizing severely all our governments, but let us not be foolish enough to destroy the very system which enables us to be more critical, more demanding of our governments.

There are numerous benefits specifically related to federalism, to the fact that Canada is a federation. I could talk about them for hours. However, what I would like to do today, as it is of more particular concern to me as Minister of National Health and Welfare, is talk about social programs and explain to Quebeckers, as well as to Canadians in other provinces who might be tempted to forget it, just what redistribution of income is.

It is one o'clock. Therefore, I will continue this afternoon.

The Acting Speaker (Mr. Ethier): It being one o'clock, I do now leave the chair until two o'clock this afternoon.

At 1.01 the House took recess.

● (1400)

AFTER RECESS

The House resumed at 2 p.m.

Miss Bégin: Thank you, Mr. Speaker. I was saying this morning in the first part of my speech how Canadian federalism is precisely the form of political organization that allows the redistribution of wealth, which is what has served Quebeckers best and will continue to serve the ordinary Canadian, the everyday Canadian, best.

Of course, it is not my responsibility to decide what should come under federal or provincial jurisdiction in the area of health and welfare. For that matter, this is of little significance, because I want to deal with redistribution, and in any case, it is quite obvious that some services are better provided by the provinces which are on the spot and can take into account regional disparities and group particularities. On the other hand, it seems to me that we should not over-decentralize because beyond a certain point, decentralization becomes harmful to the very people it should be helping. So the federal system has served our people well not only because of the real savings it brings with it, but because of the significant distribution of wealth it allows.

Right now, in the province of Quebec, as my colleagues can verify, we are constantly being told by those who believe that the separation of Quebec is a good thing, "because we will no longer have to pay taxes to Ottawa and everything will go to Quebec, we will be able to do this or that and to have such and such a program." Having been Minister of National Revenue before becoming Minister of National Health and Welfare, I can tell you for a fact that the federal government taxes all Canadians evenly wherever they live in any one of the ten provinces, and I mean that all Canadians pay federal taxes and provincial taxes. The only difference is that the residents of the nine other provinces, except Quebec, pay their taxes by filing a single return which saves on administration costs, the federal government send back to each of the provinces its own share. Therefore, all Canadians are interdependent through the taxes they pay to the federal government according to their personal incomes.

If a province has fewer rich people, taxpayers with high incomes, it pays a little less than its share of federal taxes, which is in itself a form of help to the underprivileged. Now, for example, and I quote this figure because those given by the PQ government in Quebec are not realistic at all, Quebec pays at most 22 per cent of the federal taxes, even if its population represents 27 per cent of the population of Canada.

According to this reasoning, therefore, the situation is as follows: Quebeckers paid on the whole $13 billion in both federal and provincial taxes for 1978. Now the amount is shared between Quebec and Ottawa, but if all the taxes paid by Quebeckers go to Quebec, there will be at most $13 billion left, neither more nor less. Thus the question is whether existing programs can be maintained if Quebec separates. In fact the question is whether the people will still get the same old age security pension, the same supplement, the same family allowance, the same child tax credit? Will doctor

appointments, operations, hospitalization, drugs, ambulance service for senior citizens still be free? These are the questions that people are asking about the referendum, and this is where I believe that the PQ government has made the most effort to buy the vote of the silent majority. Whoever tries to reply to these questions or even discuss them is accused of economic terrorism. However, we must not be afraid of facing economic realities. Then, Quebeckers will decide in full possession of the facts.

● (1410)

The social programs offered to the population are so numerous that I shall attempt to explain the general rule applied before going on to particulars. Generally speaking, I believe it is fair to say that if the money paid to Ottawa by Quebeckers for universal programs were paid directly to Quebec, the people would probably go on benefiting from the same programs, for instance family allowances and old age security. However, the so-called selective programs, that is those aimed only at those groups who need them, such as the child tax credit, the pension supplement, certain health programs, medication, free ambulance services, and so on, could certainly not be paid in a separated Quebec without substantial tax increases or cutbacks in the programs of other departments. Why is this? Because these programs are aimed at redistribution and federal redistribution is not only from rich families to lower income families, but also from rich regions to underprivileged areas. This means that a Quebecker who receives a pension supplement or child tax credit cheque receives money from other areas in Canada and not money that he has paid in income tax.

Let us take the case of health care, to begin with. First of all, I hope that people are aware that when it comes to health expenditures, all fees paid to doctors and specialists in Quebec as well as the wages of nurses and health care workers are provided by the federal government. Unfortunately, the Canadian provinces—and it must be said that at the present time Quebec has a better record than the others in this regard—are now trying to save money at the expense of ordinary citizens by not allocating their share to health services. Indeed, we have been forced to set up an inquiry commission which is to report by June 30. But according to our analysis of public accounts, we pay 55 per cent of the Quebec health budget and the province pays 45 per cent. Ideally, it should be 50-50. It is a fact, and I challenge Mr. Lazure to deny it, that we paid $1.5 billion for health services in Quebec in 1978-79.

This represents 27.2 per cent of the total amount paid to the provinces for health services. It means that this is equal to the percentage of the Quebec population compared to the rest of Canada. Of course, Quebeckers have contributed part of that amount through taxes, but as they pay no more than 22 per cent of federal taxes, they get about $250 million more for health services than they pay in taxes to Ottawa. As concerns the drug insurance about which Mr. Lazure pats himself on the back, I wish to remind him that two-thirds of the recipients already got it under the Bourassa government. In fact, he just increased the number of recipients by a third with federal money.

On the other hand, the free ambulance service is a completely different matter. It will be impossible to maintain that service if Quebec were to separate, for a very simple reason. The financing does not belong and never belonged to the Quebec government, and I want to tell this to the people who are listening to us. I want to say that this ambulance service set up about a year ago at a cost of $1.5 million is financed with the $2.7 million the PQ government took from institutionalized senior citizens. As you will remember, we raised the pension supplement by $20 a month for every single person or couple in January 1979. Mr. Lazure took $15 out of those $20, which belonged to the people and not to the Quebec government, and used that money to fund the ambulance service. I challenge him to tell the pensioners that he did not take 75 cent of our increase in the supplement. That is why I ask: where is the good government?

As far as social and welfare services are concerned, the situation is about the same as for medicare. The federal government reimburses the provinces 50 cents on each dollar they spend. That in effect means, and I do not think that people are aware of this, that each salary paid in the community health centres, each community project, the Drummondville Handicapped Bureau, the public day-care, the new home care service for the aged, and countless other services, are funded on a 50-50 basis by the federal government. The same is true where the 120,000 employees of the social affairs system are concerned.

Under that program, Quebec received 35 per cent of the funds allocated to public welfare schemes in Canada, that is $664 million for 1978-79. While receiving 35 per cent, as I mentioned earlier, Quebeckers making up 27 per cent of the population and paying only 22 per cent of federal taxes, earned a net amount of at least $220 million. Can the Péquiste minister, Mr. Lazure, deny that? This is a question that I am putting to the people.

Let us deal now with the cheques which are not given to the government but directly to people. And I quote an article by Claude V. Marsolais in the newspaper *La Presse* who stated on April 11 that Mr. Lazure will have to convince the pensioners to vote for sovereignty-association, that is for separation, and I will quote the text:

> If he has been chosen to convince, it is apparently due partly to his personal popularity with senior citizens especially older women.

I would like to tell him: Be careful Dr. Lazure. There are many "Yvettes" among elderly women. You are not the first fine speaker that they have heard. They have seen many others. Do not forget Dr. Lazure, to tell those people—elderly women—and especially those who are alone, separated,

divorced, widowed, deserted or single that you are going to take away the full $35 increase in July, tell them. Tell them that you will do as you did the last time when you robbed them of $2.7 million. Tell them this time if you are going to take away from them $6 to $7 million. I would like him to say that. On Saturday, he will be addressing senior citizens in Verdun probably to convince them to vote for separation. The elderly should ask Mr. Lazure this question and obtain a reply, to find out where the PQ government stands on this issue.

Messrs. Lévesque and Lazure, how dare you claim in your pensioner's booklet which you have published jointly with the Société Saint-Jean Baptiste de Montréal that if the Yes team wins, nothing will change and the pension cheques will continue to arrive the following day. You know perfectly well that after you take action to separate Quebec from the rest of Canada, no matter how many months have passed after the referendum, you will have enough money to pay the pensions, but not enough to pay the supplements. You know that for the year 1978, before the $20 increase to the supplement, and before the new $35 increase granted in July, still based on my tax reckoning, Quebeckers received $120 million more in pensions than they paid out to the Canadian government. Would you dare deny that?

Another cheque which is sent directly by the federal government to the people is for family allowances and child tax credits. First of all, I want to make it clear that 75 per cent of the family allowance cheques to Quebec mothers come from the federal government, which means that the greater part comes from the federal and the smaller part comes from Quebec. Here again Quebec is the net winner in that it gets more family allowances and tax credits than it pays out in taxes, again because of the redistribution of income from the richer to the not so rich provinces.

So in that field we have an additional $80 million for family allowances, an additional $60 million more for the child tax credit scheme that people have received as benefits for children. On that subject, the program of the Parti Québécois is quite clear, there is no mention of that at all and one can surmise that the vote of elderly people, because they have the right to vote, is perhaps more important in their eyes than the fate of children despite the state of poverty and the lack of opportunities prevailing among many families. Children cannot vote. I leave it at that. One thing for sure is that where poverty still exists and is unacceptable mothers will have to do without the child tax credit if the Yes vote wins. So I say: Where is the good government?

If you add up the social programs instituted by the Canadian government you will notice that Quebeckers collect cheques worth $680 million more than they pay in taxes to the Canadian government. That of course comes in addition to the famous equalization scheme which in itself is worth $1.27 billion a year. So I say that our social system is probably the most eloquent evidence of the value of federalism and of what federalism can give to ordinary citizens, because it is in the provinces' best interest to help the economically weaker ones to go through difficult periods. The system works both ways, by the way, since these provinces get stronger and there comes a time when they can pay their full tax share.

Were Quebec to become independent, then it could, of course, collect the taxes, the same amount it now pays to Ottawa. With this they could pay the pensions but not the supplement because they would not have enough money to pay this supplement to the 340,000 pensioners who receive this benefit in Quebec. So what would they do? They would have, beside the $500 million deficit in education, another deficit of $680 million for social programs alone. What are they going to do? Raise taxes? I for one say no because—and I see in front of me the hon. member for Joliette (Mr. LaSalle) who certainly agrees—Quebeckers already have the heaviest tax burden in Canada. Could they raise their budgetary deficit? I do not think so, given the present circumstances.

In closing, Mr. Speaker, I would like to say that it was somehow repugnant to me to report on the social programs organized by the Canadian government in favour of Quebec simply because I feel that people are not for sale; pensions and social allowances are rights that people acquire by contributing to the building of our society. They are rights and not rewards that people will be granted according to their vote. I decided I had to find out what those figures were to show how Premier Lévesque and the PQ government try to psychologically manipulate the elderly.

The Acting Speaker (Mr. Ethier): I regret to inform the minister that the time allotted to her has expired. Nevertheless she could carry on with unanimous consent of the House.

Some hon. Members: Agreed.

Miss Bégin: I am very grateful to my colleagues for their good will, Mr. Speaker. All I want to say, and I shall try to be short, is that pensioners—and I take it everybody agrees on this—all need to be protected and reassured as to their economic security. It is crystal clear. But pensioners are tougher than that and fighting with figures on their back is to me the worst favour that the PQ could do them. That's what I think, and what I would like to say today is that people want to know the facts clearly and then be able to judge for themselves. The golden age clubs where I go regularly as the minister responsible for pensioners know very well that we have not dragged the pension question into the referendum debate. The PQ government decided to do so and with such insistence that I had no other choice as the minister responsible for all Canadian pensioners than to set the record right about the social programs offered to the population.

In closing, I wish to say that there are still so many urgent things that should be undertaken to continue to remedy the injustices and give everyone a fair chance. In the next few

months we intend to undertake the reform of private pension plans so that every Canadian can enjoy an adequate retirement income. The Canada Pension Plan has to be updated as well to protect the housewife who has no income from private pension plans. The Quebec Pension Plan needs the very same reforms. We have to examine whether the annual guaranteed income is feasible, when and how. So I ask: Whom could we work with in Quebec? We do not believe in a country only for what it can give us, a country means a lot more than that.

Today, I tried to explain that it is not by accident that Canada is a success. It is so because of federalism. It is not by accident that it has so well served the poor and the ordinary people, wherever they live. It is thanks to federalism which allows a fair distribution of riches. It is not by accident. There are many new and relatively young members in the House of Commons who have little experience in public life. But let us just recall a few dates: it was not by accident that the federal government rather than the provincial governments established unemployment insurance back in 1935, family allowances in 1945, universal old age pensions in 1951, the pension supplement in 1967, cost-shared social services and hospital insurance in 1957 and medicare in 1967. It was thanks to federalism.

For those who suffer hardships at some time in their lives, Canadian federalism is a friend, a much needed brother that has a face; it is an Albertan, an Ontarian, a woman in British Columbia. In a word, it is another Canadian.

● (1420)

[*English*]

Mr. Vic Althouse (Humboldt-Lake Centre): Mr. Speaker, I want to begin by congratulating our new Speaker on her appointment to that important office in this new Parliament. I wish her well. I would also like to congratulate the hon. member for Rimouski (Mrs. Côté) and the hon. member for Sudbury (Mr. Frith) for their speeches as the mover and seconder of the Address in Reply to the Speech from the Throne.

As this is my first speech in this House I would like to take a moment to thank the voters of my constituency for their confidence in electing me to this Parliament.

My riding is an agricultural riding with farmers producing most products that are produced in Canada. It is a particular honour, as a farmer myself representing such a riding, to have been named the agricultural critic for my party.

In this vein I also wish to congratulate the hon. member for Essex-Windsor (Mr. Whelan) on his reappointment as Minister of Agriculture. I wish him well in his position. I also want to convey this sentiment to the hon. member for Elgin (Mr. Wise), a member of the Conservative party, in his position as chairman of the Standing Committee on Agriculture. I am looking forward to working with both of those gentlemen on the Standing Committee on Agriculture and in the House.

My riding, Humboldt-Lake Centre, is located in the centre of rural Saskatchewan, east of Saskatoon and north of Regina, comprising about 150 or 160 miles of territory in each direction from those cities. The town of Humboldt is the largest centre in the riding with a population of about 4,500 people. Our industries are agriculture, potash mining and farm equipment manufacturing. We have about 12 farm equipment manufacturers manufacturing large cultivators, rod weeders, stone picking equipment and various kinds of grain hauling equipment. We have four potash mines in Guernsey, Colonsay, Allan and Patience Lake. Our production is diversified and efficient to the point of being world competitive by force of our small local domestic market for our goods, and because we have developed a world class technology to compete on a worldwide basis, both with the production of potash and our agriculture products and, I might add, our farm machinery production.

In the farm machinery field I should also point out that the Prairie Agriculture Machinery Institute is located in Humboldt. It is supported by the three Prairie governments, and it is recognized across North America and, indeed, around the world, as a leader in the testing of farm equipment.

As is always the case, the people of our constituency are shaped by our history and our environment. Though our province of Saskatchewan will be 75 years old this year, there have been people there much longer than that, and all of those people have been immigrants. Immigrant peoples who have been there the longest are the Cree, followed by the Saulteaux who moved in from the northeast a few hundred years ago. From the south we have the Sioux who moved in after the days of white man's recorded history. Others who followed were Europeans, Americans and some Asians. They arrived mostly in the last 100 years. They founded a part of Canada that is vast and lonely but with plenty of room for growth, not only economically but for future generations as well.

● (1430)

To many of these newcomers, that vastness meant security. Our climate and geography can be harsh, and the immigrants who pioneered that region quickly found that life was easier for individuals if they combined forces against the elements. The Indians worked and lived in groups to combat those elements. When the white man came he followed a similar pattern. The white man used building bees so that shelters could be constructed quickly. Both groups co-operated in managing food supplies, the Indians by working together on buffalo hunts and the white man by setting up beef rings so that when an animal was killed the meat could be distributed around the community to avoid its spoiling.

As well, the people there worked together to provide necessary community services, roads and trails, schools, and hospitals. Having established a system and tradition of co-operation and working together to survive the natural elements and to develop some semblance of social service, the early settlers of our region very quickly turned their attention to trying to tame the economic system that they lived within. They reasoned

that if man can use his skills and talents to survive the natural elements that give us prairie winters and drought, then surely man can use that same intelligence to ameliorate the violence of the market economy.

Whether one views the market as a natural or a man-made phenomenon, one cannot dispute the logic of their approach. Perhaps that explains the history of political and economic activism that generated from our region and why I am honoured to have been chosen by my constituents to carry on this long, honourable and necessary tradition. I hope to be equal to the task.

Some hon. Members: Hear, hear!

Mr. Althouse: As we begin this Parliament, Mr. Speaker, I think that it is important to spend a moment considering some of the leftovers from previous governments which affect the agricultural industry. The hon. member for Yorkton-Melville (Mr. Nystrom), in his role as agriculture critic in previous parliaments, has raised a number of matters which have yet to be addressed. The Minister of Agriculture recently tabled the report prepared by the National Farm Products Marketing Council concerning the Canadian Egg Marketing Agency. Our party will be asking for an opportunity to examine this report along with the annual report of CEMA in the Standing Committee on Agriculture.

The former minister of agriculture, the hon. member for Elgin, established an interdepartmental committee to examine the effect of hydrogenated trans-fatty acids in margarine upon the health of Canadians. We will be expecting a report from this group to the appropriate committee of this House at the appropriate time in the upcoming session of Parliament.

In 1978 the current and then Minister of Agriculture established an interdepartmental committee to examine allegations concerning the toxicity testing by Industrial Biotest Laboratory of many of the major farm chemicals used in Canada. It is our understanding that an interim report of this committee has been completed, and we will be asking that it be tabled by the minister in the House at the earliest possible opportunity. We continue to view this situation as being of serious importance indeed.

Finally, we have been promised by successive ministers of the environment that a national land use policy will be established across our country. It should set out at the very least a policy for the use, purchase and sale of federal lands. This affects our Indian people, ranchers, farmers, and users of recreational land and it should therefore be dealt with quickly. We will continue to pursue this issue in the House and in the appropriate committee. Our party cannot understand the delays and stalling in producing any sort of document outlining a national land use policy.

After that brief outlining of some leftover issues which remain with us, Mr. Speaker, I would like to look at some of the issues that are of prime importance to agriculture today. The biggest of these concerns is the crisis of high interest rates. High interest rates are sapping the strength of every sector of our economy, but nowhere are they more strongly felt than in the agricultural community.

Next week we will see two mass rallies and demonstrations held in Ottawa demanding emergency action on interest rates for farmers. The National Farmers Union will be on the Hill on Tuesday, and the Ontario Federation of Agriculture will be in the Chateau Laurier on Thursday to show their concerns over this crisis. Why are these farmers coming to Ottawa? They are coming because of the combination of chronically low prices for many commodities, the rising prices for fuel, chemicals, and fertilizers—all of which are oil or natural gas based—machinery and high land costs make the additional burden of increased interest costs intolerable.

The president of the Ontario Federation of Agriculture points out in a recent issue of *Farm and Country* that interest rates have almost doubled since 1978. Many farmers are paying 19 per cent on their floating loans for operating capital. And what about the federal Farm Credit Corporation, the agency set up to provide long-term debt financing? Interest rates there have gone from 10 per cent in March, 1979, under a Liberal administration to 12 per cent under the Conservative administration, and now it is 13 per cent under the Liberal administration again. The number of loans in 1978-79 actually declined, in over-all amount and in number of loans, over 1977-78.

The Liberal government had been starving the FCC of funds, and while the hon. member for Elgin increased the capital to the FCC by $50 million during his term in office, this still amounts to a drop in the basket. Farm debt is increasing at a rate of about $1.5 billion per year. The amount of farm debt has tripled from 1968 to 1978, going from $4.1 billion to $12.3 billion in those years. Certainly a massive injection of capital is needed to rejuvenate the Farm Credit Corporation.

As a concrete step to allow young farmers to continue to get into farming and to allow other farmers to make major investments, this government should have frozen the interest rate at 12 per cent. Instead, we see in the Speech from the Throne increases in the farm improvement loans ceiling to $100,000 which prompted the Canadian Federation of Agriculture to say, "more rope to hang yourself".

The current interest rate for farm improvement loans is 18.5 per cent. In 1978, first estimates indicated that $212 million was loaned under this act. That amounted to only 2.7 per cent of the total credit extended to farmers in that year. Some banks provide almost no funding under the Farm Improvement Loans Act. Most farmers will tell you that no matter what bank you go to these loans are hard or nearly impossible to get, even at the rate of 18.5 per cent, which is still no favour to the farmers.

It is obvious that this government will have to do much more if they hope effectively to assist farmers with the current problem of high interest rates. Farmers need help this spring to put their crops in, and we must develop programs rapidly if we are to provide the assistance they need. Accordingly, I would

offer the full support of our party for rapid passage of any reasonable legislation to put this assistance into force.

I would like to spend a moment discussing the reasons for this ever-increasing debt. It seems to me that we have an industry which is in very serious trouble, and that we should be looking at the reasons for the serious situation which was developed. You do not have a viable industry if you see the debt load of that industry tripled in ten years. Why is the industry not developing enough capital to refinance itself? Why are farmers continually having to borrow ever-increasing amounts of money in order to stay in business? I think we have to look at the kind of prices farmers have been getting.

● (1440)

This spring we find that potato prices are disastrously low, for the third year in a row. They are well below half the cost of production. Hog prices are about one third below the cost of production. Prices for finished cattle have slipped badly. Calf and feeder markets have followed. The Carter grain embargo is affecting grain prices and in particular is affecting feed grain. That embargo trapped a great deal of feed grain that previously had markets in the United States, where farmers are trying to get around the problem by feeding more to hogs and chickens. As the price of grain has fallen, so has the price of beef, hogs and chickens. Indeed, many analysts were predicting increases in grain prices prior to the implementation of the Carter boycott and this trapped unexpected supplies of grains in the United States.

We can contrast the problems in the hog, beef and potato markets with the egg, turkey and chicken industry in this country today. In these commodities, where national orderly marketing agencies help to stabilize price and supply and provide some security to both the farmer and to the consumer, things are not quite so bad. These agencies organize producers, give them some control over imports being dumped into our markets and provide consumers with a lower price for the product when international supply and demand swings the other way—to high prices on the world market.

Certainly there are problems from time to time with these agencies, but they are open to public scrutiny and are responsible to Canadians through Parliament in a way that no private corporation is ever expected to be.

In this context I want to say a few words, Mr. Speaker, in support of a Canadian potato marketing commission. How long must we watch the bickering amongst provincial marketing boards? Shortsighted and corporate dominated provincial governments and this federal government conspire to keep potato producers in a quagmire of debt, uncertainty and potential bankruptcy. I notice that another marketing agency has been established in the province of New Brunswick. It seems to me, having worked with a provincial board in Saskatchewan dealing with hogs, that it brings about only a minor improvement to the market situation. Until those marketing boards can work together in a national scheme, or at least a regional scheme, no real solution to the problem begins to emerge. I propose that we move as quickly as possible to the establishment of a potato marketing commission with the provinces transferring some of their powers to the federal jurisdiction.

The potato industry in Canada is in very serious trouble. Prices this year are 1.75 cents per pound while the cost of production is 4.5 cents. This is the third bad year in a row. Parts of New Brunswick had massive crop spoilage problems and as many as 20 per cent of the farmers will not be able to put a crop in without considerable financial assistance.

If we were to set up an agency similar to the Canadian Wheat Board to provide standardized grading and inspection systems for all potatoes and hire top flight marketers like those in the Wheat Board, we would begin to realize the tremendous potential for expansion in the potato industry.

Let us consider now the benefits of this on the farm. Firm prices would attract and hold new farmers, would stabilize the farm supply and processing industry, and would allow farmers to move to a proper rotation of crops with better soil management, instead of the current continuous cropping and exploitation of the soil that some farmers are forced to adopt just to stay in business and beat the cost-price squeeze.

I would further argue that the hog industry is ripe for a similar orderly marketing system. The instability of the last decade has been very wasteful of resources. We have allowed the industry in Quebec to become heavily vertically integrated, with farmers at the mercy of the corporations and their "here today, gone tomorrow" contracts. We now see that Cargill, for instance, is moving to vertically integrate the hog industry in Manitoba as well.

Is Canadian production to be replaced by U.S. imports in the long run? Are we going to allow the same situation to occur with hogs as occurred in the past with chickens? Are we going to try to pick up the pieces in five years' time, when we negotiate with the United States on import levels, because we do not have a national marketing agency today? We should be moving on this now. Hog supplies are not far from being in balance with demand in this country at the present time. We have the potential to maintain and expand exports to the United States and other selected markets. Now is the time to set up a national agency, not five years from now.

I am pleased to see mention of a meat import law in the Speech from the Throne, Mr. Speaker, not because I believe it represents any long-term solution, but rather because it is a step in the right direction. I hope that it includes all meat and that we will also have effective controls on the movement of live animals for slaughter.

Before I close, Mr. Speaker, I want to mention a couple of other issues that are likely to come before us in this Parliament or that are recurring issues in this country. I hope to see, as does my colleague the hon. member for Prince Albert (Mr. Hovdebo), a full commitment to proceeding with the development of the port of Prince Rupert by this government.

I hope that feed grains will be restored to the Canadian Wheat Board and that the board will be given jurisdiction over oil seeds. I would recommend the adoption as soon as possible

of the Hall commission report and its solutions regarding the Crow rate and I would ask this government to maintain all branch lines where elevator companies are committed to retaining service.

I should also like to place on record the continuing opposition of this party to plant breeders' rights legislation. This would result in higher costs of seed to farmers, would result in the takeover of many of our breeding programs and our seed companies by foreign companies, and would also bring about a decline in those breeding programs by our public research institutions. It would contribute to fewer varieties of seeds being available and could present many problems to seed growers across Canada as they face imported seed or the contracting out of new seed varieties by the companies that would own the rights to these seeds. I would urge the minister, through you, Mr. Speaker, to set aside plans to introduce such legislation.

I hope that we will have an opportunity to debate the setting up of new marketing agencies, expanding and improving the Farm Credit Corporation, the Farm Improvement Loans Act and measures such as these which would boost Canadian self-sufficiency in the production of fruits, vegetables and other commodities. I also hope that we will have legislation providing for the labelling of food by country of origin and that we will have the means to provide for energy conservation and improved storage and handling techniques. Changes are needed as well to the Agricultural Stabilization Act to make it responsive to the needs of individual producers and to improve its ability to stabilize net farm incomes.

● (1450)

We face many challenges and many opportunities, Mr. Speaker, as we begin this new Parliament and this new decade. I look forward to working with all members so that we can make these opportunities a reality. It has been an honour to be able to participate in this throne speech debate by making my maiden speech in Parliament, Mr. Speaker.

Some hon. Members: Hear, hear!

[*Translation*]

Hon. Francis Fox (Secretary of State and Minister of Communications): Mr. Speaker, let me start by saying I am very happy to take part in the throne speech debate. I had first intended to deal mainly with my responsibilities as Secretary of State and Minister of Communications. I decided against this because I think that we in this country are currently living critical times and that we have to tackle problems which somehow transcend our own interests, whether they be regional, provincial or other, and focus on interests and matters which have more bearing on the Canadian nation as a whole.

[*English*]

I feel most strongly, Mr. Speaker, with the referendum staring us in the face, that my first speech in this Parliament should address itself primarily to an issue of vital interest to the nation, because notwithstanding arguments to the contrary, the referendum is not only a French question, not only a Quebec question, but a question affecting the future of Canada, with Quebec being an important part of that future.

[*Translation*]

Mr. Speaker, the statements made by the ultra-nationalists, and particularly the separatists, indicate that they interpret the history of Quebec and that of Quebec within Canada in a way which, according to them, shows that the French language and culture have constantly been imperiled and kept from developing in our country. The conclusion drawn is that the separation of Quebec from the rest of Canada is necessary to ensure not only the respect but also the survival of French culture.

This separatist rhetoric, Mr. Speaker, is clearly fallacious. It is a fabric of lies feeding the political ambition of a group of people who merely seek total power over their fellow citizens. Mr. Speaker, the French language is alive and well as it never was before. French culture is alive and well as it never was before. To maintain that Canadian federalism has not allowed the French language and the French culture to develop and flourish within our boundaries is unfounded. It is also unfounded to maintain that Canada's central government has jeopardized the stability and the flourishing of our French fact in our Canada. In fact, the facts are quite the opposite. The facts are quite different from the separatist fiction.

Mr. Speaker, I have found in recent years, especially when meeting groups of young people in our CEGEPs, that it is always hard to explain that there is a difference between reality and fiction and to make them understand that Canada through its central government and its federal system has in fact enabled the French language to be used and to be improved in Quebec and throughout the country.

I know that some realities are hard to swallow in some separatist circles, but the fact is that they are realities. First, through its Official Languages Act, the Government of Canada acknowledged not only the historical contribution of Francophones, but also the basic role Francophones will play in the future of our country. And this has happened, Mr. Speaker, without any need to think about separation, about a break. That act had recognized, long before the Parti Québécois started to move, that Canada must be bilingual and must remain so in order to be truly its own self. Progress made since the inception of that act is encouraging. That is a reality much more important than the separatist fiction.

Contrary to separatists' claim, who by the way are making entirely false statements and even distort historical facts to their advantage, Canadians know that they can communicate with the central government in the language of their choice wherever they are in Canada. They know that the Government of Canada is increasingly promoting access by all Canadians to the learning and use of the other official language and is sparing no effort to allow them to live and develop in the official language of their choice. The provincial governments

also have the responsibility to ensure the development of the French-speaking community living within their territory. After many historical difficulties, some of which continue to exist, that responsibility is being increasingly recognized.

I would like, Mr. Speaker, in that respect to quote just one figure. For instance, who knows in Quebec that today in the far away province of Alberta there are as many as 75 Francophone schools? Who among the big names in the separatist movement in Quebec would tell the people of that province that today in Canada more than 203,000 children of English-speaking families outside Quebec are attending French immersion classes in school? This is an example of the kind of change that has occurred through the years in English Canada, in the other provinces of this great country, mention of which is very seldom made in the province of Quebec.

The members of this House know that quite well. The government of Canada encourages the teaching of the minority language in each province all across Canada. A total of $160 million has been paid by my department to the provinces for that purpose during the fiscal year 1979-80. This is a fact. To the province of Quebec alone, some $733 million, that is $300 million in direct transfers and $400 million in tax transfers, were contributed to education in 1979-80.

Who, among the staunch supporters of separatism, Mr. Speaker, has had the courage to recognize those efforts made by the central government in the field of education in the province of Quebec during the debate at the National Assembly? No one of course. But this is a fact. The young people in Quebec have more than ever before the opportunity to take advantage of new working tools, to take part in meaningful exchanges with other young Canadians, to benefit from teaching materials which help them to acquire a better command of their French and to learn English if they wish. For that purpose, an amount of $10 million, including $6 million for linguistic exchanges alone, has been paid under the Open House Canada program. That is a reality, Mr. Speaker, a verifiable fact.

The Government of Canada also helps newcomers to Quebec. It helps them to get their education in French. That is a program about which Quebec separatists keep quiet. They do not talk about the amounts spent to enable new citizens to better integrate in the Francophone life of Quebec and Canada, nor about the $11 million spent by the Department of Manpower for that purpose. Let us also mention the amounts put at the disposal of young Francophones through employment, animation and training programs such as the armed forces programs which enable young Quebeckers to get a better education in French. Quebec separatists do not talk about that either.

Mr. Speaker, I also want to mention translation programs which promote communications in both our official languages. We invest each year huge amounts in that field. Last year, for instance, the translation bureau in my department spent $50 million on its translation programs in the official languages. This amount includes $6 million for research to ensure the quality, updating and universality of the French language within our society, to set up a modern terminology bank, and link French-speaking Canada to the international data banks. Therefore, it would not be true to assert that the central government did nothing to promote the French language. Reality is quite different.

● (1500)

So I call upon all Quebeckers to make an honest and thorough examination because indeed, Mr. Speaker, this matter has never been examined with the intellectual honesty and earnestness it calls for. What are those realities involved? Let us take, for example, the Canadian Broadcasting Corporation, the National Film Board, Canada Council and all the other cultural agencies of the Government of Canada; those agencies, Mr. Speaker, did not need the outbursts of the separatist government in Quebec to contribute substantially to the survival and use of the French language, and to bring about a great improvement in the quality of the French language and culture in the province of Quebec and throughout Canada.

What would the French fact be in Canada today? Would it have the same quality, the same status, the same significance if it were not for the CBC, the National Film Board, Canada Council, the National Museums, Public Archives and all the other agencies of the central government? Again, those are realities, not illusions, not talk, but facts, real facts, true facts. No honest citizen, can pretend that Radio-Canada has not been in the past and does not continue to be a major catalyser of the most dynamic elements in the Francophone information, and artistic communities, which enabled them to achieve success and growth. It would now be opportune to make a few comments about the quality of the French language, which Radio-Canada announcers have been displaying for many years. From Henri Bergeron to René Lecavalier, all announcers have always promoted high standards for the French, not the English language, not the promotion of "joual", but the promotion of good French. That is a fact.

I could also quote figures in this connection. Let us take for example the year 1977-78. Radio-Canada spent over $200 million in the province of Quebec, that is 36 per cent of its over-all expenditures in that same year. That is much more than the strict mathematical percentage that is so dear to the Péquistes, a strict mathematical percentage based on population. That year the corporation employed 4,300 persons in Quebec. Is that really a federal government that tries to hinder French culture? The salaries of those employees and related expenses total more than $100 million. The total value of Radio-Canada's capital investments in the province of Quebec as of March 31, 1978, amounted to $151 million. That also is a fact.

How many of our artists have benefited some time or other from Radio-Canada? How many of our cultural or even social and political groups have come to be known through Radio-Canada? And that situation prevails since the very beginning of TV in Canada. It did not wait for separatist agitation.

I could also speak of the National Film Board, Mr. Speaker. Let us ask our Quebec separatists where our Quebec filmmakers, our Francophone filmmakers, would stand without the National Film Board. We could point out that the Government of Canada, and the National Film Board, have within a federal Canada given an opportunity for all our talents to come of age; for Claude Jutras to create *Mon oncle Antoine*, for Gilles Carle, Jean-Pierre Lefebvre, Pierre Perrault and so many others to express their creativity.

And what about the new tax measures giving a new boost to the Francophone film industry in Canada? That is also a fact. The Government of Canada does not lay any conditions for its support of Francophone creative talents and cultural instruments. It does not impose any political censorship. It does not urge artists to become members of a particular committee rather than another. To my knowledge, Radio-Canada has never been known to be teeming with federalists.

An hon. Member: That is another fact.

Mr. Fox: This real freedom is also a fact. Do we really find the same freedom in all the interventions of the Parti Québécois government on linguistic and cultural matters? Is there really the same quality of freedom and the same opportunities to express different views within some agencies of the Parti Québécois government? Have we heard many federalists over Radio-Québec? We must think about that too, Mr. Speaker.

I could also say much more about Canada Council. Once again, reality is far from separatist fiction. It is the opposite of the false statements that are rammed down the people's throats under the guise of nice songs and high-falutin elucidations. Where would all our creative talents, all our artists, all our craftsmen, all our drama groups, all our musical and dance organizations be without the support of Canada Council and Radio-Canada? The Government of Canada has for several decades been the mainstay of artistic creation and the major prop of Francophone artistic development. Once again, this is a fact. This is a fact that hurts in some circles, but that is one we must not overlook.

I would like, Mr. Speaker, to address for a few moments the most creative minds of our society. Where would we be today if, at a time when the government of Quebec was not much concerned with culture, information or university education, when some public figures derided what they termed "artistic art", the Government of Canada had not been there and if a federal system of government had not been able to compensate—and I emphasize compensate—for a lack of understanding in some responsible quarters. Those things did happen in the past and they are true. Those are facts. How could anyone now argue that the Government of Canada has tried to overshadow the French fact, to make French-speaking artists subservient to the English-speaking majority whereas what really happened is exactly the opposite? How could we reasonably claim that artistic creation would be stimulated if Quebec were to secede? Those issues require more pondering over.

Furthermore, in a sovereign Quebec in which the Parti Québécois is committed to maintain all social transfer payments, pay the salaries of former federal employees and many other expenditures, what would be the working margin, what resources would be left for the government to support artistic and cultural activities? This is a question we must now ask ourselves and answer without delay.

• (1510)

Those are the facts we must face now. Under the guise of lovely songs which are sometimes I quite agree very beautiful and displays of passion probably, the big guns of the Parti Québécois go around distorting reality, disguising facts, spreading lies which if repeated often enough will finally be accepted as truths. They ask the people to trade their birthright for a mess of pottage, to trade the positive support of the Government of Canada which is a concrete reality for a would-be society of which the only indisputable feature is the fact that a small elitist group would gain absolute power over the people of Quebec.

Furthermore, Mr. Speaker, at this political turning point in our history, on the eve of the Quebec referendum, I would like to deal with two other matters which are of particular interest to me.

Personally, I have always been irritated by the way the separatist speakers seem to enjoy confusing the issues. And such confusion which has been deliberately spread around for a number of years must be dispelled. I am referring to the fact that they confuse the problems that may confront the French-speaking community with the problems that may confront Quebeckers as citizens of a particular region. How can anyone go on suggesting that all of Quebec's problems are due to the fact that there is in our country an English-speaking majority and a French-speaking minority?

A very large number of the existing problems are regional, social and economic problems that have nothing to do with the French nature of Quebec. A very large part of Quebec's problems are caused by social, geographic or economic conditions that have nothing to do with *le fait français* as such. It is dishonest to have people believe that all the existing problems in Quebec have as their one and only cause the strained relationship between the two linguistic communities.

Unemployment problems in some areas, the problem of industrial development in Quebec for example, are based on geographic and economic data and having nothing to do with the French fact. It seems to me that it should no longer be possible to make the people believe that all those problems would disappear immediately after Quebec achieved sovereignty.

However, we all know very well that the separatist star performers are spreading all those dreams. The liberation of everyone is now connected to a so-called liberation of Quebec. There is some confusion there between a certain type of problem related to the linguistic make-up of our country and another type of problem related to geographic and economic data, and this confusion should not be ignored any longer.

This leads me, Mr. Speaker, to another aspect of the debate which deserves close attention. Preserving the French language and culture, setting up the framework and the tools to guarantee their dynamic development are not the game preserves of the separatists. They are dear to the hearts of all Quebeckers, whether they toil in the private or public sectors, whether they toil in Ottawa or in Quebec. The will to remain French is every bit as strong among federalists who work with the central government as among the separatists who work in the National Assembly. To claim the contrary is dishonest.

There certainly have been moments of tension in our Canadian history. Those moments must neither be downplayed nor exaggerated. But they cannot be expected to disappear some day. Tensions are part of life itself. They would even exist in a system born of a type of sovereignty-association. But just as it has been done in the course of the last decades and as it will always be necessary to continue doing so, every means must be taken to make both linguistic groups in our country understand the positive contribution of the other, the need to fully respect it and appreciate its differences.

Those past incidents which often go far back in our history have been such, and I readily agree, that no Francophone wants to leave his linguistic fate entirely in the hands of the other linguistic group of the country. This political will is a basic political fact in our country. But this political will, Mr. Speaker, does not necessarily require going from a federal to a unitary system, from a Canada with two co-existing linguistic communities to a separate Quebec state.

We find, Mr. Speaker, that in Mr. Camille Laurin's white paper, an anthropological method is used to interpret society. In that white paper, the linguistic phenomenon is referred to as a basic feature of daily life in Quebec around which are centred all other aspects of life and which serves to interpret the remainder of the community. All the vital manifestations of a community are subjected to the language criterion alone.

The anthropological method is an interesting interpretation tool. But it is far from being as relevant as some would suggest or as effective in the daily life of every citizen of our province. Every Quebecker understands that there are other factors in his life besides the linguistic one, that there are, among others, political, social, economic, ethnic, religous factors. It is true that there are English-speaking Canadians on the one hand and French-speaking Canadians on the other, but it is equally true that there are a great many other factors which differentiate amongst our fellow-citizens and which, in fact, unite Canadians much more than they divide them. There are many more elements which unite the citizens of our country than elements which divide them. What unites us is much stronger than what makes us different. What we have in common is more important than what sets us apart.

Mr. Speaker, I would like to go over this same argument differently. For me, in my political philosophy, in my view of the political organization of the country and society, in my conception of the instruments needed by a society to ensure its development, I am completely opposed to any kind of exclusive jurisdiction and control. I am all the more opposed to such control as this type of society which some are trying to sell us would destroy one of the best means we have had throughout our history to develop and to ensure as much as possible that individual rights are respected. I cannot accept that a single government could have complete control over my life, over the legislation which affects me, over my taxes. On the contrary, I believe that it is healthy, especially in the areas which affect our everyday life, which affect the fabric of our society, which affect culture, for no government to have complete control over what concerns us. I believe it is healthy that there should be some competition between two levels of government to better protect the rights of citizens.

Mr. Speaker, the debate on Quebec separation has been going on for several years. A majority of citizens are still dead set against the projects of the separatists, that of sovereignty. In fact, this relentless opposition has been understood even by the Parti Québécois. At the present time, the referendum debate does not deal with the separation project because it would be categorically rejected by the population. But they are still trying to bring Quebeckers gradually to take one more step in a direction they reject. There is dishonesty in the gradual approach being proposed by the Parti Québécois. There seems to me to be a basic lack of respect for the people of Quebec. They seem to me to be trying to do indirectly and gradually what the people do not want to do directly and clearly.

The present referendum debate still remains a historical debate that will be an essential element in the evolution of all citizens of Quebec as well as that of all other citizens of Canada. That historical debate has led the separatists of the Parti Québécois to make totally false assertions. It is false to pretend that Quebec needs a Yes to secure a mandate to get things moving when, quite to the contrary, the reality is that the mandate to get things moving is on the No side. It is false that Quebec must separate to ensure the maintenance and the development of the French language and culture in Quebec itself. Contrary to what they say in separatist circles, the Government of Canada, both in the past and in the present—

Mr. Deputy Speaker: I regret to interrupt the minister, but his time has expired. He may continue with unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Mr. Fox: Thank you, Mr. Speaker, and I thank my colleagues. In concluding, Mr. Speaker, I must say that contrary to what separatists have been saying for a long time, the Government of Canada, both in the past and in the present, and it will be the same in the future, has been an all essential and privileged instrument to promote the development of the quality of the French language and culture. That French fact which is recognized today not only at home but all over the world would not be as vigorous, as rich, as promising had it not been for the whole positive contribution of the Government of Canada.

Mr. Speaker, the federal system of our Canada is a much better instrument to ensure the progress of French and the promotion of Francophones than a unitarian system would be, a political system that would isolate Quebeckers from the real challenges, the challenges of a universe in which people who are different will have to have learned to live together to ensure peace, freedom, security and prosperity for all.

● (1520)

[*English*]

Mr. G. M. Gurbin (Bruce-Grey): Mr. Speaker, on behalf of my constituency of Bruce-Grey I welcome the opportunity to join in the response to the Speech from the Throne which has opened this Thirty-second Parliament.

First, may I congratulate Madam Speaker on her appointment as Speaker and wish her a successful term. Second, I congratulate the Prime Minister (Mr. Trudeau) and his colleagues on their successful campaign. I wish them well in their deliberations on behalf of this country.

In my initial speech in this House I would like to exercise the privilege of referring to my constituency of Bruce-Grey. One of the most unique aspects of this constituency is treasures which are hidden within its boundaries: from the caves of the islands off Tobermory, down the beautiful Niagara escarpment and Georgian Bay and along the shoreline of unspoiled Lake Huron, from the awesome Bruce nuclear power development and its surrounding Scottish communities to the industrious Hanover which forms the heartland of a thriving furniture industry, and from the German community of Neustadt to the resilient Durham, and beyond this to the security and stability of Walter's Falls; they are treasures in themselves and all enclosing a productive rural community.

This riding should be identified as a breeding ground for some great politicians, at least until now. The Right Hon. J. G. Diefenbaker was born in Neustadt, and the great-grandfather of the right hon. Leader of the Opposition (Mr. Clark) homesteaded in Kincardine township. Its basic resource in people, however, is in those who have remained in the farming communities, which continue to thrive. This human resource has recently been augmented by people who have come in numbers to the area to build and operate what is to be the largest nuclear complex in the world.

The natural attributes have allowed many of our citizens to work in the tourist trade, while others find employment in a variety of manufacturing industries but particularly in furniture and wood products.

The main issues which are important to the people I am here to represent are really not much different from the basic concerns which exist across my province of Ontario and throughout our whole country.

Beef and other farming activities in Bruce-Grey are among the most productive in Canada. Farming through our independent farming operations is to our future what oil and energy resources are to today. Unfortunately, in the throne speech we have failed to take any meaningful initiatives to allow farming operations to continue their economic survival.

Worst of all, because of debt and costs, this year some cannot afford to sow their crops unless they sell capital investments. Some will not plant. The individual economic hardships farmers face are serious enough; the loss of productive farm capacity in a world of hunger is tragic. This problem has a good deal to do with the prices farmers are able to get for their products. I applaud the proposed expansion of export markets through a Canadian agricultural export corporation. I am encouraged by the indication of meat import legislation and hope that it will be an effective instrument for beef producers. I hope that the election promise of a farm price review will in fact happen. I sincerely hope that this government will provide some short-term relief for the survival of our farmers until economic conditions improve.

Nuclear energy has had a very emotional and uneven history. It has developed in the shadow of the most destructive force yet devised by man, and in the wake of Three Mile Island this shadow has almost eclipsed the entire American nuclear program. Our nuclear resources in Canada have developed on the basis of need, particularly in the industrial heartland of Canada, in Ontario.

Bruce-Grey has in progress the second major phase of a construction program which will provide approximately one quarter of all the electrical energy in Ontario. This complex, based on the prize of Canadian technology, the Candu system, will also provide the largest steam plant in the world and enough steam to run four of Alberta's syncrude plants.

This complex also gives the largest North American example of the combined use of an energy source to produce both electricity and steam energy for industrial activity. The heavy water plants use massive amounts of steam to produce heavy water for our Candu system.

Mr. Speaker, I apologize for the digression, but the explanation was important both in terms of the indication in the throne speech to create an alternative energy corporation and also in the critical energy future of Ontario.

Amazing economic opportunities could result from the full utilization of the energy facilities now in place. Improvement of fuel efficiency from less than one third to more than two thirds is an exciting potential. The combination of this efficiency improvement with the existing technologies of portable fuels, including methanol, ethanol and hydrogen, give Ontario an energy future which can be capable of significant independence. I believe we could have energy self-reliance for Ontario by the year 2000.

An additional comment is appropriate in discussing this energy future. The integration of the conservation of cogenerated heat units combined with biomass from trees or other cellulose sources, cash crops starch sources, sugar sources or from waste products, forms a cycle to produce a hydrocarbon from a renewable source.

The nuclear component of this combination presents to Ontario an opportunity to achieve a degree of independence and remain competitive with those provinces which are endowed with fossil fuel deposits or massive hydroelectric opportunities. In addition, significant reductions in carbon dioxide emissions can occur. This can help avoid the so-called atmospheric greenhouse effect.

An important element in the ongoing Canadian energy discussion is the provincial constitutional control of energy resources. This dialogue can be assisted by the understanding in Ontario of the potential we have.

In our own area we have in process now the development of a particular expression of cogeneration. This expression is in the form of a small greenhouse prototype which is one acre in size. This prototype in fact is developed using three different types of greenhouse structure, and at the present time it is in the middle of its second crop of producing cucumbers and tomatoes for the markets of Ontario and Canada.

In developing this technique and producing this variety of greenhouse produce we expose to Canada a technology that can be used to develop a marketable produce from our own energy resource. We can in fact replace imports which are coming in at the rate of approximately $200 million a year, and we can do this with an energy source that is now in place.

In the throne speech there is one item which gives me cause for concern, and this is the projection of Canadian ownership of our petroleum industry to the extent of 50 per cent by the year 1990. I do not understand how this can occur unless we are talking about nationalization. I do not understand how we can in fact achieve 50 per cent Canadian ownership without massive government involvement. I think that the government must be more clear in designating how this is to occur and what technique will be used.

● (1530)

Tourism is an ongoing important source of revenue and it is also a source of employment in Bruce-Grey as in many other areas of Canada. Tourism can be seen to be neglected by the Speech from the Throne. My hope would be that we will give more attention to this in the coming months. A specific national tourist policy and specific initiatives to help the industry develop could help local economies and Canada's balance of trade deficits.

Railways and mass transportation systems of the last decade are inadequate for present needs. It is encouraging to note a recognition of this in the throne speech, but little comfort is seen in the lack of specific planning except for the wheat transportation improvements already initiated by the last government. The deterioration of facilities almost guarantees continued loss of current rail services. I believe a review process, the so-called rationalization of rail services, that is taking place now for the first time in Canada in our own area should provide an excellent prototype for the development of a national, economically-viable, integrated rail system. This integration of systems would allow the use of freight, rail and tourism lines combined together to provide an economically viable unit.

I think it is important that the members of this House remember, while we debate the Speech from the Throne, that the impact of our deliberations will not be felt today but by future generations of Canadians. Therefore, we have an obligation to ensure that our decisions are not based upon selfishness but upon an honest regard for the needs and aspirations of our children.

Governments too often place themselves in positions of serving the desires of today by ransoming the future. Social programs are instituted, non-renewable resources are consumed and new laws are created with a flagrant disregard for the effects that such decisions will have upon the quality of life of our descendants. As representatives of the people, we must keep vigil over their interests. We must attempt to protect the rights not only of the majority, but also those of groups unable to stand in self-defence. Such a group is the young.

The young are eager to prove themselves. They want to get out in the world and establish their credibility. This is a task which is becoming increasingly difficult. No longer is an education enough to get a secure and well-paying job; no longer is a home within the means of most young Canadians; no longer can the young look forward to the standard of living that we promised them.

What promise does this throne speech, this government, hold out to the young? Oh, yes, I see a reference to creating new jobs. But what does this mean? Does it mean a new opportunities for youth program? If so, it will not be of much use to Bruce-Grey or, for that matter, many other parts of the country. We need permanent, meaningful employment, not band-aids. We need protection from interest rates so that young people will be able to continue the family farm or business. We need new industry and new jobs based not upon the wishes of a bureaucracy, but upon the real needs and the vast potential of our country. We need to put an end to inflation so that once again young people will feel secure enough to be able to own a home and raise a family.

We need to re-examine the educational system and the role it plays in preparing young Canadians for what lies ahead. This may mean an increased concentration on skills training, but it definitely means that access to education must be

affordable. We need to be able to assure the young that we have taken adequate precaution to preserve a secure source of energy for the future. We need to come to terms with our environment in such a way as to protect valuable farm land and vacation areas from the challenges posed by pollution, and thus save these resources for our future needs.

But most of all we need to be able to convince the young that they have a government which is committed to looking out for their interests. This implies a government which is willing to set an example, a government which is willing to provide some standards by which the young may judge themselves. In short, it requires a government which understands the needs of Canada and is willing to respond with vigour and determination.

While providing for the economic well-being of the nation, the government must also prove that it has an understanding of laws that give a country its spirit. It must be willing to enforce those laws which are just and should change those which are not.

If I could be allowed to digress again for a moment, the government must be able to understand the need for capital punishment as well as a tightening of the abortion laws. I have yet to be convinced that the government is capable of that level of understanding. For example, the government has stated its intent to decriminalize simple possession of cannabis. I would hope that the government would place careful consideration into the framing of such legislation. I for one do not believe that the government should take any steps which might lead Canadians to believe that this House supports the use of marijuana. On the other hand, it is important that young people not be faced with the spectre of a criminal record for experimenting with a habit which has received tacit approval from certain sectors of our society.

Cannabis serves as an excellent example of a policy area where a decision made today could have serious detrimental effects upon our country a few years down the road. Recent information more and more points to the likelihood of cannabis being dangerous to one's health. Just as we must worry about the dangerous effects of giving young men and women criminal records, we must also worry about the dangerous effects of the widespread use of drugs. The government will not receive my support for any piece of legislation that does not include substantial penalties for those who traffic in drugs.

An hon. Member: Hear, hear!

Mr. Gurbin: Furthermore, I believe it essential that the government ensures that a program of drug education is instituted to teach young Canadians about the possible effects of marijuana use.

Today our Canadian family is faced with a predictable circumstance. As dependencies between the Canadian parent and the provincial offspring have changed with time, so too the formal relationships of these must be re-established. Fate, as a father, has typically wandered off to thrust his proverbial finger in other directions. As a mother, Canada has an historical and geographical bonding with her provincial children that will withstand politics, economics and even temporary insanity so long as our borders are secure from external forces. Even as we continue our constitutional and referendum debate, the failure to recognize the extraterritorial threat handicaps us, because by recognizing it fully the crisis could help reaffirm the bonding and secure our family unit.

By not recognizing the Russian military and political expansion for what it is, we contribute to the increased isolation and vulnerability of our provinces and our country. The purchase of new fighter aircraft and a recommitment to our full part in NATO is a hopeful indication that this government recognizes the threat, and in the face of this crisis will do its part to secure peace and a continuation of confederation.

I thank Mr. Speaker and my colleagues for the opportunity of joining them in this debate.

Some hon. Members: Hear, hear!

[*Translation*]

Hon. Yvon Pinard (President of the Privy Council): Mr. Speaker, earlier today during the question period one of my colleagues asked me a question to which of course I gave the best possible reply under the circumstances, but I would have liked to be much more precise. The colleague who put the question is a federal member from the province of Quebec who seemed concerned about the time available to him to play effectively his role as a legislator in the Canadian Parliament while supporting those who are fighting for a united Canada in the present referendum debate in Quebec.

My colleague was wondering whether as government leader in the House and as President of the Privy Council I could not assure him that he would have the necessary time to discharge the double task entrusted to him. And I have every reason to believe that since he was chairman of the Quebec caucus in Ottawa he was speaking for most if not all of his colleagues. I replied that of course our mandate will be practically double during the coming days and weeks. Double in the sense that first we have a mandate and a duty to govern this country and at the same time we have to get involved and help our brothers and sisters in Quebec who do not want to abandon Canada and are anxious to fight for building a strong and united Canada. It is in that context that I had to reply that I would have to co-operate with the official opposition and the New Democratic Party and rely on their co-operation.

• (1540)

The aspect on which I would like to dwell at the outset of my remarks, Mr. Speaker, is that of course all hon. members wish for a majority of No votes in the referendum which will be held on May 20 next and of course all hon. members would like to contribute directly or indirectly to that victory for Canada. I would respectfully suggest that one way of contributing even indirectly would be to allow the proceedings in the House in the weeks to come, as an example for the future,

to get on in the most complete harmony among all parties without denying the right and privilege of the opposition parties to criticize government measures thoroughly but not dilatorily.

Today I call upon the sense of responsibility of the opposition parties so that we and all members of the House who so desire can, in the next few weeks, organize rationally their work schedule and devote all their time and energy to not only governing the country, which of course is essential, but also to defending the cause of Canada and of Quebeckers who want to stay in Canada, in their country, in the province of Quebec.

I am sure that my colleagues will give me their full co-operation, and I refer specifically to the House leaders of the two opposition parties. I am sure that they are aware of the very positive role they can play in the present debate, not by relinquishing their right, as opposition parties, to criticize government legislation, but by showing as much flexibility and co-operation as possible to allow us parliamentarians from Quebec especially to meet both objectives and fulfil both roles so that we can help govern Canada and work towards its unity.

Mr. Speaker, I entered politics for a very simple reason. It was not for a question of boundaries, but for the economic and social well-being of the region I come from. I entered politics to improve the social and economic conditions of my province and also of my country, Canada. When I first ran, in 1974, in the riding where I was born, a region based on the textile industry, a region, I would say, of average economic growth rate, my objective was, and that is the expression I used, to go into public life in the hope of trying to make people smile. My objective was to try and make the people from my region, my province, my country happier. It is as simple as that. In the present debate, in the referendum debate, it is in that spirit that I will deal with the question that is asked of my fellow citizens, both men and women, from Quebec.

It seems that since the debate on the referendum question in the National Assembly, a large number of my fellow citizens in the province of Quebec are somehow hypnotized by glib, pompous speakers, albeit short on logic.

The danger is that during that debate in the National Assembly when the referendum question was supposed to be discussed, they dealt with everything except the question itself. And as a member from an area where 99 per cent of the people are ordinary people, in the coming days and the coming weeks I want very much the debate to be brought down to their level so that they may understand. I would like the debate that the Péquistes have been conducting at the level of academics to be stopped so that the people in Quebec may be told very simply: Well, we have a question to put to you, this is the question, and that is where the answer we want will lead you. And what is happening now is that all sorts of gratuitous assertions are being made, as mentioned by previous speakers, assertions which are not based on facts, are often misleading and have the effect of hypnotizing my fellow citizens, as I said earlier. So what I want to do today actually is to warn my fellow citizens against what is going on now and prompt them to give much thought to the matter, if they are asked a question, to analyse its content and take into consideration who is asking it.

In my riding of Drummond, Mr. Speaker, there are textile workers, workers in small and medium-sized business and industrial milk producers. That is fairly characteristic of several areas in the province of Quebec. They are hard-working people. They are people for whom bread and butter issues, economic issues are vital in that debate. And it is very important that they know that a Yes or No can have serious consequences and repercussions on their lives after the May 20 referendum.

So I ask those people to consider two things: first, and it is normal, someone is asking you a question that you will have to answer on May 20. We should ask ourselves first who asked the question, because before we give an answer, it is always important to know who asked for something, and for what? We can appreciate the answer is very simple but we must be careful because it is an important question; and it is also important to know who asks the question, it is a question of credibility. The question is asked by the government of the Parti Québécois. The question has been prepared and adopted by the majority of a political party, a party whose program is seeking very clearly the independence of Quebec. So, in the beginning, it is important to indicate to all those ordinary people that someone wants an answer, they want a Yes from you. Those people are members of a political party in Quebec which is dedicated to the separation and independence of Quebec. That is the primary reason to be careful, to be fully aware of the fact that the Parti Québécois refused to really debate the question at the National Assembly a few weeks ago. What is really the question being asked by politicians of the Parti Québécois who want Quebec to be independent? Well, let us have a look at the wording of the question. We will not likely be mistaken if we look at the second paragraph of that long question, and I quote:

> That agreement will allow Quebec to gain exclusive power to pass its legislation, to collect its taxes and to establish its foreign relations, which is sovereignty and at the same time, association.

The question is crystal clear, Mr. Speaker. The Parti Québécois wants a Yes for a mandate to negotiate sovereignty, which is synonymous with independence and separation. So the ordinary people from my riding, who work for average wages and who, when unemployed because of difficult economic times, avail themselves of the very generous unemployment insurance plan we have developed in this country, those same people who, when sick, benefit from medical and hospital care or, when aged, receive old age security pensions, these same people have the right to ask themselves: the political party which is asking me this question wants to say Yes to the independence of Quebec, that political party wants me to give

it a mandate to negotiate the separation of the province of Quebec and at the same time achieve economic association, an impossibility in itself, considering what the provincial premiers and the Prime Minister of Canada have said, namely that sovereignty was not negotiable and that we did not have the mandate to negotiate it.

The important thing is to say to these people: Listen, the Parti Québécois is asking you to agree to a mandate to negotiate Quebec independence. If you are asked to say Yes to this question, you are entitled to demand that they prove clearly that following this mandate, you will live in economic and social conditions at least as good as those which now prevail. Mr. Speaker, the burden of proof lies with those who want to break up a country to attempt to create another one.

It is up to the Parti Québécois to show the ordinary citizens of Quebec and to all Quebeckers that once this mandate is obtained, these people will be as well off as they are now. The question I am asking it is a legitimate one. The Parti Québécois supporters are the ones who want to change the order of things, they are the ones who want to change federalism for an independent Quebec in the more or less short term, and it is up to them to prove conclusively that if they obtain this mandate, the ordinary citizens whom they seem to want to exploit by calling unduly on a so-called pride will be able to live in conditions at least as good as those they now enjoy. God knows that this proof is far from made.

We are now living, as we are well aware, in a province, and a country, which have virtually the most advanced social legislation in the world.

We live in a rich country, and those who want to change the order of things, the political status of part of this country, should at least have the decency to show clearly to Quebec citizens that they will enjoy at least the same economic and social advantages as those for which I have been fighting since my arrival on the political scene. However, Mr. Speaker, I am not so sure that they will have the honesty to debate the issue at this level. Mr. Speaker, I shall come back to those whom I represent more particularly because I know them well. Let us talk about the textile workers. They are well aware that in the last few years the Canadian government has succeeded in negotiating bilateral agreements with seven, eight, or nine southeastern Asia countries to limit imports of clothing manufactured at a lower cost to allow our textile industry to be more competitive and more efficient.

These quotas were imposed by the then minister of industry, trade and commerce (Mr. Chrétien) and were renewed last year, that is quite recently, for three years and even five in some cases. The simple fact of limiting clothing imports forces citizens in other parts of Canada to pay more for their clothes. It is obvious that if fewer shirts made in Hong Kong reach our market, British Columbia or Alberta citizens will have to purchase a shirt made in Canada which will cost more than if it came from Hong Kong.

• (1550)

Mr. Speaker, we now have Canadian men and women who are willing to pay more for their clothes because they agree to some degree to protect our textile industry. And by protecting our Canadian textile industry to some degree we are protecting those jobs. There is another way in which the government protects our textile and clothing industry to some degree, because that protection is always limited, and this is the GATT and its agreements on tariffs and quotas on textile and fibre imports.

When we put together those two Canadian policies, the result of sound federalism, we see that our Canadian textile industry is able to fare better, perform better, and as a consequence prevent the erosion of its workers' standard of living and job security in general. This way we can save hundreds if not thousands of jobs in the Canadian textile and clothing industry in Canada, thanks to our sound Canadian policies in that area. Those policies have been implemented and made possible because Canada was powerful enough to reach bilateral agreements, as I said, with seven, eight or nine countries, and also achieve favourable results at the Geneva talks under the GATT.

What I am asking from the Péquistes who are soliciting a Yes vote which means a mandate to separate Quebec from Canada, is that they prove, since the burden of proof is on them, to the textile workers in my constituency of Drummond, and everywhere in Quebec, that the morning after their mandate there will not be such insecurity that Canadians will not feel inclined to put pressure on the government to be able to buy their clothes cheaper, and that the morning after Quebec is sovereign we will enjoy similar protection for the textile industry which accounts for the majority of jobs in the province of Quebec. This is my first question to them.

I would also like to ask them to prove to my voters, to my textile workers, just how, in the wake of Quebec sovereignty, independence or separation since that is what it is called, there could be as many jobs and as sound health standards as there are now, for these are due, chiefly, to federal policies in this sector.

About 15 years ago the textile industry employed 45 per cent of all the industrial manpower in my area. At this very moment, it hardly employs 8 per cent of active manpower in the riding of Drummond. What has happened in the meantime? A department which was created here in Ottawa in 1969, the Department of Regional and Economic Expansion, tries to redress regional inequalities and it had a very positive impact on areas such as the one I represent. This, Mr. Chairman, is another positive aspect of our brand of federalism. By injecting capital supplied by this Department, we were able to diversify our industry and see to it that jobs in the textile sector which were doomed to disappear because of the modernization of the industry could be transferred to newly created small and medium-sized businesses.

In fact, millions of dollars were spent in the riding of Drummond alone by the Department of Regional and Economic Expansion in an effort to help us achieve this industrial diversification and to provide jobs to our Quebec fellow citizens living in that area. This is another advantage which the Parti Québécois is duty-bound to mention. It must prove to my fellow citizens in that Drummond riding that the same diversification would be possible in a separate independent Quebec. I am not saying that it will not be done up to a certain point. I ask them to do their duty, because it is up to them to prove it during the referendum campaign. This is what the people want to know. They want to know whether on the first day of sovereignty they will hold the same jobs and get the same social benefits.

Will we have the same freedom, will we be as secure as we are now after having agreed to give the Quebec government the mandate to negotiate sovereignty-association? This question is quite legitimate, Mr. Speaker. It is essential that the Parti Québécois give the ordinary people in Quebec the proof they ask for and stop spreading these half-truths or untruths in some cases in order to hypnotize the population and take undue advantage of a false sense of pride.

● (1600)

Our approach in this debate is noble, Mr. Speaker. What we say is that it is much more courageous and much more generous to take up the challenge of diversity. Canada has its two founding peoples. Certainly injustice has been committed in the past and I have already indicated in the House that we should not react with frustration and egoism as the PQ would have us do. History should teach us a lesson of generosity and courage.

Our ancestors, Mr. Speaker, have worked hard in this country to give us the wealth we have from one ocean to the other. Our children have the right to insist that we do not take a decision which will deprive them of that wealth they are entitled to. In this country, Mr. Speaker, we have the opportunity to meet a challenge, to go forth on what the Prime Minister often calls the road of excellence and to fight here in Ottawa in order that our two founding peoples may live in harmony and full equality. The fact is that there are many Francophones sitting here in this Parliament.

There are 16 French-speaking members of the cabinet out of 31 or 32. That is a little better than the equality talked about by the Parti Québécois. What the people are asked in the referendum is for the exclusive right to make laws. They are told: "People of Quebec, you made a mistake last February 18. Some 68 per cent of all of you have sent men and women to Ottawa to make laws, to represent you, to try and bring harmony and development in the strictest equality of a strong and united Canada; you clearly and massively asked those people to act as your representatives, precisely to make laws. Now we tell you to forget that and give us an exclusive mandate to make laws here in Quebec." I think it is ridiculous, Mr. Speaker, and that it is to play a bad joke on people and not respect them to ask them, after they have given their massive support to men and women who are now members of Parliament from Quebec in Ottawa, and proud to be Canadians, for an answer that negates the intentions expressed by the people of Quebec a few weeks ago. That is something the ordinary people should easily understand.

The attitude of the Parti Québécois toward the injustices I mentioned—this may seem a paradox since they are asking for a Yes vote—is a very negative one. They say: Well, listen, there is nothing else we can do about it, the solution is territorial withdrawal. Let us abandon to their fate a few hundred thousand French-speaking people outside Quebec, let us leave them to their fate, we are going to work it out for ourselves in Quebec, we will make our own laws, we will collect our own taxes. Of course this is not practically feasible without an economic association. However, people know very well that this economic association accompanying sovereignty is not negotiable, that answering Yes to this question would lead Quebec in an absolute dead-end, a cul-de-sac. The result of this dead-end will not be the constitutional changes so greatly hoped for, it will not be a renewed federalism, the result will quite simply be yet more uncertainty, harmful to the economy of this country and particularly to the economy of the province of Quebec. That is another aspect which must be pointed out in this debate.

Mr. Speaker, as it has been said many times over, one can be both a good Quebecker and a good Canadian. I was born in the area I represent and when, over the weekend, with my fellow members of the No committee I launched its campaign in my riding, I said that my soul belonged to Drummondville and my heart to Quebec, but that body and soul I was a Canadian. It is in that spirit that today, as simply as possible, I ask of my fellow citizens of the riding I represent, that when the time comes for them to answer the question which basically constitutes one step towards the independence of Quebec, they reflect seriously upon the element of pride inherent in the gesture that is generous, that is constructive, the gesture which really tries to avoid barriers and boundaries in our society, that we might seek to live in harmony, in as sound and just an economy as possible.

It seems to me that when the time comes to answer that question, the people will have to ask themselves whether the PQ government has proved that, should it be given the mandate to negotiate for every part of the province of Quebec, its citizens will have at least the same advantages they now have. Should the mandate to negotiate be granted, should the Yes have it, will we be proud of having sulked about past injustices, of having followed the examples set by those who were frustrated by history and who preach territorial withdrawal instead of having the courage to build a strong and united Canada under the most flexible system in the world which can

function perfectly only when its members, men and women alike, really want to negotiate and talk to each other.

Mr. Speaker, I can give you more that one example of what I have just asserted. Mr. Lévesque already has the mandate to negotiate the best terms possible for the people of Quebec: he has it now. When twice he slammed doors in our faces here in Ottawa during federal-provincial conferences, he had the mandate to improve the economic and social conditions of the citizens of Quebec. In fact, that is the mandate he was given when he was elected: give Quebec a good government. But instead of negotiating, he came here with the deliberate intention of proving that no success was possible in negotiations with the Canadian government and the governments of the other provinces. He is a slave to the program of his party, he must achieve the independence of Quebec and his strategy is very simple: slam doors here in Ottawa and implement the good recommendations of his chief advisor "Père Gédéon", that is, achieve independence on the QT.

And that, Mr. Speaker, is what Quebec people must know. With his referendum, Mr. Lévesque is putting into action a carefully planned strategy whereby twice he would slam doors here on the economic and social development of Quebec and Canada, and now, claiming his so-called pride to be a Quebecker, he is asking a mandate to come and negotiate the impossible. And then he would be able to return to the men and women in Quebec and say: "You see, they refuse to negotiate sovereignty-association. So, give us the authority to separate." He will have achieved what he set out to do and he will have completed his carefully planned strategy. People must be made aware of this.

People must consider this question in the context of the PQ election in 1976 up to the independence of Quebec which is part of the PQ platform. And this question is nothing more than a step toward the independence of Quebec. And I say to my fellow Canadians that we can be proud to be Canadians, to vote No to such a question, to work in a Canada where we feel fine as Quebeckers, to live as I do in Drummondville and to follow the road of excellence and courage rather than the path of defeatism and separation from a country and wealth which belong to us and our children.

[*English*]

Mr. Robert C. Coates (Cumberland-Colchester): Mr. Speaker, I heard the hon. member for Winnipeg North Centre (Mr. Knowles) say "There cheers for Nova Scotia". It is nice to have the kind of ally he has been for Nova Scotians during the period that he and I have served together in the House of Commons.

• (1610)

This is a rather different Parliament for me from any of the nine previous in which I have served, different because the Right Hon. John G. Diefenbaker is no longer with us. While he did not sit in the last Parliament he was elected to it, and he added much indeed to the folklore of this nation from every point of view, much to the history of Canada, much to the commitment as one individual to one Canada, from the Atlantic to the Pacific, from the 49th parallel to the Arctic, and much to make Canada a better place for all of us to live. I miss him very much and I am sure that there are many other Canadians like me who miss him a great deal, especially in troubled times like these when we could always look upon him as a great champion for the people of Canada regardless from where they came, regardless of their ethnic extraction, regardless of their role in life. Whether they be the high and mighty or the lowly, he was their friend, their champion. He was special.

Some hon. Members: Hear, hear!

Mr. Coates: As I listened to the speeches made by my colleagues from the province of Quebec, I can only say to them that they carry a very heavy burden these days for all Canadians. I wish them well. I wish them success because, from a parliamentary point of view, our fate as a nation in many ways rests in their hands. They are our delegates to take our message to the people in their province telling them how much we want them to continue to be a part of the Canada we know today.

Some hon. Members: Hear, hear!

Mr. Coates: Mr. Speaker, I say that in many ways I miss the fact that we do not have the former Speaker with us. Over a period of time as the chairman of the management and members' services committee I came to have a high degree of respect for the fairness and for the capacity of James Jerome. He was an outstanding representative in the Parliament of Canada. He was the first among equals in this House for a long period of time. He did his job with exceptional impartiality, and I am sure all of us who were here and served with him will miss him; but at the same time we wish him well in the new, heavy responsibilities he has assumed in the Federal Court of Canada.

Some hon. Members: Hear, hear!

Mr. Coates: Today, Canadians almost appear determined to involve themselves in a form of constitutional masochism, whether it be Quebec separatism or western alienation, rather than accepting the God-given advantages that almost make us the mother-lode of this planet.

At a time when the world is broadening its horizons, when new economic and political unions are binding areas of the earth together, when these new unions are cutting through narrow nationalistic ties, without threatening those nationalistic bonds and achieving significant economic benefits, it seems almost impossible to conceive that we would consider marching down a road that could ultimately destroy this confederation.

We now know that the agony of the present debate in Quebec on the specific matter of sovereignty-association—whatever that means—will end on May 20. In view of the fact that the issue seems little more than an operation in frustra-

tion, since all of Quebec's partners have indicated no willingness to discuss the matter after May 20, what is to be gained by Quebec or the nation is beyond my comprehension. I wish my colleagues in this House my very best wishes as they put forward the many sound and sensible reasons for maintaining this union that has been of such tremendous benefit to all in this nation and comparatively provides so much more to those who live here than is possible almost anywhere else in the world.

And yet with all of this evidence marshalled on the side of retaining our confederation, it seems that everywhere one goes in Canada today and from what we read and hear in the media leads one to conclude that the most common feeling or perception is that Canadians are puzzled, apprehensive and nervous about the future. A sense of malaise is widely prevalent across the land.

How can we account for this widespread feeling of malaise and apprehension? I do not profess to be any great analyst of the condition of modern society. I do not understand the jargon and many of the concepts that some of the so-called analysts use. Sometimes I wonder if they do so themselves, but I think having been re-elected successfully ten times to this House, having served as president of my party and having known and worked with a great many politicians over 23 years, I think this gives me some credentials to answer the basic question which is being asked more and more these days at home and abroad: "What seems to have gone wrong with Canada?".

It may well be that our thoughts have centred on our own deficiencies because we have been involved almost totally in the electoral process since. 1978. It is often said that one cannot see the forest for the trees. We have not been looking at what has been actually happening in the world, although we know with the energy crisis that has been upon us since the early 1970s that OPEC, by using the vehicle of an international economic union, has caused havoc with the financial viability of the industrialized world.

With the EEC we have witnessed, once again, that the economic clout of Europe has been enhanced without any real erosion, feared by many, occurring to the participating nations.

We hear a great deal of the economic nationalism that frightens many because of what they perceive to be the economic domination of our industrial base by the multinational corporations that are mainly based in the United States. What we do not seem to want to face up to is the fact that Canadians are traders and have proven over our 113-year history to be good traders. Indeed, the people from my province were expert traders long before there was a Canada, and indeed provided a success story prior to confederation that has not been equalled since 1867.

If we are to enjoy the benefits that match our potential we must look outward, not inward. We must look at the total North American continent, Canada, the United States and Mexico, and decide how as the people of this continent we can harness the possibilities that exist.

Let me say that I welcome the forthcoming visit of the President of Mexico and hope his visit will provide a productive opportunity for some discussions about the many common interests we share with that great nation. Mexico has come alive as a vital and vibrant nation in the new economic order. It, like Canada, sits on the border of the economic giant of the free world. It, like Canada, must face up to the identity problem that comes from being a neighbour of this great nation.

But neither Canada nor Mexico can achieve anything but benefits from charting a course that takes advantage of the possibilities that accrue from the fact that 220 million or more people in the United States provide a market, close at hand, with fewer obstacles than exist anywhere else on earth.

Let me just stress a few realities. Our economic relationship with the United States is overwhelming. Our Canadian investment patterns are showing a strong thrust into the U.S.; more and more Canadians are buying properties in the U.S.; and on all the big issues in the world our interest and those of the Americans are identical.

• (1620)

We are currently wrestling with the issue of the Olympic boycott. Our citizens feel as the Clark government felt when we stated we would also support that boycott. We are now awaiting the decision of the Trudeau government. I would feel a deep sense of betrayal for our best friend if our positions were to be anything other than the positive one taken by the Clark government.

We are indeed fortunate to have as the United States ambassador to Canada the hon. Kenneth Curtis. Ken Curtis has a history of a lifetime of close association with Canada. When governor of the state of Maine, he spearheaded the development of a formalized association between the governors of the New England states and the five eastern provinces of Canada. He later assumed heavy obligations within his own political party, the Democratic party, as chairman of their organization.

We then have in Canada today a man of significant ability, one who knows Canada well and knows the United States and its political institutions in a way not available to most in that nation, and who has already displayed a special and unique style of diplomacy in international affairs in our midst. What better man could be found to help us embark upon a new initiative in North American relations?

I have been impressed with the amount of activity of a positive nature that has been developing in recent years regarding closer arrangements between Canada and the United States. I refer to the Canadian Senate and especially its standing committee on foreign affairs. That committee produced a most helpful report on Canada's trade relationship with the United States. There are also the reports of the C. D. Howe Research Institute and reports of the sub-committee of the United States Senate chaired by Senator Baucus.

But one of the most imaginative suggestions I have seen comes from a former adviser to my leader, Mr. Duncan

Edmonds, who has developed proposals that could lead to a treaty of North America. Mr. Edmonds has established himself as a significant person in the political, academic and business community, as a man of great foresight in national and international affairs. His production of a draft treaty approach among Canada, the United States and Mexico provides the catalyst for the type of discussion that can only be of value and benefit for all who live on the North American continent. Mr. Edmonds' provocative proposals have recently been published in a number of Canadian newspapers across Canada, as well as being reprinted in the congressional record. I believe that Mr. Edmonds' analysis and suggestions for a closer structured relationship with the United States and Mexico would benefit all three countries and would certainly work to greatly strengthen Canada.

I would like to draw to the attention of the House some very interesting developments which have been stimulated by the national governors' association of the United States. That body today, comprised of the governors of all 50 states of the United States, has recently passed a detailed resolution earlier this year, from which I quote:

> Finally and most importantly, the federal government is encouraged to explore the possibility of immediate trilateral discussions concerning the establishment of an appropriate forum for discovering potential areas of future co-operation. Such a forum whether achieved through existing or newly created channels, should:
>
> 1) Guarantee the integrity and interest of each country;
>
> 2) Ensure that areas identified for study and discussion are agreed upon by full consensus;
>
> 3) Provide for equal representation for each country;
>
> 4) Ensure, in addition to federal participation, adequate representation from state and provincial governments, local governments and the private sector; and
>
> 5) Reserve actual policy decisions to the sovereign discretion of each country.

The chairman of the international trade committee of the national governors' association, governor Busbee of Georgia, has in co-operation with the Dean Rusk Centre at the University of Georgia produced some very excellent material,including a very major fact book and a very substantive memorandum on how we might proceed to get a greater degree of co-operation between Canada and the United States. I recommend that those who believe there is the type of merit I see in such future initiatives look closely at the proposal from the Dean Rusk Centre for the establishment of a North American council. Quoting from their report of November 16, 1979, on North American co-operation, they state on page 12:

> The centrepiece of the proposed National Governors' Association initiatives is a trilateral framework organization, which will serve as the most visible manifestation of the willingness of all three countries to solve continental problems through a continental approach, while ensuring the participation of those parties most actively involved in North American affairs.
>
> As is generally the case with framework organizations, the North American council would be primarily consultative in nature, with most of its work carried out in the normal activities of its membership. During the initial phase at least, plenary sessions of the council would be utilized to flesh out the commitment of Canada, Mexico, and the U.S. to a trilateral decision-making approach, establish personal contacts among the representatives, and set up a system for communications to ensure the continuation of council work in the interim period. This work can be further defined—and concrete responsibility assigned—by setting up specialized committees (trilateral) and subcommittees (either bilateral or concerned with specific projects) with authority to make findings of fact and recommendations to the council as a whole. Committee and subcommittee members could be left to make mutually convenient arrangements for meetings, timetables, and internal distribution of responsibility. The proposed trilateral communications system will provide the main forum for committee work. The major purpose of the council is to inculcate the habit of trilateral thinking among the decision-making elites of North America. Establishment of full-time representatives—or even a full-time staff, beyond the minimum necessary for administration—would be self-defeating, since the council is designed to reach persons who may spend only a portion of their time in foreign relations matters.
>
> The National Governors' Association can take the initiative in establishing a North American Council and thereby assure itself a leading role in all subsequent trilateral endeavours. With this end in mind, the following steps are recommended:
>
> (1) NGA should appoint regional committees to contact public and private parties involved in trade or other contacts with Canada and Mexico, to "talk up" the project, solicit ideas, and obtain pledges of participation and support;
>
> (2) NGA may then select a number of governors (representing each region) most interested in the project as its delegation to the council;
>
> (3) Federal authorities should be contacted and a representative group of federal policymakers co-opted to the delegation;
>
> (4) The delegation should be filled out with business leaders, academicians, and local officials, with the paramount criteria being a position of influence affecting relations with Canada or Mexico and at least general support for the project as a whole;
>
> (5) NGA should then sponsor a "call" to appropriate institutions in Canada and Mexico for the selection from each country of a delegation equal in number to that chosen by NGA; stipulated as principles for selection should be diversity in both geography and function, experience and authority in North American affairs, and inclusion of private interests.

I believe that there is enormous potential in these developments. In my judgment, the working out of a new set of arrangements with the United States and Mexico will be the dominant question of the 1980s. I commend this material to the House and suggest that it is the area where we can finally rediscover a sense of direction for Canada.

● (1630)

As Sir John A. Macdonald said over a century ago, geography is destiny; and as we move into the 1980s we are very fortunate to live beside the United States and to have an opportunity to work out with them and the Mexicans a closer set of relationships. The new set of relationships should strengthen Canada and should allow us to retain our sovereignty and independence while continuing to make a significant contribution to the world at large.

Mr. Speaker, I would like to conclude by reiterating Mr. Edmonds' conclusion in his own proposal:

> We have an opportunity to manage the process where history is inexorably taking us anyway. Rarely do a people have the opportunity we have now as Canadians to seize the moment where we are faced with a great national uncertainty and a sense of malaise and to replace that with a dynamic new sense of ourselves in partnership with the whole North American continent. We ought to begin this great task immediately.

Hon. Bryce Mackasey (Lincoln): Thank you, Mr. President.

An hon. Member: Oh!

Mr. Mackasey: I apologize for calling you "President", Mr. Speaker, but I have just spent 18 months in another assembly where the Speaker is referred to as the "President" and it comes automatically.

I am not too sure whether I am to be categorized as a new boy. It is tempting to assume so because it gives me an opportunity to speak about my riding, the riding of Lincoln. I must confess I am rather pleased to be back in the House of Commons.

Some hon. Members: Hear, hear!

Mr. Mackasey: Much has changed, of course. Television and radio, for instance, were not here four years ago. But much remains the same. When I came to the House in 1962 the Speaker was the present hon. member for Edmonton West (Mr. Lambert). I sat so far back in the opposition ranks that I refused to sit in that position every time they filled the Rideau canal. I want to welcome the continued presence of the hon. member for Winnipeg North Centre (Mr. Knowles), one of the newer members of the Privy Council.

One change I note since I was here last is the disappearance of the Social Credit party and, unfortunately, the growth in numbers of the gallant little band of misfits in the corner over there. It is food for thought and, I am sure, for debate in the future.

An hon. Member: Just wait!

Mr. Mackasey: I am pleased I can still arouse some passion from the hon. member over there. We shall see as the session progresses, though certainly not in this speech.

It goes without saying that all of us in the House of Commons are concerned about the future of this nation. It goes without saying that the issue of the referendum in Quebec is in reality a non-partisan issue in the House of Commons. Certainly from my years of presence in this chamber I know that no particular party, including the Liberal party, has any monopoly of concern for this great country. Some of us in the House, as has been pointed out, do, of course, bear a unique responsibility at this particular moment in Canadian history—the responsibility of convincing millions of Canadians who reside in Quebec that they must reject categorically the inducements of those who would divide this wonderful country.

In the short time during which I have been privileged to represent Lincoln, certainly in the months prior to the election, I have found a surprising similarity between the make up of Lincoln and that of my old riding of Verdun which I represented here for from 1962 to 1976. Verdun could be described as a bedroom community on the outskirts of Montreal and at first glance it would seem to have little in common with the riding of Lincoln, with its large rural population, its fruit growing industry, its wineries, its industrial area outside of Hamilton. In reality, however, the problems of the small businessmen of Verdun and those of the farmers burdened with unnecessary and intolerable high interest rates are very similar.

Then there is a common concern about dumping in the fruit markets. As a Quebecker for years I agonized over dumping and its negative impact on the textile industry. I certainly appreciate the problems of the industrial worker in Hamilton, Stoney Creek or Grimsby who came here not too long ago from Italy or Spain or Portugal or Yugoslavia and who worries about his inability to purchase a home or make ends meet in facing the present rate of inflation. Regardless of the type of riding we represent, these problems which all of us face represent a common demoninator. So, Mr. Speaker, I look to the transition from one province to another not with trepidation but with interest because of the challenge it presents.

I want to talk now about this country as I see it and I know I am speaking for most members. Those in Quebec who try to portray federalism as a failure are totally inaccurate. Federalism, with all its faults, has been a tremendous success. It has not been a total success, but it has been a tremendous success. There is no country in the world whose citizens have the degree of freedom of expression that we have in this country. We even have the freedom to advocate separation, independence, balkanization, or the total end to the country as we know it. We have freedom of expression, freedom of movement and freedom of religion. Ours is a country which perhaps we take for granted. There are countries which, as many of the new citizens of Lincoln have reminded me, deny their citizens these freedoms, hence their determination to come to this great country. Yes, despite all its faults ours has been a system which has made it possible for the French language and the French culture to survive and prosper, to the betterment of all of this country.

● (1640)

There was a time in Quebec when I could have understood the present movement, even a referendum. It was a time not too many decades ago when French-speaking Canadians in that province felt like second-class citizens. They were denied in too many instances the job opportunities which were rightfully theirs as Canadians. They were denied even in this House of Commons as recently as 1962 bilingualism to the degree we now accept. People in Quebec were denied the right to speak their own language at work in many of the areas of that beautiful province. All of us, then, can understand the anger, passion and resentment of these proud people, with their great heritage and culture.

However, I submit that that threat to the French language and the French culture in Quebec is past. It is behind us, and if there is a threat to the French language and the French culture in Quebec, it is not because Quebec is part of Canada; rather the threat comes from technology and the ability of everybody in that province to tune in to radio, television or what have you—the electronic media—in any language in the world.

So the fight, thank goodness, for equality in that particular area is one that I like to think is over. I might say that there are one million English-speaking Quebeckers who rejoice at the fact that Canadians can live in relative harmony and with total freedom and access to all opportunities in either of the two official languages in this country. Many of the doors that were locked to French-speaking Canadians in the sixties in the business community were also out of bounds to the Irish

Canadian, the new Canadian or people of the Jewish faith. Prejudice is all-embracing at times.

This is why the dedicated separatist is now focusing on economics as a reason for independence. Without control of economics you do not control power. Some of the politicians in Quebec, like some of the politicians in other provinces and like some of the politicians in the federal House, lust for power. The question is, what do you do with power after you acquire it? Obviously the Parti Québécois government is determined, through a policy of gradualism, to control the economic levers of that province at all costs.

The message of the Parti Québécois to Quebeckers is a seductive one, but when, as I have on occasion in my 18 months in the Quebec assembly, I put the question squarely to this minister or that minister in a little bull session after hours, as we often have here, he was hard pressed to say what single particular power or concession or change in the constitution he would ask for if he had that opportunity because—and I come back to my theme—federalism, despite its faults, has been the proper type of government for this great country of ours.

Some hon. Members: Hear, hear!

Mr. Mackasey: I think too, as the debate warms up and as we approach the crucial date, that it is good to remind ourselves that many people who support the cause of separatism in Quebec do so because of a legitimate concern. It is their right in our society to endorse whatever political form of government they wish. Some of them are convinced that unless there is a separate Quebec, their language and their culture shall disappear. Some of them are convinced that economically it is to the best advantage of that province to separate.

It is wrong, as some people may have a tendency to do, to look on people who preach independence or separation as mystics, freaks or aberrations. I have found myself in my 18 months in the Quebec assembly almost seduced at times by the eloquence of the arguments which flowed from some people with the intense conviction that it is in the best interest of this country to disintegrate and retain some form of relationship.

I think that in the longer run there is an equally great threat to the future of Canada, and that is if we weaken further the central government in those spheres where it is important for the government to be strong. The greater threat to this country is the perpetuation of regional disparity and inequality of opportunity. If we are going to offer the youngster in the Atlantic provinces the same opportunities we offer the youngster in Central Canada—in Toronto, Montreal or our larger cities which are so close to our great institutions of education and learning—the central government must have the economic means at its disposal to provide those youngsters with equality of opportunity in all fields.

If we deny the central government access to capital—to money—then we will inevitably be denying less privileged provinces equality in such basic programs as medicare and education, and in playing decent roles and having access to the very best professors and universities. They go hand in hand, and if we continue to have no policy or if the central government is so weakened that the poor grow poorer and the rich grow richer, then it is inevitable that the strains on confederation will be greater in ten years than even that imposed on confederation by the Parti Québécois in its dedication to two countries.

• (1650)

[*Translation*]

Mr. Speaker, I simply want to tell my fellow citizens from Quebec that this land belongs to every Canadian and that it is unthinkable that the French-speaking Quebeckers choose independence, thus depriving their children and grandchildren of the innumerable advantages offered by Canada. This country was explored by French-speaking Canadians. As soon as the French landed from France on our continent, Mr. Speaker, they went up its rivers, explored its wilderness, set up hamlets and outposts. Quebeckers fought for Canada during two world wars in foreign countries. Their poets, writers, politicians, intellectuals, businessmen, have all contributed largely to the development of what can be considered as one of the most prosperous and freest countries in the world.

Those who dare suggest to Quebeckers that, after all that, they should give up what they have contributed to and take the road to independence cannot pretend to care for the interests of Quebeckers. We would rather be led to believe that those who are advocating that careless action line are more interested in power than in justice.

[*English*]

Finally, I would say that regardless of the outcome of the referendum—perhaps particularly if the No vote succeeds, and I say "if" because it is "iffy", if you like—constitutional change must cede to the provinces those powers that are needed to retain regional differences, cultural traits and the unique way of life of the maritimes and the west. At the same time I repeat that it must strengthen the central government in those areas where it is important that the central government have the power and the resources to equalize opportunity in this great country.

One of the advantages which I know new members will appreciate in this House—a fringe benefit, I may add—is an opportunity to see Canada to the degree that is denied most Canadians because of the vastness of this country. I am glad that I have had the opportunity and the inclination to visit the interior of British Columbia, to see for myself the grandeur of the Rockies on a sunny day, to fly over them, to go deep into the Okanagan Valley and wonder at the majestic beauty of that part of the world, to marvel at the wheat fields in the fall and perhaps, to touch bases, in British Columbia and Cape Breton seeking the elusive salmon.

An hon. Member: What about the Fraser Valley?

Mr. Mackasey: Frankly, hon. members will have an opportunity when they visit Quebec to understand its *joie de vivre*, its excitement. When they hear some of the folk songs, they

might recognize a little of the music that was brought here from Ireland, if you like, 100 years or so before the conquest. It is that kind of a country, a great country. We must work together to keep it that way.

The hon. member who preceded me quoted at length from a prominent Canadian. Perhaps I might read into the record the views of another Canadian who said the following:

I look to the future of my adopted country with hope, though not without anxiety; I see in the not remote distance, one great nationality bound, like the shield of Achilles, by the blue rim of ocean—I see it quartered into many communities—each disposing of its internal affairs—but all bound together by free institutions, free intercourse, and free commerce; I see within the ground of that shield, the peaks of the western mountains, and the crests of the eastern waves—the winding Assiniboine, the fivefold lakes, the St. Lawrence, the Ottawa, the Saguenay, the St. John, and the basin of Minas—by all these flowing waters, in all the valleys they fertilize, in all the cities they visit in their courses, I see a generation of industrious, contented, moral men, free in name and in fact, men capable of maintaining, in peace and in war, a constitution worthy of such a country.

Those were the words of Thomas Darcy McGee in the confederation debate.

Some hon. Members: Hear, hear!

Mr. Bill McKnight (Kindersley-Lloydminster): Mr. Speaker, I should like to congratulate Madam Speaker on her appointment. I was first elected to the House in May 1979 and I did not know the former Speaker that well. But during the time that I was here he was fair and impartial, and I am sure that Madam Speaker will follow in his footsteps.

Briefly, I would like to say thank you to the people of Kindersley-Lloydminster for returning me to the House of Commons. It is an honour I greatly appreciate, and I commit myself to representing them in the House of Commons to the best of my ability. But as a member of Parliament from Saskatchewan, from one of the western provinces, I took exception in the throne speech to the reference that was made to the elected members of the three westernmost provinces, that we have a special responsibility to our constituents in this Parliament and that we have a special responsibility to represent our constituents to the nation and the nation to our constituents.

What is the nation? Is the nation only central Canada? Is the nation only Ontario or Quebec? I can only agree with the hon. member for Vancouver South (Mr. Fraser) who said that the Prime Minister (Mr. Trudeau) was the last person in Canada to lecture western members of Parliament on their responsibilities to their constituents. The throne speech sets out the Trudeau Liberal policy to rob western Canada of its resources.

We have heard much in this debate about why we have Canada. I want to say at the outset that I think we will have Canada and I will work to have Canada. But we cannot have Canada when we sell our resources and our products at less than world prices and pay greater than world prices for those things that we buy from the rest of Canada. My region of Canada has long been neglected by Liberal governments. After hearing the Speech from the Throne, I think again we will be neglected by the present Liberal government.

• (1700)

I know that there are inequities in Canada. There are inequities in the Atlantic Region, in British Columbia, in Ontario and in Quebec, but those inequities have developed over the last twelve years, the twelve years that the present Prime Minister (Mr. Trudeau) has been the Prime Minister of Canada. Having a debate on national unity, and having the forces to try to keep Canada together under the control of the Liberal government would be like putting a coyote in Saskatchewan in charge of the chicken coop.

In the throne speech the hopes and aspirations of the people of Canada, particularly the people of western Canada, were ignored. It made mention of railways and ports. It pointed out how important the railroads were to the development in the 1800's. Let me say they are still important. They have not finished what they started, and we would hope that they would be instructed to do so.

There is mention of the government's commitment to upgrading rail and port facilities, but there are already concerns expressed by producers in western Canada about the statements made by ministers of the Crown, including statements made by the Minister of Transport (Mr. Pepin). I do not doubt that they are mixed up and I can understand why they are confused as to the direction of this government.

Let me refer to the Prince Rupert grain terminal at the port of Prince Rupert. The senator for economic development stated on April 2 that the minister did not understand what the Minister of Transport was up to. On April 9 the senator responsible for the Canadian Wheat Board said in the strongest terms that the government will go ahead with the terminal at Prince Rupert. On April 16, in the other place, the government leader of the Senate said:

Negotiations are, as I said, proceeding today, but the present plan involves a significant portion of that coming in the form of a grant. May I suggest to the hon. senator that the essence of this proposal varies not one whit from the agreement that was originated by the previous Liberal government—

I would just like to take a moment, Mr. Speaker, to say that there was not any agreement by the past Liberal government. The understanding of an agreement was negotiated by the hon. member for Vegreville (Mr. Mazankowski) after he had been in that portfolio for two months.

I will give you a brief history. The then minister of transport, now no longer in this House, in 1978 offered $16.3 million in federal funds to the port of Prince Rupert. It was the understanding of the consortium that this was in the form of a grant. Shortly after the minister said it was not in the form of a grant, the funds were to be found in accordance with that famous saying, "user-pay" the minister implemented.

The negotiations developed a little more and the consortium became ever more convinced that it was being asked to pay an inordinate amount of the infrastructure; no longer $16 million but $45 million, of which it was being asked to cover $27 million for the Ridley development, to the greater glory of the National Harbours Board, the coal companies of Canada, whoever the consortium bought.

The consortium objected strongly to having to provide the $20 million performance bond demanded by the National Harbours Board. The consortium objected strongly to the concept of a through-put charge. It was a means of recovery by the National Harbours Board of its costs. The National Harbours Board was requesting a 15 per cent to 18 per cent return on its funds invested for the complete recovery in 20 years.

I should just like to say, Mr. Speaker, that there was not any agreement. The only agreement was the agreement put into effect by the hon. member for Vegreville.

Already in Saskatchewan, and in western Canada as a whole, we hear concern expressed about the future of the Canadian Wheat Board. Of all the choices available to this government as a representative of the people of Saskatchewan, this government chose the one with the least ties to my province; this government chose one with no ties to the Liberal party of Saskatchewan; no ties to the NDP of Saskatchewan, and certainly no ties to the Progressive Conservative Party of Saskatchewan.

Our people in Saskatchewan would have been well served had this government chosen the Senator from Prince Albert or the Senator from Saskatoon, or even the hon. member for St. Boniface (Mr. Bockstael) who, I know, would have served western Canada well. I had the opportunity to get to know and understand the hon. member for St. Boniface while on the Standing Committee on Agriculture, which I had the honour to chair in the last House. He would have been a great champion of western Canada, and that is perhaps why he was not included in the cabinet. I think maybe—I do not think, I know—that the Prime Minister chose the wrong member from Manitoba to represent western Canada.

We in my part of Canada, Saskatchewan, have had the problems and promise of Confederation for 113 years. The major concern and the major problem for those 113 years have been in respect of transportation. How do we move our grain? How do we move our potash? How do we move our oil, and how do we move our coal? We move these products, or the majority of them, by rail. In the words of Mr. Justice Emmett Hall:

> Transportation in western Canada is a most important component of its economic and social structure. It has—since confederation—been an instrument of public policy and a tool of development.

The only commitment we have heard from this government, and the only commitment we heard during the campaign, was that of double tracking. I cannot believe that the hon. member from Cornwall, who was the transportation critic, or the hon. member for Laprairie (Mr. Deniger) who is very knowledgeable about transportation, would put that into a policy bulletin.

An hon. Member: Why not? They have double tracked everything else.

Mr. McKnight: No, they double back. The only thing that comes to my mind is that it had to be put in by that senator-in-waiting from Saskatchewan, that twice defeated candidate in Assiniboia. There is no justification for someone to say that the Liberal government has studied it and is closely informed about it, particularly when ministers come out and say they can do this very cheaply and very easily. They have suggested that what they will do is join the rail sidings at elevators. This would be fine if they were all on the left-hand side of the track or all on the right-hand side of the track, but they are not. There are some on the left and some on the right, and you would have the railroad track go like that. I do not think that even the Minister of Transport could run trains that way.

Double tracking is not a joke, unless double tracking is talked about from Winnipeg to Vancouver. Double tracking is old hat to the railroads. The CN has been planning double tracking west of Edmonton since the early 1970s. The CPR now has four double tracking programs, three of them under construction, and the fourth, the Beaver Tunnel, is still in the planning stage. The expansion west of Edmonton and Calgary is expensive and necessary, but I did not hear any commitments from this government in the throne speech to finance the cost of $2.7 million per mile. The only comments that I have heard about financing were made by the Minister of Transport who has said that the method of raising the capital may be the resolution of the Crow rate. That means that the farmers of Canada will pay the per mile rate which totals $2.7 million.

The same minister has also said that the Crow rate is an impediment. He went on to say that if we cannot change the Crow rate now, in a time of growth and prosperity, we may have missed our time in history. I would like to say to members opposite that if the Crow rate is changed now they will have more than missed their place in history, they will disappear completely in the history of that part of western Canada.

• (1710)

Although the fact is not very well known, Saskatchewan is an oil-producing province. Most people think that Alberta is the only oil-producing province in Canada. Other oil-producing provinces are British Columbia, Manitoba, Saskatchewan, Ontario, and Newfoundland. However, I would like to talk about Saskatchewan and the resources which belong to the people of that province. Saskatchewan gained control of its resources in 1930 under the Resources Transfer Act. They were not given to us when we entered confederation, but they were given to us in 1930 by a Conservative government. Alberta received its resources under the same act.

In the Speech from the Throne we do not see these resources being treated as resources but as a public utility. They are not a public utility. They are resources which belong to the people of Saskatchewan. I would like to hear other members from Saskatchewan who are not in my party stand for the people they represent in that province, not for the people of Ontario and the Canadian Labour Congress, but for the people of Saskatchewan who elected them and who will re-elect them if they do not sell out to big interests and big labour unions.

An hon. Member: That's your problem; that was your government's policy.

Mr. McKnight: We had a policy, but you did not give us time to implement it.

An hon. Member: That's your problem.

Mr. McKnight: It was your motion, but if you wish to interrupt and get on to last year's problems—

Mr. Deputy Speaker: I regret to interrupt, but would the hon. member address his remarks to the Chair?

Mr. McKnight: We have heard talk, Mr. Speaker, of heritage funds. Saskatchewan, as well as Alberta, has a heritage fund, although it is not as large as Alberta's fund. It is not one tenth as large as Alberta's heritage fund. Saskatchewan's heritage fund contains approximately $600 million which is broken down into $350,000 in cash, $18 million in investments, and the balance invested in Saskatchewan government corporations which pay no interest and therefore there is no return to the people of Saskatchewan.

The pricing system of our resources must be based on the same pricing system as that of the other provinces. Why is there an export tax for the sale of oil outside Canada? There is no export tax on the sale of hydroelectric power from Quebec to the United States. There is no export tax on gold exported from Ontario. There is no tax on Ontario's nickel or Quebec's asbestos, so why is there an export tax on oil? I am sorry to have mentioned this fact, because with the present government's inclination toward taxation it will probably tax the products of the provinces that I have mentioned.

What do we produce in the province of Saskatchewan? We produce grain which is sold on the world market at the world price, the price which the farmer can get. When we buy goods in Canada, it is under the protection of a tariff. When we try to sell all our oil resources it must be according to a blended price, not a world price! Saskatchewan has shared greatly with the rest of Canada and will continue to share, but we do not like to have our resources treated in the export market differently from the resources of the rest of the country. We would like to have our resources treated in the same way. We do not have a blended price for nickel or asbestos, but a price which the market will bear.

With the present government's lack of commitment to energy self-sufficiency, we will continue to pay large subsidies for the importation of oil into Canada. We in western Canada pay for the subsidy through taxation, and we do not receive the world price for our resources. That is not fair. It is not what Confederation is about, and it is not acceptable to the people of Saskatchewan nor, I am sure, to the other provinces.

Another major resource in Saskatchewan is uranium. The premier of Saskatchewan has spent millions of the taxpayers' dollars to develop this resource. But we cannot develop uranium or the other minerals found in our province unless we know that they will not be taken away from us. We cannot continue to put our tax dollars into development and have it taken out by having to share through lower prices to the rest of Canada.

A great deal of concern has been expressed by some members of the CLC and NDP about development in other countries. I would like the members from Saskatchewan in that party to express the concerns of their constituents for the development of their regions. I hope that they will express these concerns to their leader so that we can get on and develop our part of Canada and contribute to the rest of Canada.

We have made a contribution to Canada, and we will continue to contribute.

An hon. Member: Practise what you preach.

Mr. McKnight: I hear some members saying "practise what you preach". Western Canada, through its oil resources, has contributed and will continue to contribute up to $20 million in subsidies to the rest of Canada. Another form of contribution which we make is the two-price wheat system. For those hon. members who do not understand what it is, the two-price wheat system is a system through which the western wheat farmers subsidize the consumers of Canada in the price of bread. This is costing the western Canadian grain farmer over $50 million a year, approximately $1 million a week.

The interest rate is higher now than it has ever been in the history of Canada. The Speech from the Throne recognizes the problem but offers no solution. The burden felt by the farmer and small businessmen of Saskatchewan cannot continue. We presented a small development loan plan which would have substantially reduced the cost of interest to the farm and business communities of Canada. Right now the Farm Credit Corporation is short by $50 million in its funding, $50 million more than it would have been had our government stayed in power. The interest rate for the FCC is 13 per cent. This is the highest in its history, and it comes at a time when there has been a net decrease in farm income in the province of Saskatchewan over the past three years. The effect on farmers is devastating.

Farmers, both young and old, are being forced to sell their land. Unfortunately, in Saskatchewan their land is being sold to the Saskatchewan Land Bank. They are selling to the land bank, which is a system whereby government owns the land and the farmer is a tenant. This is the only option open to some of the young and older farmers in the province of Saskatchewan. If the goal of the government of Saskatchewan is to assist individuals in farming they could do it, presumably, by allowing the farmer to hold the mortgage. That way he would be able to build up equity and eventually own his farm, but there is a socialistic insistence by this government that it own the land. Right now this policy has made the province of Saskatchewan the largest holder of cultivated land in Canada. Over one million acres are owned and controlled by that government.

• (1720)

To add insult to injury, the province of Saskatchewan will take freedom away from people who love freedom, from people who came to this country as individuals to make their mark, to better themselves, and make a better life for their families. The Saskatchewan government has set up a committee to study the size of farms, and to limit individual ownership in the province. This is intervention in private life. I know that hon. members opposite are not concerned about government intervention because in the throne speech I noticed the creation of four more Crown corporations.

Mr. Broadbent: In Alberta?

Mr. McKnight: Four more Crown corporations, Mr. Speaker, and then they make the statement that the people do not want less government but that they want more efficient government. If the record continues as it has in the past, it will not be more efficient, it will be more expensive government.

I hear a member of the New Democratic Party asking what about Alberta? Well, what about Alberta? We in Saskatchewan know the meaning of government bureaucracy because we have the highest percentage of government employees for our population, west of Ontario. In Ontario it is .99 per cent; in Manitoba, 1.13 per cent; in British Columbia, 1.42 per cent; in Alberta, 2.41 per cent, while Saskatchewan has 2.79 per cent of the population employed by the government.

An hon. Member: They are a bunch of socialists.

Mr. McKnight: Yes, Mr. Speaker, I think they are a bunch of socialists!

It was mentioned in the Speech from the Throne that the Post Office was to be made a Crown Corporation. Apparently that is a brand new idea. As I recall, a member of our party was commissioned to do a study of the Post Office. He recommended that it be made a Crown corporation and, Mr. Speaker, if we had continued in office we would have moved in that direction.

I should like to refer to the present situation in Saskatchewan, Mr. Speaker. I know the Postmaster General (Mr. Ouellet) would not understand the postal service in Saskatchewan. I am sure he understands it in Papineau and Montreal, but he does not understand it in rural Saskatchewan. The condition of the post office buildings and the working conditions of the post office employees are abysmal—

An hon. Member: Pathetic.

Mr. McKnight: Somebody said pathetic, so maybe I could use both words. I suggest to the Postmaster General that he should look at some of these post offices and try to find a washroom, a bright interior—try to find anything in a post office in rural Saskatchewan in my riding of Kindersley-Lloydminster that would make it a pleasant experience to work there, or that would make employees happy and comfortable in their jobs.

That is not the worst of it, however. Now they want to close up on Saturdays and at noon hour. People in rural Saskatchewan drive 20 miles and further to pick up their mail. When you drive 20 miles to pick up your mail you would like to do something else as well. The social and economic problems that will be created by post offices in rural Saskatchewan closing on Saturdays will be the death of some small communities. I know the Postmaster General is concerned with the quality of life in the new suburbs and the cities, and that he is concerned with daily door to door delivery. But when we in Saskatchewan and rural Canada pay 17 cents to mail a letter or a postcard, we at least deserve an open building when we go there to get our mail. I should like the minister to visit these post offices; indeed, he should spend a day in one.

I have an example of the patient waiting of people in Saskatchewan. In a letter to me dated April 8, 1980, the town of Landis informed me that the federal government has been considering upgrading the postal facilities at Landis since 1964. The people of the community forwarded a petition in 1978 requesting improvements, and to date they have not received an adequate response saying when they may expect some action. They are patient; they are in no hurry; it is only 12 years since they asked, and another 12 years later on they will have the same old rundown post office building, and I am sure they will petition again.

Is it any wonder that there is a feeling of alienation in western Canada? Is it any wonder, considering the callous disregard for regional aspirations in all parts of the country apparent in the Speech from the Throne, that the people of Canada are dissatisfied to the point of wanting to withdraw—to break up Canada? In my part of Canada we have concern. So that hon. members opposite and this government may understand that it is not just one region of Canada that is concerned, I should like to read from the *Montreal Gazette* of April 15, as follows:

> In the western provinces, he said, 32 per cent of the population favour the status quo, compared with 33 per cent in Quebec; 58 per cent of westerners favour change in the form of renewed federalism or independence compared with 59 per cent in Quebec; and 10 per cent of westerners favour joining the U.S. compared with eight per cent of Quebeckers.

These are the figures of the Canada West Foundation given by Stanley Roberts, the former leader of the Liberal Party of Manitoba.

Mr. Deputy Speaker: Order, please. I regret to interrupt the hon. member but the time allotted to him has expired. He may continue with unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

An hon. Member: Tell us about Dick Collver.

Mr. McKnight: Thank you, Mr. Speaker, and I should like to indicate my appreciation to my colleagues. My remarks will be brief. I shall try to explain my point of view and my feelings toward our country.

I have expressed the concern from my region of Canada and I feel they are valid concerns. I am speaking for myself, but I sense that particularly among my French Canadian friends there is often a feeling that those of us not from Quebec may not understand and may not care about what happens in that province. Let me say, Mr. Speaker, that those of us not from Quebec also understand the problems of Quebec.

I agree with the hon. member for Lincoln (Mr. Mackasey) who said that by being members of Parliament we will be enriched and will have opportunities that we may not otherwise have had. My colleagues in this party, and the leader of this party, are trying to bring insight and understanding to the aspirations of the people of Quebec, even though they do not live there.

I would implore all sides of this House, particularly those responsible for developing policies and constitutional changes, not to ignore what might be said by those who do not come from Quebec, because we do care about Canada, we do care about Quebec. As a Canadian who has lived most of his adult life in Saskatchewan, I care that Quebec stays in Canada. I want to say to my fellow-Canadians who live in Quebec: stay in Canada. "Dit Oui". Say no. We want you. We need you.

Some hon. Members: Hear, hear!

• (1730)

[*Translation*]

Mrs. Suzanne Beauchamp-Niquet (Roberval): Mr. Speaker, when we went before the Canadian people last winter, we stated what would be the meaning of our policies if we were re-elected. A few days ago, the throne speech confirmed our intentions of solving the problems experienced by the majority in a way which would favour the majority.

In short, the government has kept its word, as we commonly say. The policy statement of the government introduces realistic measures for all of us, including the communities in the Saguenay and Lake St. John area. That region is one of the most typical and owing to its physical geography and its social fabric, it is one of those parts of the country which could be self-sufficient, if its people so decided. This is surely a caricatural description. However, it explains the character of its inhabitants who have learned to rely on themselves before depending on some external aid.

Madam Speaker, the economy of the region depends, like other outlying regions of Quebec and Canada, on the development of natural resources. In the Saguenay-Lac-St-Jean area forestry, mining and hydroelectric industries are predominant. A secondary industry based on these resources has been developed.

After a period of stagnation in the 1960s, the seventies saw a slight increase in population, although lower than the Quebec average. The main centres, towns like Alma, La Baie, Chicoutimi, Jonquière, as well as the towns in my riding of Roberval, namely Roberval, St-Félicien, Normandin, Mistassini and Dolbeau, of which I am the mayor, encompass about 80 per cent of the total population of the area, which is of approximately 300,000. As in other Quebec regions, and I am thinking here of eastern Quebec, the migration of young people towards Quebec City and Montreal shows that there is still room for improvement and that the people's ingenuity deserves the attention of central governments.

In 1977, Mr. Speaker, in the Saguenay-Lac-St-Jean, the personal disposable income was 9 per cent lower than the Quebec average and a labour market survey shows that unemployment is far greater than that of Quebec in general. Earnings, as far as employment is concerned, are in the manufacturing industry, especially following the opening of the Donahue plant in St-Félicien, and in the building sector. Since its implementation some months ago, the Alcan development project in Ville-de-la-Baie for example has created over 500 jobs. Besides creating hundreds of jobs, the taxation data centre of Revenue Canada in Jonquière opens interesting opportunities for the available manpower.

However, Mr. Speaker, despite these important efforts made at developing our region, the backbone of our economy—I am referring to our forestry, mining and hydro industries—require constant attention. Our prosperity depends closely on the development and processing of our resources in these three specialized sectors. But as production becomes more and more specialized, it gets more and more dependent upon the efficiency of government policies and the fluctuations of international markets. Given the fact that these three industries are largely dependent upon government actions, I look forward to the establishment of a coherent industrial policy on the development of remote areas.

In another vein, the emphasis put by the government of Canada on the use of sources of energy other than oil—and I am thinking here, Mr. Speaker, about energy produced from wood scraps, bark, for example—can only promote the competitive accounting of production costs. The consolidation of access roads as envisaged in the Speech from the Throne will provide another element of rationalization of transportation costs which, as everyone knows, are constantly on the rise.

So we can anticipate in the rather near future a framework likely to reassure the main participants in those sectors. I note with relief the possible gradual conversion of enormous investments made available in the form of social programs into more productive investments, particularly, as already pointed out by the present Minister of Regional Economic Expansion (Mr. De Bané), in so far as an industrial strategy will be solidly backed by fiscal and monetary measures more likely to promote reinvestment. I am assuming here a close relationship with the Department of Finance in any step towards regionalization, including the regionalization of the fiscal policy.

Mr. Speaker, the Saguenay-Lac-Saint-Jean area is known favourably as one of the places in Quebec where pride runs high and the sense of belonging to something is perhaps very

deeply rooted. A Jeannois or a Bleuet speaks loudly and does not go unnoticed. Such a will to overcome the humiliations suffered as a result of our remoteness has led us to answer those who reply yes, but your place is far away. Far away from what? It is right to say that we of the Saguenay-Lac-St-Jean area are somewhat our own masters.

In that respect, Mr. Speaker, I would point out the unique testimony in our history of the setting up of Entraide Économique, one of the more progressive financial institutions in Quebec. Started from a simple but good intention less than 20 years ago, that savings co-operative now handling billions of dollars has undoubtedly contributed more in at least the past ten years to the development of small and medium-sized businesses in our area and in Quebec as a whole than all levels of government put together. You know, Mr. Speaker, there is no miracle there.

● (1740)

But there was a certain Jacques Gagnon, a worker from our own region, who 20 years ago, having enlisted the help of other workers, was determined to do something and to enable the people of his own region to help themselves. These people I say have now regrouped around the new president, Mr. Eric Forest. They are still working very hard, not only at the regional level, but also at the provincial level, and I believe that they have now proven themselves completely.

I have quoted this particular example to illustrate what I consider the profound meaning of the present constitutional debate. The main issue concerns on the one hand the distribution of present powers, and on the other the coherent use of the powers already existing. In this regard, Mr. Speaker, in the eventuality of redistribution of jurisdictional areas, we have to take into account the irreversible upward thrust of the regions and I would even suggest, as Senator Maurice Lamontagne said, that no commitment to any constitutional change can be undertaken before we evaluate the impact of these regional characteristics on which our opportunities for economic, social and cultural development will increasingly depend. My experience within regional organizations and as head of a municipal government has convinced me and many others that the real debate does not concern a fight between central powers, but rather the means that those who hold these powers are willing to take to provide the members of regional communities with the control required to better develop the ways of meeting their regional needs.

[*English*]

The upcoming reality tends towards the virtual admission of "small is beautiful". Indeed, no constitutional changes should be initiated without respecting regional assets. And, when I think of regional powers, I refer to the latitude to which local communities could afford to go in the administrative process, in political and financial issues concerning the quality of life of all citizens of a region, normally defined by human and natural factors.

[*Translation*]

Mr. Speaker, in view of the trends which I have listed, I would support any proposal to renew our political equilibrium which would take into account the true aspirations of the citizens. The political history of Quebec in this regard and the disequilibrium it is now causing in the Canadian structure do not in my view provide the whole context of the problem. The separation of Quebec would not solve anything, but could well delay the granting of the regional powers which are so important for our communities, and my region is certainly not the least concerned in this matter. The political separation of Quebec from the Canadian nation would bring about an undeniable flow of centralization towards Quebec City at the expense of the regions, and the process has already begun with Act 57 on municipal reform, Mr. Speaker. This eventuality can be verified by the consequences of jurisdictional reorganizations which a sovereign Quebec would have to face.

The mood and the temper in the Canadian government as well as in that of Quebec, temper which has been obvious for several years already, would threaten to abort and minimize, if not contradict, reality. The same phenomenon in other parts of Canada, if they too decided to copy the behaviour of present day Quebec leaders, would provoke a comparable imbalance. Still, Mr. Speaker, those other areas express their regional needs energetically without rejecting the federal formula for political organization. Of course, some will say that Quebec is a different province. I recognize that. But how is it different? In that we are Francophones, but if we have survived to this day, it may be that some protection spared us from becoming the fourth underdeveloped state of northern United States.

Mr. Speaker, as a Quebecker, proud to be a Quebecker and proud to be a Canadian, I want to repeat to this House what I said throughout my election campaign: I consider myself every bit as much of a Quebecker as any woman who is a member of the PQ in the province of Quebec. I am Quebecker and, as I have already said, I am proud to be a Quebecker, and I want to remain a Quebecker in a united Canada.

[*English*]

Mr. Ian Deans (Hamilton Mountain): Mr. Speaker, it is certainly a pleasure to be here. I have looked forward to this day for some time, as you can appreciate, having watched the workings of the federal Parliament for a long number of years.

I first want to congratulate Madam Speaker on the assumption of her new role, and to say that if the last two or three days are any indication of the way in which she will handle the business of the House, she is to be commended for the way she has picked up and assumed that role.

I also want to congratulate all members who are either returned or have been elected for the first time. I know as a first-time member how exciting it is to get elected to Parliament, and how important the role is that we all have to play. I want to say to the constitutents who trooped out to the polls on election day and voted in vast numbers to send me here that I hope I will provide them whith the kind of satisfaction and

leadership they anticipated and that, in the final analysis, they will find what I have done here on their behalf will be to their liking and they might even consider sending me back, which is unusual for the constituency that I represent.

I do not intend to dwell at great length on the constituency, although I want to point out a couple of things that are important in terms of what my constituents feel about both government and Parliament. To begin with, I sent out a little questionnaire not long after the election. I asked them to explain to me what they felt were the important matters that should be dealt with by this government and what they expected of me in terms of what I should be saying.

It came through loud and clear that the primary concern of the majority of people, all of whom are very hardworking and have spent a great deal of time trying to build their place in the Hamilton community, is the impact of interest rates, not only in terms of mortgages, although that would be one of the primary concerns, but also in terms of the purchasing power that they are losing day by day to the ever-increasing mortgage interest rate and the ever-increasing consumer rate that they are going to have to pay and, indeed, are now paying.

They are also expressing a concern about the impact of that on jobs as they are unable to find the necessary consumer dollars to buy the goods that they normally would purchase. They know, as I know, as any member here knows, that the impact of that on the people who are working and producing those consumer products that would normally be purchased, is a very great impact indeed. Over the course of the next short while, because of the reduction in purchasing power that the higher and higher interest rates are bringing about, there will undoubtedly be a reduction in the manufacturing sector. That reduction will mean fewer people working. As one person said to me, as fewer people work, those of us who can find jobs will be required to pay even more in order to maintain the structures that we have set up.

It seems to me, and to a lot of people like me in this country, that it is vital that this Parliament address itself immediately to the problem of high interest rates. The cost of purchasing in terms of what must be paid in interest alone has gone all out of proportion. I expect to hear better from the Minister of Finance (Mr. MacEachen) than his statements which, frankly, made no sense in the last two days when he spoke about the small number of people who may be assisted by a mortgage interest program. He spoke about the others who will simply have to bear the burden and find a way to pay it. I know my constituents do not agree with that, and I want to make it clear to the Minister of Finance on their behalf that I do not agree with it either.

● (1750)

The high cost of living, which is a subject rarely addressed, exacts its toll on pensioners, on low and middle income families attempting to find their own way. It is time Parliament set aside a block of time to deal with the components which make up the ever-increasing cost of living. It is time members set aside time to speak to each other and to the government about what specific actions might reasonably be taken to control the ever increasing cost of living because, unless we do, we shall find that the industrial base of the country is being undermined—less and less of the money people earn will be available for the purchase of the things we produce across the country, and if we cannot buy what we produce because we have to tie up so much of the money which is available simply to provide the essentials, then obviously the effect will once again be a reduction in manufacturing and employment.

We must ever be cautious that we do not allow the cost of the essential part of life—housing, food, medical care, education—to reach such outrageous proportions in terms of capacity to earn that people having nothing left to spend on other and more enjoyable but, nevertheless, in our society from an economic point of view, equally important areas in which money ought to be spent.

I want to say a brief word about the problems in Quebec. I do not understand them well, I must confess, and I say to my colleagues from Quebec, not being from Quebec, that it is difficult to be truly understanding of what is happening in that province. I would have liked, tonight, to say a word or two in French, but I say to you, quite truthfully, Mr. Speaker, that had I done that I would not have understood it and, perhaps, neither would you. But I have enrolled in a French class and some day before this Parliament is over I swear I will stand here and do it, believe me.

Some hon. Members: Hear, hear!

Mr. Deans: Nevertheless, let me tell hon. members something that I do understand, or at least, I think I do. I have watched Parliament work for many years, as you know, and I do not understand why it is that the people of Quebec feel their grievances have not been adequately presented to Parliament. I do not understand this, given that the proportion of the total membership of the House of Commons which is assigned to the province of Quebec is significant, and I do not understand it in terms of the fact that the Liberal party from which most of the Quebec members come has formed the government for a significant period of time and that, during this period, the members who represent Quebec have surely made representations to the government, to their colleagues in the cabinet, about the problems of the province, and surely they have been listened to. Now, either the cabinet has not paid attention to its own members or the members have not made the arguments well. I am not going to judge which is the case. But there is something terribly wrong when a province feels so alienated, giving the strong representation that it has.

I say to you, Mr. Speaker, that it is important the people of Quebec should understand that the rest of us in Canada would very much like to find a resolution to the constitutional problems which seem to bedevil the relationship not only between the province of Quebec and the rest of Canada but also between other parts of Canada and the federal system. I think it is fair to say there is no member in this House who is not prepared to devote whatever time is necessary to find solutions to these constitutional problems, to hammer out the

sharing arrangements which must be made, and to take part in the effort which must be undertaken to create in Canada a society to which everyone feels they belong. I believe this can happen. I believe it can happen because I know the federal system has worked. I think my leader put it very well when he suggested that even within the federal system which Mr. Lévesque dislikes, the province of Quebec has done remarkably well.

The government of Quebec and the Government of Canada have been able to provide for the people of Quebec in proportion to what they have been able to provide for the people of the rest of Canada and they made every effort, I hope, to accommodate the legitimate requests put forward by representatives from Quebec to the cabinet.

I want this evening to speak about another and, I believe, equally important matter, but before I do so let me say that in Canada there are major problems. People are very concerned about government. I do not think they are concerned because government is doing too much; I think they are concerned because they do not know what government is doing. They wonder, as I wonder, how it can be that a country so rich can have so many problems. They wonder how can it be that a country with such energy potential not only in crude oil but in all forms of energy can be faced with an energy crisis? How can it be that a country with natural resources in abundance, natural resources which have been used by every other country in the world to build their economies, has not used its resources to develop the manufacturing sector and the secondary sector which are so obviously necessary here, and which have to be in place when, as is inevitable, the resources become depleted or are no longer required in the manufacturing sector? How can it be that a country with human resources like our own, an educational system second to none, should be faced with these massive and, for some, maybe, even insurmountable problems?

It is because of mismanagement on the part of the government. It is because government has not, first of all, set out, on behalf of Canadians, goals which are attainable using the resources both human and natural which are available to us to build society and an infrastructure for that society which would sustain it through these difficult times. It is because governments have tended to use a band-aid approach, have tended like brush fire fighters, to meet the tiny though important problems as they rise without looking at the much larger problems of planning the economy so that it will be able to withstand the infiltration and pressures which are the inevitable result of our being a branch plant of a much larger economy.

This is what we are seeing in the auto industry and it is about the auto industry that I want to speak shortly, because the auto industry is crucial not only to Ontario but to all of Canada. Within the auto industry there lies the opportunity to expand the manufacturing sector; within the auto industry lies the opportunity to source products all across the country; within the auto industry lies the opportunity to utilize better the natural resources of the province.

When we come back at eight o'clock, Mr. Speaker, if you will permit me, I should like to spend 15 minutes talking about just that subject. With your permission I will now call it six o'clock.

Mr. Deputy Speaker: Order. It being six o'clock, I do now leave the chair until eight o'clock this evening.

At six o'clock the House took recess.

• (2000)

AFTER RECESS

The House resumed at 8 p.m.

Mr. Deans: Mr. Speaker, when we rose for supper at six o'clock, I mentioned that I intended to spend some time speaking about the conditions which currently exist within the auto industry, and I want to do that now.

The House will recall that on Tuesday and Wednesday of this week I raised with the Minister of Industry, Trade and Commerce (Mr. Gray) the problems which seem to be revolving around the contract which was signed between the federal government and the Ford Motor Company in the year 1978. That contract afforded to Ford the opportunity to gain access to some $68 million in return for the building of a plant in Windsor. I asked the minister if he would produce for the House the relevant sections of the contract which afforded us the opportunity to insist that the Ford Motor Company should continue and maintain the levels of employment that it currently had in 1978 and beyond, during the time that this new plant was being built. Today the minister tabled the documents in the House, and it is no wonder we are being ripped off.

I read both the contract and the letter of agreement over the signature, in both cases, of the then minister, Mr. Horner—long departed, thank heavens! In any event, the contracts do not provide any protection for the workers in the province of Ontario, and it is no wonder that the minister did not want us to see the contracts. In fact, not only is there no provision for the workers in the province of Ontario, but also nowhere in the contract does it say that the minister could not have told us that. It does say, of course, that, and I quote:

> Subject to the federal laws of Canada, the minister will maintain normal commercial security and privacy in respect to the project and will not disclose any information relating to the scope and cost of work encompassed by the project to any person or government outside Canadian federal and provincial government departments, agencies and Crown corporations without the . . . written consent of the company.

One does not have to be a corporate lawyer in order to understand that that did not preclude the minister from telling us that there was no provision for the protection of the workers in the plants of the Ford Motor Company.

To draw in that he had to wait for approval from Ford was a red herring. Of course, what the minister did not bring to our attention was the fact that not only is there no protection for

the workers in Ontario and Canada but also, in fact, when it was signed the contract said the following:

It is understood and agreed that nothing contained in this paragraph— .

This is the paragraph dealing with protection.

—shall in any way . . . limit . . . any right—

Of the company.

—to arrange its business affairs in any manner it shall see fit.

That is exactly what has been done. The company has arranged its business affairs in the province of Ontario in the manner it has seen fit, and the end result of what the company saw fit is that at this point in time, together with its other companion companies, we see 20,000 employees, generally employed in the auto industry or related industries, out of work.

These employees are not all in Windsor. One might have expected that the minister would understand the problem, given that he comes from Windsor, given that he claims to be championing the workers of Windsor, given that he says that it is nice to hear the NDP finally speaking about the problems of auto workers and given that the minister claims to be expert in the matter of the auto industry, the trade pact and related matters. It is strange to me that he does not understand the terms of this contract.

What was given away? Not only the $40 million federal dollars but also the additional $28 million given by the province of Ontario.

Let me tell the House what is happening across this province, because I think it is important to know. Not only is unemployment happening in Windsor, where there are major lay-offs. We all know of the Budd Manufacturing Company which has laid off upwards of 1,900 people in Windsor. In Brampton, American Motors has laid off some 700 people. In Brampton, Gabriel Company has laid off 20 more people. In Brampton, the Canadian Ferrow Company has laid off another 108 people. In Stratford, Sealed Power has laid off 180 people.

In Ottawa, Beach Foundry just recently announced the lay-off of 240 people. In Windsor, Chrysler laid off an entire shift in April of 1980, 1,200 people, and Chrysler intends this summer to lay off yet another 2,100 people. In Windsor, Ford in its casting operation laid off 840 people. In Oakville, Ford laid off an entire shift of 1,400.

When we take a look around the province even further, we find that in subsidiary operations in a place like Otter Lake, which is near Parry Sound, the Rockwell Corporation, well known to most, has just announced that it is likely to shut down permanently. It used to employ 200. One hundred have already been laid off, and the only other major industry in the area, CIL, has indicated that it too may well be comtemplating closing. Of course, when they are closing the operation in Otter Lake, they are maintaining their operation in Mississippi. That is what we would expect, of course, from a corporation which does business in the atmosphere created by a government like the one we have had for the last far too many years.

When we look in summary at what has happened in the auto industry, for heaven's sake let us not get the impression that the auto industry can sit in splendid isolation and be viewed as only one industry, because there is nowhere in this country that is not affected in one way or another and will not be affected in one way or another by the massive lay-offs which are taking place in this major industry. As I said the other day, two out of every ten people working in the province of Ontario work in the auto industry or in a related industry. We have 20,000 unemployed now, 10,000 of them in Windsor. Do hon. members know that 35 per cent of all Ford workers there are laid off and 40 per cent of all Chrysler workers there are laid off?

When we look around the country, or this part of the country, we see that in Kitchener, St. Catharines and Ajax between 40 per cent and 80 per cent of all the people who were employed in the auto industry are now laid off either permanently or temporarily. The minister cannot claim that this is new and that all of a sudden this was dumped into his lap—poor soul!—because this has been clearly and evidently coming for a long period of time.

I will not burden or bore the House with all of the detail, but I can say that there was news story after news story through last year, with headlines such as "Parts firms stung by slowdown". More than 1,000 were laid off. "1,175 face lay-off after Ford move". "Auto lay-offs kill Windsor's short-lived boom". It goes on. "Auto parts industry fears major lay-offs". Then it points out the places where those lay-offs will take place.

These were all stories from last year, and the Department of Industry, Trade and Commerce, the ministry and the ministers, whoever they may have been, surely must have been able to see the handwriting on the wall. But what do we get from the minister? Well, he is going to have some meetings. I want to tell the House that those meetings are not nearly good enough for the unemployed workers in this country, in this province, and in Windsor in particular. Another series of meetings between the minister and some inconsequential people will not resolve the problems of the auto industry.

• (2010)

I do not know if the House realizes just how many people are involved in this and what happens to their families. I do not think the minister understands—and he should understand—that the entire infrastructure in social services in place in his own community is in jeopardy. Of course the reason is evident. It is because most of the agencies which provide the social services require donations through United Appeal or through governments, and governments are cutting back. Of course the United Appeal cannot raise the money it could raise before because there are fewer people working to contribute. So, at the very time when they need the money, at the very time when the need is greatest, when more people stand in line looking for help—most for the first time—they cannot get the help because the agencies do not have the money to provide it

and the government does not produce any of the funds necessary to make up the shortfall.

It will not end here. Today I was speaking to one of the major tire manufacturers in Canada. I was told by one of its senior officials that we can expect not only the Whitby lay-offs, the closure announced less than a week ago, with a dramatic impact on the town, but we can anticipate that there will be lay-offs all across the country where tire manufacturers are located. For example, we can expect that there will be lay-offs in Joliette. Of course there will be lay-offs in Hamilton, which I represent. What does the government do? Here is a tire industry faced with the problems the auto industry is facing, and the government turns around and gives something like $40 million to Michelin in Nova Scotia to go ahead and build a new plant. What possible use can that be when there is an idle capacity all across the industry, when the industry is presently laying off? Why would they give $40 million or $50 million to build a plant where no plant is needed? Why would they further jeopardize the work and the livelihood of the people presently involved in the industry by handing out money at a time when money can do nothing but harm?

It has not been announced yet, but we will see, as we will in all other related industries, major cutbacks in the rubber industry. Those major cutbacks will touch every one of us here in one way or another. Whether the House believes it or not, the auto industry is crucial to the well-being of this country. The minister should be prepared to establish once and for all the role the auto industry in Canada can and will play, a role which must be established in one way or another, albeit with agreements, separate and apart nevertheless from the United States industry. We cannot afford to have an industry that in its own right could well be profitable, if given an opportunity, dragged down by management which really does not much care about the Canadian component or about the families of the people in Windsor, Oakville, St. Catharines, Kitchener, Parry Sound, Hamilton or any other place across this country, and makes its decisions in isolation from what is in the best interests economically and socially for Canada.

How can we possibly develop an industrial strategy which does not encompass the auto industry? How can we possibly look forward to the creation of new jobs? I am not only referring to producing jobs for the people who are presently looking for work, but how can we look forward to the creation of new jobs, unless we are prepared to sit down with that industry and insist that it establishes reasonable levels of manufacturing based on Canadian sales, and stop being simply assemblers of automobiles and start being manufacturers of component parts in every single community across this country?

Some hon. Members: Hear, hear!

Mr. Deans: We must start now to attach the kinds of conditions to government subsidies that will give us some opportunity to require from them a level of performance which is commensurate with what we anticipate we need. We never do it. This government is historically tied much too closely to the corporate boardrooms, and that is the problem. They do not understand. They cannot treat public money differently than they would treat private money if asked to invest. They must require from the people to whom they give the money the same kinds of guarantees in terms of performance that they would if they were giving them their own money, because it is their own money. It is about time this government understood it. Over the course of the next two or three years, I look forward to seeing this government bringing forward whatever it is—I see my colleague on the other side holding his hand up indicating four years.

Mr. Collenette: Five.

Mr. Deans: Be that as it may. In fact, I expect to be here longer. Perhaps he does not. In any event, over the course of the next few years I expect to see the government unveil its strategy for industrial development. But in the meantime, for heaven's sake, take the steps to protect those workers, take the steps to exact from that corporation which has taken its toll on Canada the kinds of guarantees which will assure that we will have not only short-term but long-term benefits that will last for this generation and for many other generations to come.

Some hon. Members: Hear, hear!

[*Translation*]

Mr. Henri Tousignant (Témiscamingue): Mr. Speaker, first I should like to join the previous speakers to extend my sincere wishes to our new and distinguished Speaker and to all the hon. members in this new Parliament. I take the opportunity to thank my constituents in Témiscamingue for the confidence they put in me.

Mr. Speaker, the riding of Témiscamingue I have the honour to represent in the House of Commons is a good reflection of Canada, both through the richness and the diversity of its human potential and its vast natural resources. As far as human resources are concerned, this distinguished audience will remember for a long time my famous predecessor, Mr. Réal Caouette, who was a great Canadian and a great advocate of federalism. May I also bring to the attention of my colleagues that the man who is almost always on duty here, in the House, under our eyes, was born and grew up in my parish; I refer to the Deputy Clerk on duty, my good friend from my childhood and college days, Mr. Pelletier. I want to pay a tribute to him for the dignity he shows in assuming his great responsibilities.

Some hon. Members: Hear, hear!

● (2020)

Mr. Tousignant: Mr. Speaker, nature in our area has been kind by blessing us with abundant resources; we have huge forests, our lakes and rivers are breathtaking, our sub-soil is full of minerals, but then we must have the tools that are essential to a rational and necessary development. Agriculture could make good progress given the appropriate incentives.

I am pleased to find in the Speech from the Throne various elements meeting exactly certain priorities I had set forth

during the last election campaign and which I believed essential to the development of my area and the better-being of my fellow citizens. With respect to the quality of life, here are the intentions of the government: We will be asked to give urgent consideration to legislation raising the guaranteed income supplement to the old age security pension by $35 a month per household by July 1 of this year. This measure will primarily benefit single pensioners, the vast majority of whom are women. Beyond providing immediate relief for elderly people with low incomes, the government intends to convene a national pension conference in the fall of 1980. Work must begin immediately to design better methods of providing flexible, portable, and secure pensions both in the private and public sectors. To start this process, the government will soon release a major study on the Canadian pension system.

One of the essential objectives of this government is to put more people such as young people, women, natives and the handicapped to work. To meet the needs of these groups, the government will expand its employment program while using its resources more efficiently. Knowing the high rate of unemployment prevailing now in my area, those measures will certainly be welcomed by my fellow citizens. The role of women in my riding is a dominant and a most positive element in the social, cultural and economic areas, and one of my dearest wishes is that the Parliament of Canada will lift the discriminatory barriers against women in the market place, and I also welcome its intention to set the example in the federal public service.

Mr. Speaker, I want to say that I am deeply pleased to see that the government is committed to giving members of Parliament an important role in the elaboration of job-creation projects and closer co-operation with voluntary and local organizations in the implementation of a community services program which indeed I had advocated in my election campaign. It would be an illusion to expect reasonable economic development in my constituency and the area without a substantial injection of incentives and financial assistance to small and medium-sized businesses.

Let me point out that my constituency has been hardly favoured during these last three decades, perhaps because none of the elected representatives, as far back as 1957, belonged to the government, which caused apathy and disinterest in our people. Anyway, times have changed and to make up for that we will have to double up. Citizens in my constituency are getting increasingly involved at the various levels of economic development, and I will make it a point to change the face of my constituency during my term of office.

In the circumstances, I feel that these aspirations are quite legitimate. I intend to be firm and expect help from the government. Moreover, Mr. Speaker, I see in various parts of the throne speech the opportunity for me to fulfil the commitments I made in my constituency of Témiscamingue. First, the government promises to promote a new policy of national economic development, provide jobs, stimulate growth, use regional forces and increase the level of Canadian ownership and control of the economy, and second, to consolidate the federal institutions while making them more sensitive to provincial and regional aspirations. What about that famous federal building which was to be built in Rouyn-Noranda and which made headlines during so many election campaigns? It is urgently needed. There is no reason any more to delay the project, and when I say no reason I hope I will be understood. Third, to guarantee Canadians energy supplies at a price that is fair to all, and, in order to improve the ability of Canadian industry to compete abroad in order to create jobs at home, our government intends to establish a national trading company. It also intends to make assistance programs more accessible to small business, to simplify application procedures, and to better co-ordinate programs. Further, in order to conserve energy, an objective I fully support, it is becoming imperative to improve the current home insulation program through initiatives aimed at promoting higher standards.

Mr. Speaker, all my constituents and particularly those living in the south of my riding will be very happy to learn that this government intends to propose a new legislation on oil and natural gas in Canada. It will give Petro-Canada and other Canadian corporations new preferential rights on federal lands and will establish stricter requirements for the exploration and development of the enormous potential of the isolated areas. At the same time I think it would be advisable for the government to consider seriously the possibility of giving a flat rate for gas and heating oil to Canadians of every region. Why should remote regions like ours with harsh climatic conditions pay 10 cents more per gallon? Would a fair distribution of natural resources not be in the true spirit of federalism? This government intends to create an alternative energy corporation responsible for promoting the expansion of new renewable energy sources that might replace oil.

Mr. Speaker, let me mention that serious projects aimed at recovering energy from wood residues are presently being developed in my riding and are the subject of a study filed with the Department of Regional Economic Expansion. It is one more evidence of our determination to develop our economic potential. The natural resources of Canada will be our tool to implement a vigorous industrial policy.

If it is true that agriculture and food will play an ever-increasing role in the Canadian economy in the 80s, we in Témiscamingue hope that our cattle, sheep and goat raisers will be able to make that essential sector thrive and find young people to carry on. To this effect, I wish to mention to my honourable colleagues that tax concessions are essential. To be profitable, if we except capital funds, a business must have an operating fund or a bank loan of $100,000 or more every year. The present interest rates considerably reduce profits. That era of prosperity is open to us. We are now in a position to entertain such hopes.

• (2030)

The genius of man transforms the wool of the sheep into clothes fit for a king. I know that my fellow citizens are capable of extraordinary things. However, Mr. Speaker, since there are no thornless roses, we have to recognize that an active minority—and I do say an active minority—is trying to destroy everything, to grab some pieces of furniture and set fire to the house. I am talking about the phony and ridiculous exercise initiated in Quebec by this same government, that is the referendum.

We are now witnessing in Canada and Quebec the greatest fraud that our country has seen since its discovery. Let me explain: Since it had not succeeded in being elected on two or three occasions by stating categorically that it was for independence, the Parti Québécois decided in the last election to hide its true face and disguise itself by telling Quebeckers it would be a good government and promising to hold a referendum during its mandate. So far so good. No one has any objection to having a good government and no one has any objection to this government holding a referendum. In fact, this is about the equivalent of holding an election. However, immediately after the Parti Québécois is elected, it becomes anxious to achieve its objective.

Instead of keeping itself busy with the affairs of the state on a full-time basis, they hurry to get everyone on their side. All ministers and members of the National Assembly spend most of their time in small meetings or in trying to get an individual or the mayor of a municipality to say yes in exchange for a job or a grant. Many resist, but some get taken in this game.

An hon. Member: It is coercion.

Mr. Tousignant: My colleague is right in saying that it is coercion. What is even worse and quite unacceptable, Mr. Speaker, is that these people are trying to impose a system which goes against the will of the majority of Quebec citizens, and this at our expense. We are forced to use our own money so that a government can use all the means at its disposal to force on us a drastic change in our political institutions. Mr. Speaker, this is unadulterated political piracy.

Of course, the scenario is a masterpiece and is inspired by the intelligentsia of certain foreign powers. The proposal of the Parti Québécois, which is a socialist government—and we all know that socialism is a forerunner of communism—the proposal of this government is nothing more than a poisoned cake with an icing of overheated nationalism served on a silver platter. In fact, an abusive and even psychotic use is made of nationalism. Yes, Mr. Speaker, this type of nationalism is a retrograde step which should be denounced. At this time, while taking care to protect our interests, we must show understanding, openness of mind and more farsightedness if we want another reality and other results than a sterile contemplation engendered by an exaggerated nationalism. Yes, Mr. Speaker, the scenario is a masterpiece.

As the member of the National Assembly, Mr. Samson, used to say this is the trick of the hook hidden in the meatball. You will remember that when we were young and we wished to get rid of a stray dog, we used to hide a hook in a meatball and the trick never failed. You could also compare it to the bear trap. We are ingenuously asked to put a foot in it and are being told that it will be possible for us to get out unharmed.

Personally, Mr. Speaker, all this exercise in charm and superficial seduction on the part of the Quebec government reminds me of the gallant gentleman who wants to seduce the belle. Will he directly tell her about his intentions? Like the PQ he will rather skilfully divert the conversation and offer her, obviously, a candlelight dinner. This is what the Quebec government is offering us, Mr. Speaker, a candlelight dinner. We agree. There is nothing wrong with having a candlelight dinner together; however, by accepting, the irreversible process has just been started. The PQ is in no hurry, and neither is the gallant gentleman. It does not matter if it takes one dinner, two dinners, three dinners. The effect is slow but sure. The conversation is about natural resources, the lady's beautiful eyes, her potential and guaranteed bliss. The candle keeps on burning, and the rest is known, the wine becomes an all-risk insurance. I light your cigarette, we talk about grants. The point of no return is reached, all there is to do then is wait for the consequences.

Yes, Mr. Speaker, the consequences of a disguised proposition. We are asked for a mandate to negotiate sovereignty-association, how about that! Mr. Lévesque himself has said that sovereignty-association is nothing but independence. To be sovereign, as someone said this afternoon in the House, is to be able to make one's own laws, collect one's own taxes, take charge of one's external affairs. It is plainly independence, but to reassure us it was carefully coupled with association, in the full knowledge that Quebeckers who are used to the benefits of the present system will be inclined to believe that it will continue to exist indefinitely after their rejection of Canada. Let us not have any illusions, an association is not possible and the privileges also will disappear.

Mr. Speaker, we are told about a common currency to hoodwink us precisely so that we will not refer to it since we know quite well that this could frighten investors and small savers. Let us not forget that when money is involved, it is touching, but they resort to window-dressing. Now I say that a common currency is impossible. Why? I will give a few quite simple examples. We all know and the fact has been noted quite often that at present Quebec is importing 550,000 barrels of oil daily, seven days a week, 365 days a year, thus creating a deficit of $4 billion last year which was made up by the federal government.

We can add to that deficit another $400 million for natural gas. Working out a quick calculation, supposing that till 1990 we succeed in maintaining our consumption at 550,000 barrels a day—it could reach 800,000 barrels, but the minister, Mr. Joron, tells us that he will restrict consumption to 500,000 barrels—let us be conservative and say that in 1990 we will still use 550,000 barrels of oil daily in Quebec.

● (2040)

Let us make a simple projection using a 9 per cent annual increase in the price of oil. This year the price has gone up by 40 per cent. But if we figure it on the basis of a 9 per cent increase each year, we find out that an independent Quebec will pay something like $90 for a barrel of oil in 1990 and these are conservative figures. Such a price represents an annual deficit of $16 billion which the province of Quebec will have to face and we are only talking about oil. How could we make it? A moment ago I said the issue of common currency was impossible. How could we set a value for our dollar against the dollar in the rest of Canada?

Mr. Speaker, I would like nothing more than to have these modern time theoreticians explain to me the miracle equation by which they will make things work out. They could not succeed even if they kept the 50 per cent of our taxes they are so fond of talking about. They try to lure the people of Quebec by telling them they would have only one income tax return to fill out. Imagine, only one income tax return! They need to use such trifles to sell their idea just as if it were an ordinary consumer good. I should like somebody to explain to me how the province will manage financially when time comes for it to assume fully the costs of road construction for which the government now pays 60 per cent, not to mention shared-cost health services, medicare, family allowances, old age security pensions, unemployment insurance benefits, welfare programs for Indians and veterans, housing subsidies, railroads, postal services, national harbours, national defence, embassies in almost all countries of the world, international organizations such as NATO and the United Nations to which an independent country must belong of necessity, and I mentioned only half of them.

There are people who go so far as to say that they have not seen any embassy in Abitibi. That is what PQ supporters say: We did not find any embassy in Abitibi. Let me say that in 1978 the federal government spent directly in Abitibi-Témiscamingue $188 million. This does not include of course outlays embassies, national defence and external affairs. Yet, these same unscrupulous people made no bones about quoting all sorts of extravagant figures during the televised debate on the question in the National Assembly, but they monopolized and extorted more than two-thirds of the time allotted for that debate. What a fine example of democracy, Mr. Speaker. What balance, what a deep and developed sense of justice-guillotine is awaiting us. What an insult to intelligence to put up figures, any figures provided they are unfavourable to the federalist cause.

Mr. Speaker, they had the nerve to insinuate that in the Abitibi-Témiscamingue area the expenses by the federal government represented only 8.6 per cent—and they quote that 0.6 fraction because of course those people like accurate figures—of total government expenditures. Imagine! Right on national or Quebec television, they mentioned that figure of 8.6 per cent of expenditures, when we know, and that can be substantiated, that the federal government spent $188 million in our area. If that represents 8.6 per cent of government expenditures in my area, I would like very much to know how many billions the Quebec government did spend there. For all those reasons, I am firmly convinced that it will not be possible for a half-bankrupt state to maintain parity of the dollar with the other provinces which will refuse to maintain or support an ailing dollar. Besides, is it necessary to add that several factors have a direct effect on the value of the dollar? Where are the figures? Have we been shown a balance sheet *pro forma*? No, all we have to work on are surmises and feelings. On another subject, Mr. Speaker, I would like to emphasize that if Quebec separates, it will not only lose nine-tenths of other Canadian provinces but above all it will lose the Northwest Territories and the Yukon which—as is known—are extremely rich and upon which Canadians depend more and more for their future.

In closing, Mr. Speaker, I venture to question seriously the loyalty and real intentions of those who dare contemptuously criticize a country as exceptional as Canada, a country that protects its citizens through its legislation and its bill of rights. Allow me, Mr. Speaker, just as an example and as a matter for reflection to quote some excerpts from the bill of rights that may bring some independentists to their senses.

Here are our country's commitments to its citizens:

The right of the individual to life, liberty, security of the person and enjoyment of property: the right of the individual to equality before the law and the protection of the law; freedom of religion; freedom of speech; freedom of assembly and association; and freedom of the press.

Every law of Canada shall, unless it is expressly declared by an act of Parliament of Canada that it shall operate notwithstanding the Canadian Bill of Rights, be so construed and applied as not to abrogate, abridge of infringe or to authorize the abrogation, abridgement or infringement of any of the rights or freedoms herein recognized and declared, and in particular no law of Canada shall be construed or applied so as to authorize or effect the arbitrary detention, imprisonment or exile of any person; impose or authorize the imposition of cruel and unusual treatment or punishment; deprive a person who has been arrested or detained of the right to be informed promptly of the reason for his arrest or detention, of the right to retain and instruct counsel without delay, or of the remedy by way of habeas corpus for the determination of the validity of his detention and for his release if the detention is not lawful; authorize a court, tribunal, commission, board or other authority to compel a person to give evidence if he is denied counsel,—

Does the Parti Québécois guarantee us those things?

—protection against self-incrimination or other constitutional safeguards; deprive a person of the right to a fair hearing in accordance with the principles of fundamental justice for the determination of his rights and obligations; deprive a person charged with a criminal offence of the right to be presumed innocent until proven guilty according to law in a fair and public hearing by an independent impartial tribunal, or of the right to reasonable bail without just cause;

Mr. Speaker, I would like to conclude with these words spoken by Mr. Diefenbaker:

I am a Canadian, a free Canadian, free to express myself without fear, free to serve God as I see fit, free to rise against what I consider unjust, free to choose the leaders of my country. I pledge to safeguard for myself and for humanity this legacy of freedom.

Mr. Speaker, these are our country's commitments to its citizens, and in return, the commitments of all good citizens to their country. What more could we expect? Once again, I say that I liken whoever would want to destroy such a wonderful country as ours to an offspring who would dare raise his hand against his father.

[*English*]

Mr. Douglas Roche (Edmonton South): Mr. Speaker, through you, I wish to congratulate Madam Speaker on her election. I am sure that she will carry out with distinction the duties of the post that you share tonight, and add that grace which is so much a part of her person. Acting as the first woman Speaker of the House of Commons in Canada is but a continuation of her past accomplishments in her many fields of interest in Canada and on the international scene.

● (2050)

I am proud to be here as the representative of Edmonton South which is part of a growing city full of promise for the future. This year marks the seventy-fifth anniversary of the province of Alberta, and I hope many Canadians will have the opportunity to visit our province as well as the city of Edmonton and experience for themselves the spirit of growth and adventure that characterizes our community.

I thank my electors for having shown confidence in me for the fourth time, and I hope that I will be able to merit the continuation of that confidence.

Canada is engulfed in a crisis of staggering proportions. Not in our lifetime have the combined economic, energy and political problems of Canada been greater than at this moment. The country is reeling under unprecedented interest rates, intolerable government, debt and ceaseless inflation. Polls indicate that the separatist voices could win the Quebec referendum, which would be the bitterest blow to confederation in our 113 years.

A new government, elected with virtually no support west of Winnipeg, has already twice given the back of its hand to western Canada on the essential questions of energy and transportation. Is it any wonder that the air is filled with anger, and anger that I personally experienced at a town hall meeting I called for my constituents in Edmonton South after the election? People seek order and they are given chaos. They want stability and they are given drift. They want leadership and they are given politics. It is a moment for all of us who want a united Canada with economic strength and renewed federalism, to stand up. If we who want to build on the legacy that we have received do not speak out to protect Canada, the Canada that we love, then the forces of those who would separate and destroy the country will surely grow.

I appeal to members on all sides of the House. I say let us together repair the terrible divisions in this land.

Some hon. Members: Hear, hear!

Mr. Roche: I say let us through this institution provide the economic, social and political leadership Canadians so desperately seek today. Let us unite—at least in this analysis—that a Yes vote in the referendum will tear Canada apart irreparably, for western Canada will never tolerate a government rejected by westerners at the polls and which, in turn, is rejected by the very province that the government depends upon for electoral support.

We must abandon sophisticated interpretations of the referendum question. I know that it is deviously worded, but, outside Quebec, Yes will mean that Quebec wants out, and when that happens Canada will explode.

As an Albertan my appeal to the people of Quebec is to vote No in the referendum. A No vote is not a vote for the status quo, for the western provinces also want a renewed federalism, one which would reflect the new position of the west in confederation, a renewed confederation, and which would also provide Quebec with an acceptable alternative to separation.

My work has taken me into every corner of the world. I know how blessed our land is with space, resources, technology, industry, and an environment that promotes a quality of life second to none in the world. We cannot fail to be proud of our country. It is all the more reason to be angry over the problems that beset us, that keep us bogged down, constantly turned inward when we should be raising our heads looking out into the world that needs the leadership and production that Canada can offer.

The problems of Canada are not insoluble, but they require more political honesty, more belt-tightening, and a greater sense of justice than they now receive. Like Quebec the west is frustrated by the current federal system which has failed to respond adequately to the changing conditions within Canada today. Western frustration is rooted more in economics than in culture as Albertans see the money that they provide through equalization payments, income taxes, oil and gas revenues going to a government which is more attentive to the large electorally strong consumer centre of Canada than to the sparsely populated regional resource regions.

The separatist movement which has grown out of the seeds of discontent is not yet strong in western Canada, but the potential is there if the federal government is not responsive to western concerns that have been elaborated for many years by western members that I see surrounding me tonight in the House.

A recent poll taken by people at the *Edmonton Journal* and *The Calgary Herald* shows that 68 per cent of Albertans feel that their interests are not being adequately represented in Ottawa. What does that tell us? It tells us that the west is waiting for clear signs of this government's commitment. So far the signs have not been hopeful. I listened carefully two days ago when the Prime Minister (Mr. Trudeau) made his speech. I have to say in all honesty that I felt the Prime Minister again dismissed the problems of regional fair treatment too casually. The decision by the federal government to use the emergency provisions of the oil sands pricing agreement to put a ceiling on the price of synthetic crude oil has disrupted the industry and cast doubts upon the intentions of the federal government in the oil-pricing negotiations with Alberta. The Alberta government has already reacted strongly against the move, and the future of the two oil sands plants is in jeopardy because of the industry's lack of confidence in federal government agreements.

I plead with members on the other side of the House to think about these problems for they are every bit as much at the heart of the question of unity in our country as is the Quebec referendum. The refusal by the federal government to commit itself to the Conservative government's agreement to provide $30 million for infrastructure costs at the proposed Prince Rupert grain terminal has also jeopardized western reactions to this government. It has certainly jeopardized the future of grain transportation in our country.

There have been other moves by the government seen as discriminatory in the west. For example, the reduction in private utilities federal income tax rebates to the provinces affects Alberta more than any other province and has been felt directly by many Albertans through increased utility costs. It is a needless thing for the government to do.

The sincerity of the government's commitment to the west can be tested in several ways. An energy pricing agreement should be concluded with Alberta that provides no less benefits than would have been received as a result of negotiations with the Clark government. The producing provinces must be compensated fairly for their rapidly depleting resources. That is the essence of the Alberta position today. We heard it conveyed by Premier Lougheed to the Canadian Press dinner last night in Toronto. I want to tell my colleagues in the House that the people of Alberta are 100 per cent behind Lougheed as he defends the Alberta position nationally.

Transportation policies are needed for both goods and people, policies that recognize the essential role played by transportation in the continued development of the west. Grievances persist in the area over the adverse effect of the Crowsnest Pass rates on producers of finished goods in the west, over the irrationality of the grain transportation system, over the destruction of railway communities caused by rail line abandonment. The time for action is now if serious economic repercussions in the west are to be avoided.

● (2100)

Westerners also want industrial development policies which will provide more incentive to manufacturers to locate in the west. Agriculture and livestock policies should ensure a more equitable and stabilized return for western farmers. These are some of the things that are fundamental to our position as we come into the House to start a new Parliament.

We give a commitment to renewed federalism. We want to see the government move forward in those concrete steps that show a sincere concern for the interests of western Canada. Our constitution has proven remarkably adaptable in the years of our confederation, but I think we are pretty well all agreed that it needs to be changed. It is no longer appropriate for today's reality. That is the essence of the Quebec position.

Renewed federalism through constitutional amendment should reflect the desire of the regions to respond effectively to the needs of their people while maintaining a united Canada under a strong central government.

Some hon. Members: Hear, hear!

Mr. Roche: Any proposals for change to the federal system will have to take into account the views of the west. The Alberta government has already outlined its proposals in its paper called "Harmony and Diversity" which is designed to encourage national unity as well as effective operation of the federal system. The paper suggests that the division of powers be modified to strengthen provincial ownership and control of natural resources, provide provincial access to direct and indirect taxes, and establish concurrent jurisdiction in the fields of communication, fisheries, transportation and culture. The federal ability to act in provincial jurisdictions would be restricted to well-defined limits. The principle of equalization would be entrenched in the constitution and French and English recognized as Canada's official languages.

The Quebec Liberal party's document "A New Canadian Federation", the Ryan beige paper, offers a rational and comprehensive analysis of our current dilemma. That paper is worthy of support. I personally have some disagreement with some aspects of the Ryan paper, but it is at least dedicated to the fundamental principles of equality of the two founding peoples and respect for regional and cultural diversity principles that Canadians share today.

There are differences in the various proposals and papers put forward, whether they are talking about the Canada West foundation, the Edmonton Chamber of Commerce, the city of Edmonton, the Pepin-Robarts report that we discussed in the Parliament before last; all of these share the same basic objectives of a strong and united Canada where we are willing to negotiate compromises. This willingness to negotiate will help to ensure that the central government is not weakened to the point of ineffectiveness in the face of economic and social problems that require a strong national response.

A renewed federalism will enable all regions of Canada to develop to their fullest potential and take advantage of the opportunities that this country has to offer, opportunities that we could not spend enough time exploring and exposing in this House for all Canadians who are reading and seeing us here, for them to appreciate as much as we who have the opportunity of travelling regularly across this country.

We need sound economic and energy policies. That is part of our struggle for national unity. We should recall the sentence given in the speech by the Leader of the Opposition (Mr. Clark) in his contribution to this debate two days ago when he said:

> —the importance of the referendum is no excuse for delaying action on economic policy, no excuse for delaying action on energy policy and no excuse for avoiding our international obligations. Indeed, delay in dealing with those acute problems may very well aggravate the tensions which now exist in the Canadian family.

Severe economic problems are controlling the country rather than the other way around. Despite their strong and vibrant economy, Albertans are concerned about the trends in other regions of Canada. Our strength depends on the strength of these regions, and we look to the federal government to take action in its sphere of influence.

Alberta would like to see less government influence over the economy and more reliance on the private sector. Government

waste and mismanagement have to be curbed, and a climate of confidence created for investment in our country. This requires an answer to the problems of high interest rates, inflation, and government debt, and a comprehensive industrial development strategy. Alberta is willing to make its contribution, and in fact already forgoes $4 billion in oil and gas revenues each year. Loans have been provided through the Heritage Fund to six other provinces, helping Canada's balance of payments by lowering interest payments outside of the country. And the Alberta government is willing to increase the amount available for provincial loans.

These remarks tonight would not be complete if we just dealt with economic problems. I want to talk for a minute about social problems. Just as we should not be diverted from our economic problems by the national unity problem, we should not allow these two problems to divert our attention from the deep social problems in our midst today. The powerful tide of change which is sweeping across the world today is tearing our families apart, rocking our economy, paralysing our political systems, shattering our values, while at the same time paradoxically sowing the seeds for a saner, wiser and more humane society. For more on this I would refer you to Alvin Toffler's "The Third Wave". It is an interesting analysis of the changes that are taking place in the world today.

What we must learn from this process is that development in our supertechnological society should focus on values of humanism, on values of the person, not just on values of the economy. We must encompass our natural environment, social relations, education. Those are the questions that are concerning Canadians very much tonight.

We in this House must ask ourselves, as this Parliament proceeds, some very hard questions about the quality of life in our society today. Why have crime, violence, divorce, suicide, abortions, drug abuse, and alcoholism soared in the last decade? In 1978, 140,000 Canadians were victims of violent crimes. Divorce rates have doubled in the last decade. More than one in four marriages in Canada ends in divorce. Suicide is the number two cause of death among 15 to 34 year olds. It is not my purpose here tonight to assign blame regarding these very complicated and meaningful statistics, but only to indicate to this House the ethical crisis that we face in the midst of a growing economy. Politicians cannot solve these problems alone; we are the first to know that. But I think there must be more leadership from all levels of government today concerning the deep social problems in our midst.

We must ask why there are so many poor among us in our society? Some 24 per cent of Canadian families lack the financial means to ensure the basic necessities of adequate food, clothing and shelter. Three-quarters of our elderly are living on incomes of less than $5,000 a year. The struggle by native people to share in the benefits of our life continues. This is a point I have argued on several occasions in the time I have been in this House, namely, the need to integrate more closely economic and social planning on behalf of human beings who, after all, are the object of our policies, not just national statistics. With a strong and united Canada dedicated to the economic and social well-being of its citizens and the citizens of other countries, I think our country would be able to exercise a more vigorous role in the international community. I conclude, Mr. Speaker, with a few remarks in that area.

• (2110)

A declaration of support for the boycott of the Moscow Olympics would today be a clear sign of leadership in the international community.

Some hon. Members: Hear, hear!

Mr. Roche: By delaying that decision the government is merely weakening the effectiveness of the response. The Soviet invasion of Afghanistan has been condemned by the world community. A boycott of the Olympics is the strongest indication of our condemnation that we can deliver to the people of the Soviet Union without entering into military action. So why do we not take this initiative now? The people of Canada are looking to us in this House to give them some leadership in response to the Soviet invasion of Afghanistan. In the past Canadian foreign policy has been diverted from longer term interests by short-term economic problems and goals.

Another publication that I commend to members of this House is the Brandt commission report. The Brandt commission has been studying for two years the whole problem of North-South relations. It is the finest single document you can put your hands on today, putting into perspective the problems of and the solutions to the north-south dilemma—the dilemma of the rich and poor nations of the world. It is called, "North-South: A Program for Survival," and it outlines the magnitude of the changes and the multidimensional dangers and unprecedented opportunities we now face in a world which is changing rapidly before our eyes.

A new way of thinking is required to turn our mutual interests with developing countries into creative partnerships—partnerships which would increase the chances of achieving global stability and security, and meet the human needs of the world's peoples. This is an opportunity and an obligation for Canada. Canada needs to develop an integrated policy in response to changing conditions in the world. Such a policy would include trade investment, aid and immigration objectives. The UN special session on international development strategy for the beginning of the third development decade is fast approaching. What is the policy of the government toward it? What thinking is being done to advance a realistic, sensible approach for Canada in the North-South role? A start, Mr. Speaker, would certainly be a parliamentary review of foreign policy. Our party has been advocating this for some time. We believe that in the ten years since foreign policy has been totally reviewed in our country, so many things have happened—it would take a whole speech in itself to outline all the things that happened in the 1970s—to make a further review necessary and that the government would be well advised to move in this area.

I applaud the government decision to establish an ambassador for disarmament. The arms race poses the greatest

immediate threat to world security, and a strong Canadian initiative should be welcome. An ambassador will help to put the spotlight on disarmament and mobilize public opinion behind the necessity to attack this very real problem. We face a dilemma here. Security is a two-sided coin. Just as we must maintain our commitment to NATO and play our role militarily in contributing to the defence of the western world, so at the same time we must work through the UN agencies to control the arms race. This seems to some people to be a contradictory position but it is only a reflection of the paradox of our age. If we are to make the world a safer place, these are the steps which must be taken by the government.

The response of the government to the plight of the Indo-Chinese refugees and Cubans seeking asylum in the Peruvian embassy is also to be applauded.

Finally, Mr. Speaker, I think that in this Parliament we should look for action in the ways the directors of the United Church suggested in their letter to the Prime Minister which was published just a day or two ago, a very important letter that I commend to all members of the House. I quote this one sentence:

> With what degree of urgency and priority will your government act to remedy current injustices at home and overseas? How will the official welcome sound to refugees needing Canadian asylum; to native peoples with their land claims; to pensioners pauperized by inflation; to the unemployed and unemployable; to home owners ousted by record interest levels; and to the growing numbers concerned that Canada cannot continue indefinitely in social peace and prosperity without greater economic independence?

Some hon. Members: Hear, hear!

Mr. Roger Simmons (Parliamentary Secretary to Minister of State for Science and Technology and Minister of the Environment): Mr. Speaker, it seems such a short time since I first stood in this chamber, albeit on the other side, to deliver my maiden speech. Just over four months ago, on December 13, I spoke in the budget debate. Earlier that day I had bought a house. The same day I had registered for a French language program. After my speech that night I cast my vote in the House and the government fell.

Some hon. Members: Oh, oh!

Some hon. Members: Hear, hear!

Mr. Simmons: Mr. Speaker, you will probably be aware that last evening I cast my first vote in this Parliament. I should also mention that yesterday I registered for a French language program. Today I am giving my speech. It goes without saying that I received the Prime Minister's (Mr. Trudeau) full blessing to make this speech tonight after I had sworn an oath before him that I would not buy a house today!

Mr. Speaker, first of all let me convey my congratulations to Madam Speaker on her election as presiding officer of this chamber. I want to assure her and all those who sit in the chair, including you, Mr. Speaker, of my loyalty and support for the important principles that the office represents and to wish you the best for a very enjoyable and successful term.

My colleagues, the hon. member for Rimouski (Mrs. Côté), and the hon. member for Sudbury (Mr. Frith), are to be commended for moving and seconding the motion to draft an address in reply, for the eloquent manner in which they did it, and for setting the commendable tone of this entire debate today.

My riding of Burin-St. George's comprises 102 communities along the south and the southwest corner of the island of Newfoundland. I do want to thank my electors and my workers there for their support in two elections, on November 19 and February 18. I shall do my very best to carry out the mandate given me in this Parliament to work with others in all parts of this House on behalf of the people of Burin-St. George's and Canada.

• (2120)

While I am on the subject of February 18, allow me to recall a couple of incidents which I am sure made impressions on all of us on election night. The gentleman who is now the right hon. Leader of the Opposition (Mr. Clark), in that very magnanimous and thoroughly dignified speech on election night in which we conceded his government's defeat at the polls, I believe made us all very proud to be Canadians, and I want to thank him sincerely.

Some hon. Members: Hear, hear!

Mr. Simmons: If the former prime minister, the right hon. member for Yellowhead, gave us one of the high points on election night, it was certainly his minister of finance, the hon. member for St. John's West (Mr. Crosbie), who clearly provided the low point that night. That should not be construed as any aspersion on the Leader of the Opposition. I am sure the hon. member for St. John's West is just as big an embarrassment to the Leader of the Opposition as he is to all of us in Newfoundland and all of us in this chamber.

Some hon. Members: Hear, hear!

Mr. Simmons: On election night the hon. member for St. John's West intimidated voters from coast to coast with his remarks on television, and he impugned the integrity of fully more than half of the people in this chamber. That kind of insolence cannot go unchallenged. Coming, as it did, from the minister of finance for Canada, renders it all the more reprehensible and incredulous. I know the hon. member was under great pressure that night, and now that he has recovered his composure and regained his sanity—I must admit he looks these days as normal to me as he ever looked—and now that the circumstances are less emotional, I invite and urge him to apologize to this chamber and to the country for his election night outburst. I do not think it can go unchallenged, and I invite him to do the honourable thing, and to do it very soon.

Just as the Leader of the Opposition and the hon. member for St. John's West evoked in me on election night feelings of pride on the one hand and of disgust and pity on the other, so it was the Leader of the New Democratic Party (Mr. Broadbent) who provided for me—

Mrs. Mitchell: Hear, hear!

Mr. Simmons: I thought my good friend from Vancouver would cheer on this one. It was the Leader of the New Democratic Party who provided for me comic relief during the campaign. Every night he was on television proffering his solutions to the day's problems. One night he solved inflation. The next night he had a definitive answer regarding high interest rates, and the next night the energy dilemma succumbed to his ruthless intellectual stamina. So it went throughout the campaign.

It was an American president, Mr. Franklin Roosevelt, who promised to deliver the goods within 100 days of taking office. Our own late Prime Minister Pearson talked about 60 days of decision. Both were mere tortoises compared with our friend from Oshawa. At the stupendous rate which he cures the country's ills, as prime minister he could easily deliver Utopia by the end of the month. He is our very own patron saint of instant solutions. His cures were so complete and so all-embracing during the campaign that I became concerned about his very survival. At the rapid rate at which he was solving the nation's problems it was clear to me that by week's end he, with no more worlds to conquer, would, like Alexander the Great before him, sit down and cry himself to death.

Then, just as things were looking their bleakest for our very own "made in Canada" patron saint of instant solutions, a Liberal—who else?—came to his rescue—albeit a Liberal gone astray, the former Liberal member for Northumberland, the present NDP member for New Westminster-Coquitlam (Miss Jewett) who has positioned herself directly behind her leader, which is to her credit but not his. "All the better to jump you, dear leader", which is exactly what she was obliged to do during the campaign. In the interest of liberalism she did it, you understand. Hon. members will recall the incident, I am sure. I know NDP people do not want to hear about it. It is a sore thing for them, but it happened, so let us talk about it. Our patron saint of instant solutions had just administered his daily potion to the ailing nation. The problem that night was Russian aggression in Afghanistan. His cure was military force.

Mrs. Mitchell: You had better listen to him.

Mr. Simmons: I do not just have to listen. I can give the hon. lady the press clippings and the actual quotations of her leader's comments about the need to use military force, if necessary. He was going to back Mr. Carter to the hilt, the hon. member will recall, including, he said, military force, if necessary. I am sure the hon. lady does not like it any more now than she liked it during the campaign, and that is why what I have to say at the moment is the absolute truth about the subject.

An hon. Member: Get on with it.

Mr. Simmons: His cure was military force. His cure, maybe, but he neglected to consult the good doctor from New Westminster-Coquitlam. Indeed, as I hear it, he also forgot to consult his party. That was when and why she jumped him. "He is not speaking for me" she said, "not speaking for the caucus or for the party". Those were her actual words, and she said them just two weeks before election day. I refer to the hon. member for New Westminster-Coquitlam.

Mr. Crosby: She didn't say it loud enough.

Mr. Simmons: Oh, she said it loud enough, but one of the handicaps we had, I say to my friend in the official opposition from Halifax, was not that he could not hear but that the NDP network was at work that night.

An hon. Member: What does that mean?

Mr. Simmons: The same NDP network that was at work during the byelection in Burin-St. George's last November, the CBC, in case the hon. member is not sure.

Mr. Blackburn: Get on with your speech.

An hon. Member: What are you smoking, Roger?

Mr. Simmons: They are tender tonight, are they not, Mr. Speaker?

It comes as no surprise that in this throne speech debate the Leader of the New Democratic Party on Tuesday of this week was no longer the sabre rattler that his friend called him during the campaign. He was no longer the warmonger of less than three months ago. Now he tells us how much rice we could buy for the price of an F-18A aircraft. As with every other problem he has ever confronted and his party has ever confronted, he solved it just like that the same day. What was his solution for the old guns or butter argument? He solved it in the usual manner by coming down squarely on both sides of the issue.

Mrs. Mitchell: Where do you stand?

Mr. Simmons: I will tell the hon. lady in a moment exactly where I stand.

In January the Leader of the New Democratic Party advocated guns. In April he advocated butter.

Mr. Blackburn: No, rice.

Mr. Simmons: Oh, the wondrous advantages of a forked tongue! Of course, speaking out of both sides of your mouth is somewhat less hazardous when you know full well you will never ever have to put your money where your mouth is.

Some hon. Members: Hear, hear!

• (2130)

Mr. Simmons: In any event, I am delighted that the hon. member for Oshawa is chastened by the experience which his friend, the hon. member for New Westminster-Coquitlam, put him through during the campaign. He is chastened by it. Now he finds himself happily on the side of humanity and compas-

sion, a very good place to be. I thank our Liberal in exile for setting him straight.

Mr. Knowles: Sounds like jealousy.

Mr. Simmons: Like that hon. member, we on the government benches are also profoundly concerned over the present international situation. That is why in the throne speech the government announced its intention to appoint an ambassador for disarmament and thereby action our concern over the high proportion of the world's scarce resources which is being expended on military hardware while humanitarian needs are going largely unattended.

That brings me to the subject of those in this Parliament who, unlike the hon. member for Oshawa and his happy band of followers, had the chance to put their money where their mouths are, those who have had, albeit briefly, the reins of power. In the brief few days we have been here during this session, it is becoming increasingly clear that the Tories learned little from their chronologically short though otherwise harmfully long stint in office as the government of this country. The right hon. Leader of the Opposition berated us in the last two or three days here in the House and on television. He berated us rather openly for not bringing down a budget, just one week into Parliament and barely six weeks after the government was sworn into office.

An hon. Member: Your microphone is not working.

An hon. Member: Add one minute to his time.

Mr. Simmons: Thank you.

An hon. Member: He has had enough time.

Mr. Simmons: What about eastern Canada? Are you not concerned about that?

An hon. Member: Yes, we are very concerned.

An hon. Member: Of course the east needs help.

An hon. Member: Six months in the House of Commons and already he is a tiger.

Mr. Simmons: The Leader of the Opposition has been berating us about the absence of any budget in the first week of this Parliament or six weeks after the government was sworn into office. Does he have a short memory, or just a convenient one? The Tory administration which he led waited five months after the election before it would even face Parliament, five whole months, and another nine weeks after that before bringing down a budget.

Perhaps the Leader of the Opposition subscribes to the popular conception in this country so eloquently articulated by his minister of finance during the election, the popular conception that Liberals are more able at governing the country. Is that why the Leader of the Opposition insists that a budget be produced in less than one-third the time it took his own administration to produce a budget? If he too is cursed with a forced tongue—with a forked tongue—

An hon. Member: Forced tongue?

Mr. Simmons: It is the member for Oshawa who has the forced tongue. It is the right hon. member for Yellowhead, I suggest, who might have the forked tongue. If he does, the very least he should do is learn to wield it to his own advantage.

An hon. Member: A sore tongue.

Mr. Simmons: Considering the budget which they brought down ultimately, the agonizing weight of five months and then another nine weeks was pleasant compared to the reality. "Short-term pain for long-term gain", the Tory finance minister called it, or to put it differently, "I am certain I will know how to cure a patient just as soon as I do the autopsy".

An hon. Member: The patient died.

Mr. Simmons: Is it any wonder that the right hon. member for Yellowhead and his colleagues have returned by the grace of the Canadian people to the opposition benches?

An hon. Member: How original.

Mr. Simmons: I come now, Mr. Speaker—

Some hon. Members: Finally.

Mr. Simmons: I come now to the gravest issue of all which faces this nation—

Some hon. Members: The Liberal government.

Mr. Simmons: —its very survival as a nation. I have never felt prouder to be a Canadian or more comfortably at home in this nation than during the speech in this chamber on Tuesday by the right hon. Prime Minister.

Some hon. Members: Hear, hear!

Mr. Simmons: In a most eloquent manner he spelled out for us the very essence of this confederation and the urgent justification for its continuance, though, of course, in a renewed form which recognizes present day realities and requirements.

I was not born a Canadian. My fatherland was the dominion of Newfoundland which was a sovereign state for over a hundred years until 1949 when it joined confederation. I still remember the campaign in favour of Newfoundland's joining confederation as well as the referenda. I recall the anxiety, the bitterness and the fear of the day. My father who is now 75, though he voted in favour of confederation, still considers himself a Newfoundlander first but takes pride in being a Canadian. My father as well as many other persons in Newfoundland who remember the events that preceded 1949 have discovered that it is possible to be both a Newfoundlander and a Canadian. And I will tell you why.

[*Translation*]

When Newfoundland became part of our confederation, we did not relinquish, suppress or liquidate our sovereignty. On the contrary, we increased it, we put it to work in order to steer our aspirations towards economic and cultural freedom. We have indeed succeeded.

Freedom is an empty word if you have no market on which to sell your goods, if you have no employment, if you run the risk of losing your heritage, your culture because you are overly concerned by personal financial hardships. Our culture and our heritage are precious to us Newfoundlanders, and today we are witnessing a thriving period that we did not experience in the forties and all of that was made possible because we are now part of Canada.

In Newfoundland and Labrador, our culture and economic freedom have flourished remarkably since 1949, and that, because of confederation. Ours is the only Canadian province which negotiated its union with Canada during this century. Despite everything, after an alliance of 31 years, we believe that union must be improved. So, we are not surprised that the people of Quebec, one of the founding provinces of confederation, should ask that a closer look be taken of the terms of confederation after 113 years. There is not a single province in Canada which would agree to confederation continuing as it exists today. All political parties in this House have expressed publicly their wish to see confederation improved, renewed. And our Prime Minister has indicated to us that he and his government not only agree but are eager to work towards that end.

● (2140)

[*English*]

There is not a province anywhere in this country, be it one of the western provinces, to which reference was made a moment ago, Quebec, my own province of Newfoundland and Labrador, or any other, which should be content to have the Canadian confederation existing in its present form. On that I believe, partisanship aside, either in this House or across the country, we are all very much agreed. As the Prime Minister said on Tuesday and on many occasions before, we in this government are ready to get on with the job. That is why a Yes result in the Quebec referendum is unthinkable. It is unthinkable both in terms of Quebec's interests, in the interests of Newfoundland and Labrador, and in the interests of every province and of every Canadian.

In conclusion, Mr. Speaker, I want to appeal to my fellow countrymen in the province of Quebec to record a resounding No vote on May 20 because that is the only vote which will launch, not only Quebec but my province, this nation and all of us, on the road to renewed and better federalism. Thank you.

Some hon. Members: Hear, hear!

Mr. John Thomson (Calgary South): Mr. Speaker, I should like to begin by asking you to convey to Madam Speaker my sincere best wishes and congratulations on her appointment to the prestigious position of Speaker of this House. While I have only been a member of this House since last May, during that time I have learned to appreciate the difficulty of her task, and the integrity and the courage demanded by her assignment.

It is my hope to convey to this House this evening the feelings of my fellow Albertans, and particularly the feelings of my constituents in Calgary South as they relate to national unity. The people of Calgary South are very concerned about the Quebec referendum and about the possibility that Quebeckers may choose to separate from the rest of Canada. The people of Calgary South earnestly hope that our country will stay together.

Some hon. Members: Hear, hear!

Mr. Thomson: I will not presume to speak of the concerns of the Quebeckers in the national unity debate, other than to say that my constituents have no sympathy for the argument of sovereignty-association. It is equally important for Quebeckers to know that Albertans pray with all their hearts that Quebeckers will find it within their hearts to stay within confederation. Albertans are deeply concerned for the future of Canada. They are frustrated and discouraged with their federal government, but they are loyal to Canada and they want to resolve those frustrations within the context of confederation. There is very little support for the idea of western Canadian separation.

The Prime Minister (Mr. Trudeau) in his speech stated that disagreement among the members of this House should not be based on regional interests, but should be based on the concept of the whole which we are trying to serve in different ways. I am certain that each member of this House is trying to serve Canada no less than he.

There is no argument, I believe, in this House that this House must represent the national will and the national interest. But, Mr. Speaker, if I do not represent the regional aspirations of Alberta and of my constituents in Calgary South as those aspirations relate to the matters governed by federal jurisdiction, who will represent those interests?

In our present federal electoral system it certainly would be unreasonable for me to accept the view that the two most populated provinces of Canada by themselves represent the national will or the national interest.

The Prime Minister talked of patriotism and the feeling of belonging to and of loving a country. I believe that every Canadian deeply loves Canada in his own way, even if he expresses it differently than his fellow Canadians.

I spoke of the frustration which exists in Alberta today. In Calgary South these concerns, frustrations and even hostility are expressed very openly almost every day. What puzzles me, and what puzzles other Albertans, is the lack of understanding by eastern Canadians of the spirit and the potential of western Canada. We have failed to get through to eastern Canada.

The Prime Minister has stated on a number of occasions that he does not understand the west, and this is evident, unfortunately, by his government's statements and actions

which seemingly are designed to antagonize the people of western Canada deliberately. Let me give two recent examples of this antagonism. They are with respect to the Prince Rupert terminal facility which has been spoken about in this House on numerous occasions, and the reneging of the oil sands pricing agreement. It may well be that the oil sands pricing agreement should be changed. Maybe Syncrude and Suncor should not receive escalating world prices, but the point I want to make is that these decisions were made unilaterally by the federal government without the slightest consultation. In the case of the oil sands pricing agreement, does consultation mean a telephone call one hour before it is announced to the press? Is that consultation?

● (2150)

Metrication and federal intrusions into housing and medicare are other examples of policies which have alienated western Canadians, just to name a few. The domestic oil price freeze of 1973, and numerous government interventions in the oil and gas industry are seen by westerners as discrimination against their interests. Albertans, particularly those from the generations preceding me, have enormous pride in Canada. I am not trying to suggest that their pride is any greater than that of the gentleman from Newfoundland or members from the other provinces of this country. All I am trying to say is that people of Alberta have a feeling of belonging to something that they have built themselves with very little help from the rest of Canada. These are self-made men and women who have developed self-reliance. They are entrepreneurs and are fiercely independent. They resent deeply the heavy hand of government.

The farmers and cattle raising communities in Alberta are bitter because of the lack of help they received during the hard times of the 1920s and 1930s when there was no, or very little, market for their produce, and the droughts of those years destroyed many of their crops. These people feel that they were left to fend for themselves during the years of the depression with precious little assistance from the central government.

During recent years transportation and terminal facilities have failed to keep pace with western Canadian grain production. Tariff and freight rates have consistently discriminated against western Canada. Albertans feel that they have been ignored, and now, when western Canadians are enjoying prosperity from their natural resources and agriculture, they feel that the central government and eastern Canada are trying to steal something away from them for which they have worked very hard. They feel that the rules of the game have been changed in mid stream.

There is also the firm belief that westerners have been unfairly called upon to pay world prices for eastern manufactured goods which are protected by tariffs while, at the same time, they are being asked to sell their resources and their crops at less than world value. Since 1947 when the Leduc oil field was discovered, Alberta has moved ahead in giant steps, largely because of the strength of its oil and gas industry. I was fortunate enough to be a part of this economic development, and I can say that eastern investors would not help to finance this development and that the oil and gas exploration industry was forced to turn to the United States for investment. Again this is one of a number of reasons for the feeling of hostility which expresses itself today in Alberta. Is it small wonder that the oil and gas industry is owned to such a high degree by foreigners?

It is ironic that this ownership is resented by many economic nationalists today, and yet without those foreign investors we would not enjoy the benefits that we do today from the oil and gas resources of western Canada. I think that is ironic, considering that we have today in the country a feeling of economic nationalism. It is also a mystery to me why the Speech from the Throne indicates the intention of the government to buy back foreign ownership when Canada is facing a crucial shortage of needed capital to help it achieve energy self-sufficiency.

Does the Liberal government or, for that matter, does anyone really believe that Canada really has the necessary resources in this country to finance energy self-sufficiency? No, my friends, we do not have it. And to lead the Canadian people to believe that we do is false. Many easterners think that Alberta is greedy and is being unreasonable in its demands with respect to oil and gas pricing. The oil and gas resources of Alberta are being depleted quickly. Over the next ten years our production capability will be reduced by more than one half. Alberta has a very short time to diversify its economy so that future generations may enjoy the same prosperity that we do today. Our production will be reduced by one-half in ten years' time. I am not exaggerating. Those are known facts as stated by the Department of Energy, Mines and Resources. They are well known to members on all sides of the House.

Alberta is not, and has not been, inflexible with respect to the pricing of its oil and gas, as some people would have us believe. The province of Alberta has made an unparalleled subsidy to the rest of Canada in terms of the difference between the world price for oil and that being charged to Canadians. The sum total of this subsidy since 1973 has been in the order of $15 billion. The agreement which was reached between the Conservative government and the province of Alberta would have provided further subsidies to Canadians totalling almost $20 billion over the next five years.

There are a few other points on the energy issue which I would like to draw to the attention of members of the House that relate specifically to the oil prices. The federal minister of energy made reference in his speech yesterday to the fact that the former Conservative government would have let OPEC determine Canadian oil prices. That statement is not true, Mr. Speaker. The agreement reached by our government would have ultimately tied Canadian oil prices to 85 per cent of the composite price for oil in the United States. This is usually referred to as the Chicago composite price. It bears no relationship whatsoever to the OPEC price today, nor would it in

the future. The minister went on to say that the federal government loses when OPEC gains. The reason for this is quite simple. It is due to the fact that under the Liberal energy policy established in 1975 they chose to subsidize Canadian consumers for the difference between the cost of imported oil and the domestic oil price. In short, the Liberal government chose to deficit finance the cost of this subsidy. That is why the federal government is losing when OPEC gains.

The Liberal government deliberately chose to pass on the debt that was being incurred as the result of the difference between imported oil and the domestic oil price to future generations of Canadians. Our government, the Conservative government, believed that Canadians should face up to the reality of the cost of imported oil and that this cost should be borne by Canadians who are using that oil today, and not by our children.

● (2200)

Another point with respect to OPEC oil prices which I think many Canadians misunderstand is that they believe that OPEC oil prices are still being determined by a cartel and that this price bears no relation to fair market value.

I see it is ten o'clock, Mr. Speaker, but perhaps I could finish this paragraph. Let me just finish this one paragraph—

Some hon. Members: Ten o'clock.

The Acting Speaker (Mr. Blaker): I am sorry to interrupt the hon. member for Calgary South (Mr. Thomson), but I did not hear consent for him to finish that paragraph.

PROCEEDINGS ON ADJOURNMENT MOTION

[*Translation*]

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

POST OFFICE—RURAL SATURDAY POST OFFICE SERVICE

Mr. Laverne Lewycky (Dauphin): Mr. Speaker, I wish to thank the Minister of Consumer and Corporate Affairs and Postmaster General (Mr. Ouellet) for the answers he gave me this morning about the postal service.

[*English*]

I was pleased to hear the minister say this morning that he does not wish to cut back Saturday postal service in the rural areas. I was pleased to hear him say that this is also the present Liberal government's policy. Many of my colleagues and I have received numerous representations protesting the proposals of the previous Conservative government.

Let me mention at the outset several reasons why the people of my constituency found the Conservative proposals unacceptable. In my constituency I have some 34 municipalities as well as many unincorporated villages and village communities which would be affected if there were any reduction in Saturday postal service.

First of all, before I proceed I should like to thank my colleague, the hon. member for Kootenay East-Revelstoke (Mr. Parker), our postal critic, who encouraged me to raise my constituents' concerns regarding their postal service.

The postal service in my constituency is a vital public service, Mr. Speaker. The postal service must be looked at as the hub of a wheel, not as a mere spoke in a wheel. The Saturday postal service is an economic hub in the rural village wheel. If the post office were closed on Saturdays the rural residents would drive to the nearest city where there is a sub post office. They would do all their shopping there, to the detriment of the smaller village. The removal of money from a village also means the removal of jobs.

Weekly newspapers would also be hit. Many newspapers in my riding publish in the latter part of the week. If the newspapers did not make Friday delivery, they would not reach their destination until Monday. Hence, all the advertising functions are lost, hurting the small businessmen who want to capitalize on the day many people come to town.

The postal service in rural constituencies is also a political hub in the rural wheel. For many rural citizens the post office is the only link with the federal government. They see the post office as more than a place for stamps and mail; the post office is the place to pick up income tax forms, passport forms, and information on government programs.

I should also like to argue that the post offices are a social hub in the rural way of life. Postmasters in my constituency are community leaders. They are dedicated to their tasks. They believe in service to the public. They provide a personal service that cannot be found in larger, more impersonal urban centres. Saturday, for the postmasters, is one of their busiest days.

In the February 15, 1980, issue of the *Journal* the previous postmaster general was reported as saying that he was studying the idea of closing post offices on Saturdays in order to save money. In fact the previous government has closed Pembroke and Peterborough on an experimental basis. The response to the previous government's suggestions can be illustrated by some of the representations I received from my constituency. Specifically, for example, Mr. Drebinsky, the secretary-treasurer of the rural municipality of Gilbert Plains, writes as follows:

> The reeve and council of the rural municipality of Gilbert Plains strongly object to the proposal. It may be fine in larger towns and cities. But it will only further reduce the business in smaller communities if Saturday closing is implemented.

He goes on to say:

> There must be other means of reducing Canada Post costs. Please pass on our objections to the higher authorities in the best way possible.

Similarly, Mr. Speaker, the mayor and council of the village of Gilbert Plains have passed the following resolution:

Whereas current plans of the Canada Post are to implement a Saturday closing of postal services in all small communities in Canada;

And whereas the council of the village of Gilbert Plains deems this action to be detrimental to the economic welfare of the community and is of the opinion that such actions will adversely affect the survival of all small communities;

And whereas the council of the village of Gilbert Plains is of the opinion that all services cannot be equated with dollars as is the apparent suggestion of Canada Post;

Therefore be it resolved that we petition our local representatives to both the provincial and federal governments to intervene and stop the actions of Canada Post which are so detrimental to the well-being of small communities such as ours.

● (2205)

Likewise, Mr. Speaker, the reeve and the council of the rural municipality of Ochre River have passed a resolution which reads:

Whereas closing of the post office on Saturdays will impose a severe problem towards smaller communities, both towards businesses and mail service to customers;

And whereas a move in this direction will further speed up closing of smaller communities as well as movement out of the surrounding country;

Therefore be it resolved that we strongly protest against the closing of the post office on Saturdays.

The secretary-treasurer of the village of Minitonas, Mr. Bruce, writes on behalf of that northern village in my constituency:

The opportunity to have mail service available in the small communities is vital to the economy of the community. I cannot estimate the numbers of persons who come to towns Saturday to get mail. Likely an accurate figure would not be available. The important fact is, however, while in town these individuals, in most cases, also shop while in town. Thus the business places prosper. If the post offices are closed, a portion of the monies usually spent will be lost and the economy of the town suffers.

My constituency extends roughly 200 miles north and south. From the southern end I have also had representations concerning proposed postal closure. Mrs. Ed Rempel, the secretary-treasurer of Plumas, writes:

This idea is very unfavorable. Some people only come to town on Saturdays to do their weekly shopping, pick up the mail and other business.

Our daily papers come through the mail. They are a day late now. This would mean the Friday paper wouldn't be gotten until Monday. We the committee of Plumas do not see it as being feasible to close the post office on Saturday.

The mail at present is slow enough coming now. Why delay it more?

My concern is shared by my rural colleagues as well. For example, my neighbour to the west, the hon. member for Yorkton-Melville (Mr. Nystrom), recently sent out a questionnaire. Yorkton-Melville is a rural constituency very much like Dauphin. Cards were sent with the message: "Yes, I am in favour of retaining Saturday postal service in rural communities". Within nine days the hon. member received well over 500 responses stating opposition to the proposed Saturday closing. Over 500 people immediately replied, signing their names to the document. Many signatures represented husbands, wives and families. I thank my colleague for allowing me to bring these responses here tonight to show you, Mr. Speaker.

But Yorkton-Melville is not the only constituency thus affected. Many of my colleagues from other ridings such as Prince Albert, Humboldt-Lake Centre, The Battlefords-Meadow Lake, Kootenay West, Mission-Port Moody, as well as Selkirk-Interlake, have also been concerned and have expressed their concern to me.

In conclusion, I wish to thank the minister again for his response this morning. I commend him for giving a straight answer. May I say that we in this House will be holding him to his words, just as our constituents will who asked us to raise this issue.

Miss Aideen Nicholson (Parliamentary Secretary to Minister of Consumer and Corporate Affairs and Postmaster General): Mr. Speaker, Canada Post has traditionally played an important role both in the development of this nation's economy and its social fabric, and the Post Office continues to perform a vital role in the every-day lives of all Canadians. For this reason the Postmaster General (Mr. Ouellet), in answering the question put this morning by the hon. member for Dauphin (Mr. Lewycky), sought to reassure not only the members of this House but also those Canadians living in rural areas that no unilateral decision would be made concerning Saturday delivery on rural routes. The minister clearly said that no such changes would be made without full consultation with those Canadians who would be affected by such a decision.

The Post Office, like any organization, must constantly review its operations if its services are to remain up-to-date. Demographic patterns are changing constantly across Canada. New communities begin and grow rapidly; other communities decline. If the Post Office is to operate efficiently and economically in the best interests of all Canadians, changes in service will have to be made, but we are always cognizant of the fact that all Canadians are entitled to good service wherever they live.

Recently the Post Office has had to adjust to the rapidly escalating costs of energy. The high cost of energy is a reality confronting individual Canadians from coast to coast and it seriously affects the cost of moving the mails.

Governments have been exhorting the Canadian public to practise energy conservation for obvious reasons but mainly because the money we pay for foreign oil has an adverse effect on the nation's economy and our balance of payments. The energy problem affects the pocketbooks of all Canadians and that is one reason why Post Office officials have been considering the possibility of reducing service on 5,000 rural routes, in order to conserve energy. We cannot exhort the Canadian public to conserve energy without attempting to reduce the government's own consumption of energy. Of course, this has to be balanced against the fact that Canadians want to receive the best mail service possible. In fact, the Post Office has been improving service while reducing operating costs. The minister's aim is to ensure that all Canadians, wherever they live, receive adequate service from Canada Post and that while the search for increases in efficiency go on, the service does not decrease.

• (2210)

The Acting Speaker (Mr. Blaker): There being no other members who have presented their names for debate this evening, the motion to adjourn the House is deemed to have been adopted. Accordingly, this House stands adjourned until tomorrow at eleven o'clock.

Motion agreed to and the House adjourned at 10.11 p.m.

HOUSE OF COMMONS

Friday, April 18, 1980

The House met at 11 a.m.

• (1105)

ROUTINE PROCEEDINGS

[*English*]

TELEVISION

ALLEGED RACIST PROGRAM SHOWN ON CTV—MOTION UNDER S.O. 43

Mr. Ian Waddell (Vancouver-Kingsway): Madam Speaker, I rise, under the provisions of Standing Order 43, on a matter of urgent and pressing necessity.

Whereas the Canadian Television network CTV recently produced and televised a program entitled "Campus Give-Away" on the television program "W5"; and whereas committees of Chinese Canadians objected to the program as racist; and whereas, as a result, Mr. Murray Chercover, the president of CTV, has now acknowledged that distorted statistics, combined with the visual presentation, made the program appear racist in tone and effect, I move, seconded by the hon. member for Vancouver East (Mrs. Mitchell):

That this House condemns racism in any form, applauds the efforts of the committees of the concerned Chinese Canadians, welcomes the admission of president Chercover, and urges the Canadian Radio-television and Telecommunications Commission, CTV, and other media to take steps to ensure that this sort of program is never aired again.

Madam Speaker: Such a motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

STATUS OF WOMEN

FOURTH VICE-PRESIDENT OF CANADIAN ADVISORY COUNCIL ON STATUS OF WOMEN—MOTION UNDER S.O. 43

Miss Pauline Jewett (New Westminster-Coquitlam): Madam Speaker, I rise, under the provisions of Standing Order 43, on a matter of urgent and pressing necessity.

In view of the fact that the Canadian Advisory Council on the Status of Women has a staff of fewer than 20 and already has a president and three vice-presidents and, therefore, that the appointing this week of a fourth vice-president—who was drawn directly from the Prime Minister's office—is totally superfluous and highly partisan, I move, seconded by the hon. member for Winnipeg North Centre (Mr. Knowles):

That the Prime Minister reconsider his decision to promote his correspondence secretary, Hellie Wilson, to the position of fourth vice-president of the Canadian Advisory Council on the Status of Women.

Madam Speaker: Such a motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

ENERGY

PRICE OF OIL IMPORTED FROM MEXICO—MOTION UNDER S.O. 43

Mr. Thomas Siddon (Richmond-South Delta): Madam Speaker, I rise, under the provisions of Standing Order 43, on a matter of urgent and pressing necessity.

In view of the fact that the government is contemplating the importation of Mexican oil at a price in excess of $36 per barrel, while it continues to hold the price for western Canadian crude oil at less than $15 per barrel, I move, seconded by the hon. member for Edmonton East (Mr. Yurko):

That the government be censured for its hypocrisy in claiming greater benefit to Canada by paying more to the Mexican oil industry for their oil than it would pay to Canadians for our own.

Madam Speaker: Such a motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

SMALL LOANS ACT

CALL FOR REPEAL OF LEGISLATION—MOTION UNDER S.O. 43

Mr. Charles Mayer (Portage-Marquette): Madam Speaker, I rise, under the provisions of Standing Order 43, on a matter of urgent and pressing necessity.

Considering the fact that the Small Loans Act was passed in 1939 to serve problems of a different era, and in view of the fact that the act can now harm the very consumers it was intended to protect—specifically, those who require a loan under $1,500—and that the Superintendent of Insurance has indicated in committee that the act now has no value, I move,

seconded by the hon. member for Mississauga South (Mr. Blenkarn):

That this House does hereby repeal the act immediately, thereby providing long-overdue relief to credit unions and caisses populaires which are so restricted under the current regulations.

Madam Speaker: Such a motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

● (1110)

HEALTH

REPORTED OUTBREAK OF "RED RASH" DISEASE IN DAUPHIN, MANITOBA—MOTION UNDER S.O. 43

Mr. Laverne Lewycky (Dauphin): Madam Speaker, I rise, under the provisions of Standing Order 43, on a matter of urgent and pressing necessity.

In the light of reports that a "red rash" virus has so far affected 200 young people aged five to twenty years in the Dauphin area, I move, seconded by the hon. member for Winnipeg North Centre (Mr. Knowles):

That this House call on the Minister of National Health and Welfare to investigate reports of a serious disease affecting people in the Dauphin area, and to co-operate with the Manitoba Department of Health and Community Services to deal with the situation.

Madam Speaker: Presentation of such a motion at this time requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

ENERGY

SALE OF GASOLINE TO UNITED STATES CITIZENS—MOTION UNDER S.O. 43

Mr. Don Blenkarn (Mississauga South): Madam Speaker, I rise on a matter of urgent and pressing necessity. In view of the fact that Americans are coming across our border in increasing numbers, buying our subsidized gasoline and oil products at prices at least 50 cents a gallon cheaper than are available in the United States, I move, seconded by the hon. member for Fundy-Royal (Mr. Corbett):

That this government institute immediately control measures to prevent foreign purchases of gasoline and oil products in excess of the reasonable demands of tourists and businessmen.

Madam Speaker: Presentation of such a motion at this time requires unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

INDUSTRY

REQUEST THAT CANADA-U.S. AUTO PACT BE RENEGOTIATED—MOTION UNDER S.O. 43

Mr. Ian Deans (Hamilton Mountain): Madam Speaker, I rise, under the provisions of Standing Order 43, on a matter of urgent and pressing necessity.

As a result of the massive lay-offs in the auto industry which have resulted from the inability of the Canadian government to enforce the "fair share" provisions of the existing auto pact, with subsequent economic hardship to Canadians, I move, seconded by the hon. member for Winnipeg North Centre (Mr. Knowles):

That this House instruct the Secretary of State for External Affairs, and the Minister of Industry, Trade and Commerce, to proceed forthwith to Washington for the purpose of renegotiating the auto trade pact in order to ensure that the Canadian industry receives a proper share of all manufacturing in the auto industry based on the Canadian percentage of total sales in the North American market.

Madam Speaker: Presentation of such a motion at this time requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

PENSIONS

EQUALITY OF PENSIONS FOR SURVIVING SPOUSES—MOTION UNDER S.O. 43

Hon. Stanley Knowles (Winnipeg North Centre): Madam Speaker, under the provisions of Standing Order 43, and seconded by the hon. member for New Westminster-Coquitlam (Miss Jewett), I move:

That this House urges the government to review all the employee pension plans that come under its jurisdiction, and to take the necessary steps to provide that in all cases the pensions of surviving widows—or of surviving widowers where applicable—will be not less than 75 per cent of the contributor's pension, and that the eventual goal be a full 100 per cent pension for either survivor, in accordance with the principle of equality between men and women.

Madam Speaker: Presentation of such a motion at this time can only be done with the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

AIR TRANSPORT

EPA APPLICATION FOR HALIFAX-TORONTO ROUTE—MOTION UNDER S.O. 43

Mr. Howard Crosby (Halifax West): Madam Speaker, I rise, under the provisions of Standing Order 43, on a matter of urgent and pressing necessity.

The recent decision of the Canadian Transport Commission, refusing Eastern Provincial Airways permission to establish a Halifax-Toronto route, has jeopardized the air transport industry in Atlantic Canada by endangering the viability of Eastern Provincial Airways and contradicted the recommendations of the Atlantic provincial premiers. Accordingly, I move, seconded by the hon. member for Annapolis Valley-Hants (Mr. Nowlan):

That this House direct the Minister of Transport to conduct a review of air transport policy that allegedly precludes EPA from servicing the Halifax-Toronto route.

Madam Speaker: Presentation of such a motion at this time requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

ORAL QUESTION PERIOD

[*English*]

EXTERNAL AFFAIRS

SANCTIONS AGAINST IRAN AND SOVIET UNION—GOVERNMENT POSITION

Hon. Flora MacDonald (Kingston and the Islands): Madam Speaker, my question is directed to the Prime Minister, who indicated in his press conference this morning that he had been consulting with leaders of the economic summit countries and other countries to try to figure out where he wants to go regarding sanctions against Iran because of the hostage situation, and sanctions against the Soviet Union because of their invasion of Afghanistan.

Since he has had two months to consider this, and has said nothing publicly, and since Prime Minister Thatcher of Great Britain has certainly made her views known publicly, Chancellor Schmidt of West Germany has certainly made his views known publicly, President Carter has certainly made his views known publicly—

• (1115)

Some hon. Members: Oh, oh!

Miss MacDonald: —when is the Prime Minister of Canada going to make his views known publicly with regard to sanctions?

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, as the hon. lady knows, I am a rather modest person.

Some hon. Members: Oh, oh!

Mr. Hees: For a very good reason.

An hon. Member: There is no joke there.

Mr. Trudeau: If Prime Minister Thatcher, Chancellor Schmidt and President Carter, and even the then prime minister Joe Clark, have not managed to have any effect on the hostage situation in Tehran or on the withdrawal of troops from Afghanistan, I think she is lending me great credit indeed if she thinks the world is hanging on my statement.

Some hon. Members: Oh, oh!

Some hon. Members: Hear, hear!

Miss MacDonald: I have a supplementary question, Madam Speaker; perhaps the Prime Minister of Canada might try. I would like specifically to mention the Olympic boycott. The other day I mentioned that some 57 countries have made their views known in that they favour an Olympic boycott, many of them being from the Third World.

In his press conference this morning, the Prime Minister implied that he, personally, did not favour a boycott of the Olympic Games. Could he state if this is the official view of the government?

Mr. Trudeau: Madam Speaker, I beg to differ. I did not imply that. I made the point that my personal views were irrelevant.

Some hon. Members: Oh, oh!

Miss MacDonald: There are a lot of Canadians who think that, too.

Some hon. Members: Hear, hear!

Miss MacDonald: In his press conference, the Prime Minister, when he was talking about sanctions, indicated that certain measures that had been taken by the former government against the Soviet Union because of its invasion of Afghanistan—specifically, the measure to cut off scientific exchanges—were no longer in effect. I would like to ask the Prime Minister, how many more of the sanctions that were imposed by the former government have been cancelled by his government—and why?

Mr. Trudeau: Madam Speaker, I don't know where the hon. lady got that information. I said no such thing, and I know of no measures which have been cancelled by our government. On the contrary, in December, when the campaign had just begun, I indicated that our party supported the measures that had been taken on the economic front by prime minister Clark, and there has been no action taken to withdraw from any of those measures.

Oral Questions

BOYCOTTING OF OLYMPIC GAMES IN MOSCOW

Mr. Joe Reid (St. Catharines): Madam Speaker, my question, too, is directed to the Prime Minister. In light of the open vote taken within the legislature of the province of Ontario—a decisive vote supported by the leader of the Liberal party—calling upon the Government of Canada to support the boycott of the Moscow games, will the Prime Minister not, now, tell the people of Ontario and, indeed, the people of Canada, that Canada will not be represented at the Moscow Olympics?

Some hon. Members: Hear, hear!

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, I have indicated that we hope that our government would make its policy known before the meeting next weekend—a week from this weekend—of the Canadian Olympic Committee.

An hon. Member: What is wrong with this week?

Mr. Trudeau: In the meantime, I hope to hear from the Secretary of State for External Affairs—who is coming back this weekend from Zimbabwe—on the efforts he has made to seek a consensus among an increasing number of those nations which in January voted against the Soviet invasion and to get their views on what effective measures we could indicate to show collectively to the Soviet Union—

An hon. Member: What are your views?

Mr. Trudeau: —that not only the capitalist countries, not only a few western countries, not only a small number of African and Asian countries, but a great number of non-aligned were taking renewed action against the Soviet Union.

* * *

● (1120)

ENERGY

INQUIRY WHETHER DEPARTMENT PAID FOR SURVEY ON OIL PRICING AND ENERGY MATTERS

Mr. Edward Broadbent (Oshawa): Madam Speaker, I have a question for the Minister of Energy, Mines and Resources. Would the minister confirm that the federal government is following the dubious practice of the government of Ontario by using taxpayers' money to do public opinion surveys which it keeps secret?

Specifically, would the minister confirm that his department paid for a survey done by Canadian Facts during the first week in April to determine the attitude of the public on oil pricing and related energy matters?

Hon. Marc Lalonde (Minister of Energy, Mines and Resources): Madam Speaker, I am not aware of such a survey. I will inquire in the department to see whether any such survey was ordered, and I will be very happy to report to the hon. member. I will let him know in the next question period.

Mr. Broadbent: Madam Speaker, my supplementary is to the Prime Minister. Could the Prime Minister tell the House if it is government policy for other departments to do such public opinion surveys at taxpayers' expense. If so, could he tell us which departments have been doing this kind of polling? Also, would he provide the House with the results of all such polling, and the cost to the taxpayer?

Right Hon. P. E. Trudeau (Prime Minister): I will inquire, Madam Speaker. I missed the precise nature of the exchange, but I do know that surveys had been taken by some departments when we previously formed the government. I know that some surveys—subject to correction—were taken by the previous Clark administration, and it is possible that some surveys are being continued now. But I will inquire.

Mr. Broadbent: Given the importance of this question, will the Prime Minister make it his policy to make a statement in the House soon regarding the policy of the government on public opinion surveys that will cover such matters as who will pay for them, how much of each department's budget in the coming year is going to be allocated for such surveys, and whether he believes—as we do in this party—that if surveying is done, there is an obligation that that information be made available forthwith to all members of the House of Commons and to the public of Canada?

Mr. Trudeau: Madam Speaker, I am sure the Leader of the New Democratic Party will agree that it is important for the government, in any way it can, to know what the people of Canada think about various important matters of public policy. Therefore, the idea of surveys is one which is not rejected by the hon. leader or by myself.

I think, as a general rule, we would both agree that those surveys should not be purely political in nature; in other words, they must tend toward informing the administration of administrative and policy problems rather than on partisan problems. I certainly would agree that no partisan survey should be made by any party in office, with public funds. Beyond that, Madam Speaker, it is possible that some surveys may elicit the kind of information that it would not be in the interest to make very widely public, but I would certainly—

Some hon. Members: Oh, oh!

Mr. Trudeau: I just say "may"; I do not know. I told the House I would look into it. In such cases, it might be useful to have a procedure whereby at least the leaders of other parties might be informed of the results of the survey.

* * *

CANADIAN NATIONAL RAILWAYS

DOUBLE-TRACKING OF WESTERN SECTION

Hon. George Hees (Northumberland): Madam Speaker, I have a question for the right hon. Prime Minister. Can the Prime Minister bring the House up to date on the progress he

is making with his plans to double-track Canadian National Railways from Winnipeg to the Pacific coast, and when may the House expect an estimate of the cost of this very large project?

Some hon. Members: Hear, hear!

• (1125)

Right Hon. P. E. Trudeau (Prime Minister): Yes, Madam Speaker, great progress was made. I understand that up to 30 per cent has been double-tracked so far. I will keep the hon. member up to date as to the figures.

Some hon. Members: Hear, hear!

Mr. Hees: Obviously, then, only 70 per cent remained to be done when the Prime Minister made his lavish promise. My supplementary is this: Is it true that it is the government's plan to have the CNR survey crews make their first appearance on the job to coincide with the calling of the next election?

Some hon. Members: Oh, oh!

Mr. Hees: Would the Prime Minister advise the House whether this twinning operation has any connection with—pay attention now, Pierre; I will repeat the question for you: I want to give you every chance to try to make an answer—the right hon. gentleman's plan to twin eastern members of Parliament with western ridings?

Some hon. Members: Oh, oh!

Mr. Trudeau: Madam Speaker, the hon. member has dazzled us with his mathematical prowess. If he is concerned about having a real answer, maybe I could defer to the Minister of Transport.

Hon. Jean-Luc Pepin (Minister of Transport): I shall try not to dazzle the hon. member with my answer.

An hon. Member: Who are you twinned with?

Mr. Pepin: This question was aired a few weeks ago in Winnipeg; the hon. gentleman should know about that. On that occasion, the progress which had been made toward double-tracking was assessed. It is rather interesting that the CN indicated that, by 1988, according to their 1978 planning, 40 per cent of CN rail between Winnipeg and the coast will be double-tracked. They will upgrade that estimate in the fall. Mr. Bandeen, the president of CN, indicated also that if western Canada continued to grow at its present momentum, double-tracking would be a reality before the end of the century.

An hon. Member: Which century?

Oral Questions

ENERGY

PRESS BRIEFING ON OIL PRICING AGREEMENT

Hon. Perrin Beatty (Wellington-Dufferin-Simcoe): Madam Speaker, my question is directed to the Minister of Energy, Mines and Resources: it arises from the tawdry use of public servants for partisan purposes. Yesterday, the minister of energy instructed his officials to hold a press briefing designed to discredit an oil pricing agreement reached by the former government.

Why did the minister not have the courage to hold that press briefing himself, instead of sending his officials to do the job for him?

Hon. Marc Lalonde (Minister of Energy, Mines and Resources): Madam Speaker, no attempt was made to discredit the previous budget. That budget discredited itself.

Some hon. Members: Hear, Hear!

Mr. Lalonde: I said in this House last Tuesday or Wednesday, I believe, that I would make available a detailed statistical analysis of the implications of the last budget on the basis of the latest increases in the international price of oil. I gave a number of figures in my address to this House; they are on record in Hansard.

The figures were provided in more detail in statistical information which was made available to the press, and an official was available to provide the press with any information of fact in which they might be interested. Some journalists may have tried to get information concerning policy from that official but, obviously, policy has to be provided by the minister.

An hon. Member: What a coward!

Mr. Lalonde: I might also say that I was available to the press after my address in this House: I was in Room 130-S, downstairs, and talked extensively to all the press people who were there. I am still available to the press; there is no problem.

Mr. Beatty: This is a sorry performance by a minister of the Crown, to use public officials for partisan purposes. I want to ask the minister whether he instructed his officials to withhold mention in this summary which was released in the briefing yesterday of the *force majeure* clause which existed in the pricing agreement and which renders this whole analysis invalid.

• (1130)

Mr. Lalonde: Madam Speaker, what the hon. member seems to forget is that there was no agreement under the previous government: no agreement ever took place.

Mr. Andre: This whole analysis is absurd, then.

Mr. Beatty: Madam Speaker, it leaves the House to wonder, then, why this press conference was even held yesterday, if the

minister felt there was nothing to discuss. Does the minister not feel that the time of the officials involved in trying to discredit the proposals made by the previous government could better have been used by this minister to work out his own proposals which have yet to be put to the producing provinces?

Mr. Lalonde: Madam Speaker, the figures which were released yesterday were on the basis of the content of the last budget, which was rejected in this House, not on the non-existent agreement that the hon. member tends to refer to.

Mr. Nielsen: Why don't you put your own forward?

* * *

CONSUMER AND CORPORATE AFFAIRS

INQUIRY INTO OIL INDUSTRY—RELEASE OF INFORMATION GATHERED

Mr. Ray Skelly (Comox-Powell River): Madam Speaker, my question is for the Minister of Consumer and Corporate Affairs. In light of the fact that for the past seven years there has been an inquiry by his department into the oil industry, could he explain to the House why there has been such a delay in laying charges or proceeding with this information?

Second, would he be prepared to release to the Parliament of Canada information gathered on the oil companies, so that we may have the benefit of the thousands and thousands of dollars which have been spent on this long study?

[*Translation*]

Hon. André Ouellet (Minister of Consumer and Corporate Affairs and Postmaster General): Madam Speaker, it is indeed a very important inquiry which covers several years. Consequently, the director has an extremely serious mandate and I think that it is in the public interest to allow him to conduct his investigation and not to rush to conclusions, thus preventing him from making an exhaustive and productive investigation.

[*English*]

Mr. Skelly: Madam Speaker, my supplementary is to the Minister of Justice. It is my understanding that the material has now been forwarded to the Department of Justice. Could the Minister of Justice or, in his absence, the Prime Minister, give us an indication of when his department might be prepared to proceed with charges in this matter?

Hon. Bob Kaplan (Solicitor General): Madam Speaker, the Minister of Justice is at the moment absent from the House; but he is here for the question period and will be back before the end of it.

FINANCE

INTRODUCTION OF BUDGET—OIL PRICING AGREEMENT

Hon. John C. Crosbie (St. John's West): Madam Speaker, my question is for the Minister of Finance. Yesterday, apparently, he told certain reporters that there will not be a budget, or even a financial statement or even a mini-budget until there is an oil pricing agreement; there will not even be a teensy-weensy budget.

The hon. minister was supposed to be the engineer of the defeat of the last budget. Why is he so reluctant to engineer his own budget now, four months later; and will he guarantee to the House that he can prevent the Minister of Energy, Mines and Resources from further falsification of what was in the budget while he waits to bring down his own budget? Will he give us that guarantee and tell us what is to happen if there is no oil pricing agreement? Why is he the reluctant debutante in bringing down a new budget?

Hon. Allan J. MacEachen (Deputy Prime Minister and Minister of Finance): Madam Speaker, it seems to me that the hon. gentleman was the reluctant debutante, because he waited from June 4 to December 11 to bring down his budget—

Some hon. Members: Hear, hear!

Mr. MacEachen: —so I hope that I will not delay any longer than he did. I understand that he had legitimate reasons for delaying the presentation of his budget—

An hon. Member: That is an understatement.

Mr. MacEachen: —as I do, because I do not see the point in bringing in a budget based upon uncertainty. When there is some certainty with respect to—

Mr. Andre: You are supposed to bring certainty with a budget.

Mr. MacEachen: —oil pricing arrangements, then it will be possible to proceed in satisfying the hon. member's desire that a budget be brought in. I will certainly bring in a budget as soon as possible, but I do not see that possibility within the near future, or even beyond the near future.

An hon. Member: Before Christmas?

Mr. Crosbie: Will the hon. minister explain to us why there is uncertainty? Is his government not the muscle-men who were going to impose an agreement on Alberta so that the increase will be less than $4 this year? Can he not, therefore, assume that the increase will be less than $4 this year, or is this gobbledegook from yesterday supposed to excuse the minister because the increase is going to be far more than $4 this year?

Does he not think that he should explain to the country whether he is going to permit the deficit to increase beyond the amount I projected? They are the muscle-men; they are going to run the west. Why can they not assume that their oil pricing

agreement will be less than $4 a barrel this year? Come on; come clean with the Canadian people!

Mr. MacEachen: Madam Speaker, the Minister of Energy, Mines and Resources has already stated that he hopes to negotiate an agreement with the oil producing provinces.

Mr. Crosbie: He is going to impose one.

Mr. MacEachen: The hon. member is now suggesting that unilateral action be taken and that an immediate imposition of a settlement be made. That point has not arrived. I recall the former prime minister telling us that he would seek diligently to reach an agreement. He failed.

Mr. Nielsen: It was reached. That is false.

Mr. MacEachen: But he also put in his statement that if it was necessary, unilateral action would be taken by his government. We have not reached the stage where we are contemplating unilateral action. We are proceeding in good faith to reach a negotiated settlement with producing provinces.

Mr. Crosbie: In the recent election the minister assured the people of Canada—and the Prime Minister—that there would be no increases in oil prices this year beyond those that were outlined in the budget: $4 per barrel this year, of which $1 went into effect on January 1.

How can he now say that he is not contemplating imposing an agreement, when Alberta has made it very clear and had made it very clear during the campaign that it would accept nothing less? How can he now say that this government, his government, is not contemplating unilateral action? What kind of action is he contemplating? Is he somehow going to force Alberta to accept less, voluntarily, than what it agreed to when we were in government?

Mr. MacEachen: Madam Speaker, the hon. gentleman has stated that an agreement had been reached between the government of which he was a member and the province of Alberta. I do not believe that the budget statement itself, as I recollect it, would support the statement made by the hon. member today—

Mr. Nielsen: But you know it is true.

Mr. MacEachen: —that an agreement had been reached. If an agreement had been reached, why had it not been signed—

Mr. Andre: It needed to be typed.

Mr. MacEachen: —so that it would be available to a new government which was faced with redoubled uncertainty—

Mr. Nielsen: That is your fault.

Mr. Crosbie: You stopped it.

Mr. MacEachen: —as a result of the failure to reach that agreement? The hon. member obviously fails to understand the nature of negotiation. The purpose of negotiation is to have movement and some change of attitude in the process of negotiation. That is what we hope to achieve in the negotiations that we will be undertaking with the province of Alberta.

Mr. Crosbie: Nonsense.

PLANS TO REDUCE INTEREST RATES, THEREBY INCREASING EMPLOYMENT

Mr. Sid Parker (Kootenay East-Revelstoke): Madam Speaker, my question is directed to the Minister of Finance. Since more than 20,000 workers in the Canadian forest industry, and over 145,000 Canadian construction workers, are unemployed as a direct result of the government's high interest rates—which have killed the housing industry in Canada—and since Weldwood of Canada has just announced the lay-off of another 1,600 plywood workers in Vancouver, will the Minister of Finance tell us what plans he has to reduce the interest rate and put these people back to work?

Hon. Allan J. MacEachen (Deputy Prime Minister and Minister of Finance): Madam Speaker, the hon. member must have been pleased yesterday, as I was, that there has been a slight decrease in the bank rate—

Some hon. Members: Hear, hear!

Mr. Dick: Take all the credit, Allan.

Mr. MacEachen: —and that a number of commercial banks took that as the basis for reductions in their prime rates. I believe that is a move in the right direction. If it is possible, over time, to reduce inflationary expectations, that is the best hope that all of us can have in the expectation of lower interest rates.

• (1140)

EXTENSION OF UNEMPLOYMENT INSURANCE BENEFITS TO LAID OFF FOREST AND CONSTRUCTION WORKERS

Mr. Sid Parker (Kootenay East-Revelstoke): That is not much of a solace to workers who are unemployed, Madam Speaker.

My supplementary question is for the Minister of Employment and Immigration. What does the minister plan to do to get these workers back to work? Second, is the minister prepared to extend unemployment insurance benefits to the unemployed workers in the forest and construction industries? In the minister's absence, could the Prime Minister speak on his behalf?

[*Translation*]

Mr. Dennis Dawson (Parliamentary Secretary to Minister of Employment and Immigration): Madam Speaker, I would like to point out to the hon. member that this is not necessarily a supplementary question. I will take it as notice and on the minister's return from the OCDE meeting on the status of women, I will convey to him the comments of the hon. member.

[*English*]

FISHERIES

STATUS QUO OF CANADA-U.S. FISHING AGREEMENT

Miss Coline Campbell (South West Nova): Madam Speaker, my question is for the Minister of Fisheries. Is the minister aware of the discussions and proposals presently taking place in the U.S. Senate foreign relations committee concerning the future of the Canada-U.S. fisheries agreement and, if so, is he concerned over the direction they seem to be taking?

Hon. Roméo LeBlanc (Minister of Fisheries and Oceans): Madam Speaker, if the former secretary of state will give me a chance to answer, let me say that a year ago, after prolonged and difficult negotiations, we and the American administration—

Some hon. Members: Author.

Mr. LeBlanc: Madam Speaker, I am sure that my predecessor knows of the seriousness of this question and the answer.

Some hon. Members: Oh, oh!

Mr. LeBlanc: We reached a difficult—

Some hon. Members: Oh, oh!

An hon. Member: They don't want to know the truth.

Mr. LeBlanc: After a year of negotiation, we reached a difficult and balanced agreement. Three things have astonished me—as, I am sure, they have astonished those members in the opposition and on the government side who know something about fisheries—since the signature took place: first, it took 12 months for the U.S. Senate to consider the agreement; second, in the interval the United States fleet has carried out an uncontrolled scallop fishery, changing the conditions and balances prevailing at the time of the agreement; third, when the Senate finally got down to considering the agreement, some senators put forward a number of amendments which even the spokesmen for the U.S. government declared to be unnegotiable and unacceptable.

Next week, Secretary Vance will be in Ottawa and I hope he will be in a position to indicate that the U.S. government intends to solve this serious problem.

Some hon. Members: Order.

[*Translation*]

Madam Speaker: Could the minister shorten his reply?

[*English*]

Mr. LeBlanc: If this is the best that the United States has to offer to settle this long-standing dispute, from this side of the House and, I am sure, from the side of my predecessor, that is just not good enough.

Some hon. Members: Hear, hear!

EXTERNAL AFFAIRS

BOYCOTTING OF OLYMPIC GAMES IN MOSCOW

Right Hon. Joe Clark (Leader of the Opposition): Madam Speaker, I will preface my question to the Prime Minister with the observation that the United States might be more agreeable in working with Canada on questions of the kind to which the Minister of Fisheries has referred if there were more co-operation on important question of principle in foreign policy.

Some hon. Members: Hear, hear!

Mr. Clark: My question to the Prime Minister relates directly to that and to the Olympic boycott. We know one reason of the Government of Canada for the refusal to take a position on the Olympic boycott is that the Prime Minister wants to count heads in the world before he takes a position of principle for Canada.

I would like to ask the Prime Minister this: Apart from this business of counting heads before we know where Canada stands, what are the other factors that are causing the Government of Canada to delay standing up, as 57 other nations representing a variety of races, a variety of continents and a variety of conditions, have been prepared to stand up and oppose the Soviet invasion of Afghanistan? What more does it take before this government takes some action on behalf of a principle?

Right Hon. P. E Trudeau (Prime Minister): The right hon. Leader of the Opposition is suggesting that agreement with the United States on the Olympics would in some way resolve the fisheries dispute.

An hon. Member: It wouldn't hurt.

An hon. Member: Right on.

Mr. Trudeau: An hon. member says it would not hurt. The question remains, then, why—since the former prime minister very docilely adopted the same attitude on the same date as the United States—the fisheries dispute is going on. Obviously, saying exactly the same thing as the United States did not help his government to have this fisheries agreement sanctioned by the Congress.

Some hon. Members: Oh, oh!

Mr. Trudeau: Madam Speaker, I am answering the remarks of the right hon. Leader of the Opposition. If hon. gentlemen on that side are not interested in hearing comments on their own leader's remarks, I wonder why they have taken him for their leader.

Some hon. Members: Oh, oh!

An hon. Member: You have resigned, Pierre; you are not even here.

An hon. Member: You are the ghost prime minister.

An hon. Member: Shadow.

Madam Speaker: Order, please.

Mr. Trudeau: As to the second part of the question on counting heads, Madam Speaker, I have made the government's position known repeatedly in that respect. It is that we must impress on the Soviet Union that we are not divided on the question of the invasion of Afghanistan. My concern is not, principally, to add one or two countries to the list of those that have already taken one or another position; my concern is to make sure that an increasing number of countries stand together—

Some hon. Members: Oh, oh!

Mr. Trudeau: —as they did on January 14 at the United Nations, and that is what we are working at.

Some hon. Members: Hear, hear!

Mr. Clark: The Prime Minister knows, from public statements made by Senator Church and Secretary Vance, that there was progress on the fisheries agreement, at least at that time, when the United States knew where Canada stood on questions of foreign policy interest.

My question is directed to the minister responsible for sport, who was quoted as having said the other day—if I can get his attention; I see I have it now—that certain events have made the chances of a boycott greater on the part of the Government of Canada.

Will the minister responsible for amateur sport tell us what those factors are which have made the chances of a boycott by this government greater—which has changed the policy of Canada? It is not a question of our joining other nations. This Prime Minister and this government have taken Canada away from a position of principle in support of other nations which want a boycott; that is what has happened. Will the minister of sport tell us what the other factors are that led him to make the statement attributed to him in the newspapers the other day, that the chances of a boycott are greater?

Hon. Gerald Regan (Minister of Labour): Madam Speaker, I thank the right hon. gentleman for his question. I want to remind him of the fact that our Prime Minister indicated as early as several months ago that for a boycott to be a worth-while sacrifice to ask of our athletes, it must be meaningful, *de facto,* and widespread. I do not believe that we are interested, as Canadians, in playing "The First" game.

Some hon. Members: Oh, oh!

Mr. Regan: I think we are interested in whether an effective message can be conveyed to the Russian people and to the Third World, through the television coverage of the Olympics, that a vast number of countries are standing together and athletes across the world are prepared to make the sacrifice to show how strong is our disapproval of the invasion of Afghanistan.

Some hon. Members: Hear, hear!

• (1150)

Mr. Regan: Beyond the consideration that has been pointed out, that of the number of countries which may decide to act together in such a boycott, is the question of whether the athletic organizations which have the final say in free countries will accept the invitation to go, or decide to abide by the decision of their governments.

I ask the right hon. gentleman to consider whether anything could be more harmful to our desire to show the Russian people what is wrong about their invasion of Afghanistan than a large number of countries deciding to boycott, yet the athletic organizations nevertheless having their athletes there. Surely, then, the Russians would say—

Some hon. Members: Order.

Madam Speaker: Order, please.

Mr. Clark: Madam Speaker, on the question of the Olympic boycott, the only particular in which this government has been first is that it was the first to back away from our friends after a position of principle had been taken in defence of democratic values.

Some hon. Members: Hear, hear!

Mr. Clark: The minister of sport has given a rather long response, but in the course of his long response he forgot the question. The question was, what factors led him to suggest that there is not a greater chance of a boycott being adopted by the Government of Canada? What are those factors?

Mr. Regan: I thank the right hon. gentleman for his patience in view of the fact that perhaps I did not directly answer the question. I am rather new to this forum, and perhaps I will catch on. I find, as a matter of fact, Madam Speaker, that there is more hooting and hollering and lack of politeness than I was accustomed to in another forum.

Some hon. Members: Hear, hear!

Mr. Regan: I want to say to the right hon. gentleman, through you, Madam Speaker, that if it is my personal feeling that there is a greater chance that our decision may have to be made in that direction, when it is made, it is perhaps because of the fact that there seems to be, across the western world, an increasing willingness on the part of athletic organizations to go along with the decisions of their governments in that regard; and because according to the reports about which I have been informed, it appears that there may be some movement among additional countries in the general direction of a boycott.

An hon. Member: Take a stand, then.

Oral Questions

NORTHERN AFFAIRS

RECOMMENDATIONS ON POLITICAL DEVELOPMENT OF THE NORTH

Mr. Peter Ittinuar (Nunatsiaq): Madam Speaker, my question is directed to the Minister of Indian Affairs and Northern Development. The recently released report of the special representative for constitutional development in the Northwest Territories, which argues in favour of maintaining the status quo—which report has been categorically rejected by the majority of northerners—also makes certain recommendations regarding political development of the north.

Will the minister assure the House that these recommendations will not be accepted without a fundamental position being taken on division of the Northwest Territories?

Hon. John C. Munro (Minister of Indian Affairs and Northern Development): Madam Speaker, I would like to thank the hon. member for notice of his question. I cannot give him that specific assurance, but I can tell him that the government will seek the fullest consultation with reference to all the people of the north and the feelings they have in respect of the recommendations in the report.

I might say that many recommendations and feelings of the various groups in the north are coming to us now, and we are studying them very closely. As I mentioned to the hon. member yesterday, I would hope that this consultation process can take place so that we can develop some type of joint response to many of the recommendations in the report which may be beneficial to all concerned. Certainly, before the government makes firm decisions we will endeavour to take all views into account.

* * *

INDUSTRY

STATUS OF NEGOTIATIONS WITH CHRYSLER CANADA

Hon. Michael Wilson (Etobicoke Centre): Madam Speaker, I should like to direct my question to the Minister of Industry, Trade and Commerce. In view of the imminence of the decision that will be made on the Chrysler negotiations—which I believe is expected some time toward the end of this month—will the minister please bring the House up to date on the status of the negotiations and confirm the question of timing?

In addition, will he state whether any agreement in principle has been made between the government and Chrysler Canada, and whether the government considers that the statements made by himself and the Prime Minister during the course of the election campaign constitute an agreement in principle, or a feeling in principle, toward providing assistance to Chrysler Canada?

Hon. Herb Gray (Minister of Industry, Trade and Commerce): Madam Speaker, the statements made by the Prime Minister and myself during the election campaign govern very much our approach to dealing with this matter which is very important to the Canadian economy and the jobs of thousands of Canadians.

I have been negotiating directly, and through my officials, with the executives of Chrysler Canada and the parent company. I think we have made considerable progress. We are not yet at a point when the government itself can announce a decision on this important matter. However, we are very much aware that the situation in the United States is such that it may well be necessary for us to make and announce a decision before too many more weeks go by.

Mr. Wilson: Madam Speaker, this question is also directed to the Minister of Industry, Trade and Commerce.

In view of the statements made by the Ford Motor Company on lay-offs and the closure of their plant at Windsor, and the fact that they have lost $1 billion in the North American operation—which is something of the same order of magnitude as the losses of Chrysler Canada—what implications does this have for the negotiations the government is having with Chrysler? What impact will that have on the possible aid package the government is considering for Chrysler Canada?

Mr. Gray: Madam Speaker, these are two quite separate matters. But I would say—expressing my own view—that the Ford situation certainly will be useful to us in working out the terms and conditions—I think this is the government's view as well—of our eventual decision in respect of any Chrysler aid package.

* * *

FINANCE

ATTITUDE OF IMF TOWARD THIRD WORLD COUNTRIES

Miss Pauline Jewett (New Westminster-Coquitlam): Madam Speaker, I have a question for the Deputy Prime Minister and Minister of Finance, who I think is attending the meetings of the IMF next week.

Considering that in the past the International Monetary Fund has made excessively stringent decisions in relation to Third World countries and, recently, particularly with regard to Jamaica, will the minister assure the House that at the IMF meetings he, on behalf of the Canadian government, will urge the IMF to show a more demonstrable concern for Third World countries?

Hon. Allan J. MacEachen (Deputy Prime Minister and Minister of Finance): Madam Speaker, I look forward to attending the meeting next week, because it will be the first opportunity I have had to deal directly with some of the problems which I faced earlier as co-chairman of the Organization for Economic Co-operation and Development which dealt basically with that set of questions which will now be before the IMF and, presumably, before the summit leaders later this spring.

I have not made any specific commitments or conclusions on these points, but I assure my hon. friend that I will attempt to take as sympathetic an attitude as I attempted to enjoin upon others in my former role.

Miss Jewett: Madam Speaker, I am very glad that the minister is going to show sympathetic concern, and I do believe him when he says he will. But, specifically, with Jamaica having such vast difficulties right now in renegotiating the rescheduling of its debts, will the minister give particular concern to Prime Minister Manley's current problems at the IMF?

● (1200)

Mr. MacEachen: Madam Speaker, as the hon. member knows, Canada has considerable interest in Jamaica, not only through membership in the Commonwealth but through economic interests. He also knows that we have helped Jamaica from time to time in the past. I regret that Jamaica did cut off its negotiations with the IMF, which is the organization that is best equipped to assist in balance of payment problems. Nevertheless, that will not preclude us from maintaining a continuing interest in the economic future of that country.

AID TO SYDNEY STEEL AND MICHELIN TIRE

Hon. Elmer M. MacKay (Central Nova): Madam Speaker, may I ask the Prime Minister or the Minister of Finance what specific measures have been taken since this government took office to expedite two matters of great concern to Nova Scotia? They are the matters of aid to Sydney Steel Corporation and the expansion of Michelin Tire.

Mr. Maurice Harquail (Parliamentary Secretary to Minister of Regional Economic Expansion): Madam Speaker, those matters are being seriously considered at the moment by the ministry. The minister will be in a position to make an announcement shortly.

* * *

POINT OF ORDER

MR. BAKER (NEPEAN-CARLETON)—ANNOUNCEMENT BY PRIME MINISTER OF TASK FORCES

Hon. Walter Baker (Nepean-Carleton): Madam Speaker, before the Prime Minister (Mr. Trudeau) leaves the House, I would like to raise a point of order with respect to his announcement this morning of what he described as the formation of six parliamentary task forces in the areas of the economy, social affairs and foreign policy. I watched on television the announcement that he made in the course of his press conference.

The Prime Minister indicated that the government House leader or someone had consulted us on the matter. I want to make it clear to the Prime Minister so that the record will be straight that we were not consulted in the sense that I understand the word "consultation", although I was alerted by my friend yesterday as he and I were leaving the chamber that the Prime Minister would be making an announcement on a task force of some kind. There was no decision and no indication that the chairman would be appointed by the government, that the task force would appear to be responsible to a minister of the Crown rather than to Parliament. There was no indication at all as to what the membership on these task forces would be.

I thought that I should correct the record with respect to that matter of consultation. If members will read the announcements, there is a real question, and something that should be of concern to the House, as to how these task forces can be legitimately called parliamentary task forces. The only way I can see they can be called parliamentary in any sense of the word at all is that there is an indication that members of Parliament will be invited to serve on these task forces. I am sure that even the Prime Minister will agree that parliamentary committees, task forces, or whatever label one wishes to put on them, carry with them certain rather heavy obligations on the members.

There is a system in place to protect the members and the rights of members. For instance, fundamentally, will the minutes of the meetings of these task forces and the evidence which is given before them be recorded and will it be made public without some reference to a minister of the Crown? That is a parliamentary protection that we have, that Parliament is not subservient to the minister. To whom will these task forces be reporting? If they are reporting to Parliament, that is one thing; but what does "the responsible minister" mean, and what does it mean when it said that the Prime Minister wants advice from the task forces? Is this to be secret advice? Are members of all the parties to be co-opted to the ministry with respect to the advice?

Is there a right, for instance, for there to be a minority report from the task force, as there is right now? Are we to have the opportunity as parliamentarians to debate the efficacy of the subject matters that are set forth? Those subject matters are quite different, except in one case, from the subject matter that we had brought forward and, as well, there was a parliamentary debate in that respect. Will we have that opportunity?

Another question is, will there be a term of reference submitted for debate? There has been no discussion with respect to that matter. And what about the reports? Will they be tabled in the House? Will these task forces be reported in the usual sense so that we may have an opportunity to debate the reports? Before any matter is dealt with regarding these task forces, these are all questions which ought to be dealt with in consultation.

As I see the situation, we are departing in a great way from what is a traditional parliamentary practice with traditional parliamentary rules to safeguard and protect, not only the rights of members of Parliament, but the rights of the public in terms of the information that the public will receive from these reports.

Point of Order—Mr. W. Baker

Some time during the course of the question period or just prior to it there appeared on the desk of the hon. member for Brandon-Souris (Mr. Dinsdale) what purports to be a term of reference of some kind for some form of committee on disabled persons, a copy of which the hon. member delivered to me. I do not know where this document came from. No one has consulted us about the form of it, which is contrary to the usual parliamentary courtesy.

The document covers a number of areas and purports to be in the form of the normal term of reference that would be approved by the House of Commons. It says in part:

> That the task force will submit reports from time to time, as appropriate, with a final report to be submitted by October 31, 1980—

It does not say to whom those reports will go, whether it be a minister of the Crown, Parliament or whatever. It purports to give this ad hoc committee the power to send for persons, papers and records. That is a power which comes out of the rules of the House of Commons. It does not come out of the air and certainly it does not come out of this piece of paper. It cannot come out of the mouth of the Prime Minister, however well intentioned it may be.

There was a House leaders' meeting on Wednesday, and we could have been consulted at that time. Rather than have the matter come up in an amicable discussion between House leaders while leaving the House, rather than suddenly having terms of references appear—for which apparently there will be no opportunity to debate—and rather than following this peremptory approach to Parliament by making the announcement of the formation of the task forces, it is advisable that some form of consultation take place.

There is also the matter of choosing the chairman. I always thought that it was the right of Parliament to choose parliamentary committee chairmen. Rather than choosing the chairman peremptorily, the Prime Minister might have been better advised if he had arranged to have the consultations in the formal manner. Perhaps he did and those consultations did not take place, I do not know. In any event, it does present Parliament, the government and certainly the opposition with a dilemma with respect to this announcement which was made this morning. It is a dilemma that will have to be resolved one way or another with regard to what is the normal parliamentary practice. Because of the importance of this matter to our institution and to the safeguards for Parliament and the public, I felt that I should raise the matter. I knew of no other way to raise it than by point of order, Madam Speaker.

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, I understand the concern of the House leader of the Conservative party and I think that he quite properly raised the matter by way of a point of order. I accept the hon. member's distinction between "informing" and "consultation".

The sequence of events is as follows. Yesterday in cabinet the government agreed to the setting up of these task forces. Therefore, there could not have been prior consultation. The government House leader quite correctly informed the other House leaders that there would be an announcement. Obviously, now that it has been announced, consultations will follow, and we will attempt to respond to all the questions raised by the hon. gentleman.

• (1210)

Of course, the simplest answer of all is that we were attempting to take a leaf out of the book of the Conservative party. We thought that they were quite correct in establishing not parliamentary committees as such, but task forces to inform the government. They themselves in their period of government set up three task forces to my knowledge without any consultation with my party, certainly not with myself. There were three of them, one on grain transportation, one on rail line abandonment and one on beef import legislation.

You will recall, Madam Speaker, that the question of these task forces was discussed in this House last November and December and that your eminent predecessor, Speaker Jerome, as he then was, ruled that task forces of this nature were fine, that they should be encouraged and they should be funded. I believe reference was made to one that our party had set up in 1974 when we were the government to look into the Millhaven incident. Speaker Jerome found fault with the initiative of the other side of the House only in that they were one party task forces, and if public funds were going to be spent he indicated in a gentle way that it would have been well if other members could have been part of that task force.

Our initiative, I repeat, is building on the Tory action of last summer. We are creating task forces. We think it right and proper that members of Parliament can and should be used to inform the government on particular subjects. Therefore, there is no disagreement between us. The only difference is that we have announced to the other parties that we hope some of their members would sit on these task forces.

That is where the matter rests at this stage. Consultation will follow, particularly on the terms of reference and the mode of action of that particular task force which will be discussed within the task force itself, to make sure that everyone is in agreement.

As to the members who would sit on that task force, we will await answers from the House leaders of the other parties to indicate if they are interested in joining some of our members and participating in some of these task forces. If they are, we will assemble them and seek agreement on the terms of reference. Terms of reference have been proposed but, of course, they can be modified if all parties can find some more proper way of conducting the study.

Right Hon. Joe Clark (Leader of the Opposition): Madam Speaker, I should like to just carry on for a moment with this point of order. I shall not detain the Prime Minister (Mr. Trudeau) long in the House. We are dealing really with three kinds of instruments. There were established internally during the period of our government the series of task forces that the Prime Minister has referred to and to which the Speaker found some gentle exception. Action was taken by our governement to remedy the situation.

There was also the very clear proposal by our party when in government to establish select committees of the House of Commons to look into some of the matters which are proposed here and which were announced by the Prime Minister earlier today. Those select committees would operate with all of the force and all of the safeguards of committees of the House of Commons of Canada, which is something quite different from what I gather has been proposed by the Prime Minister.

There is also a third variant to which he made reference, and that was the assignment to a subcommittee of a standing committee of the House of Commons during one of his previous incarnations as Prime Minister of a study into the question of penitentiaries. It is not clear to us exactly what is intended here.

Clearly we on this side, assuming there could be agreement on the terms of reference, would prefer that a task force so established would have all of the power of a parliamentary select committee. We believe that provides the best protection both for individual members of Parliament and for the public. It means that a minister such as, say, the Minister of National Health and Welfare (Miss Bégin), if she received a report on the handicapped that she did not personally like, would not be in a position to hide that report. As we understand what is being proposed now, the minister has the power to hide a report that she does not like. We think that is a power which could very easily be abused and could seriously erode or undermine the parliamentary system.

It would be very helpful to us, therefore, to know exactly what is being proposed here. Our preference would be for select committees of the House of Commons. We naturally would want to have the opportunity for full discussion of the terms of reference to ensure that the ambit of inquiry was broad enough to allow members of Parliament and the interested public to have the fullest possible productive participation.

Hon. Stanley Knowles (Winnipeg North Centre): Madam Speaker, may I first of all confirm what I think has now been made clear, namely, that although we were informed yesterday that this announcement was going to be made this morning, we were not consulted or asked for our consent or approval. As a matter of fact, I suggested that the announcement should be made in the House rather than at a press conference, but that position was not accepted. Now that the idea is out in the public arena, however, we welcome the suggestion that there will be consultation before any further action is taken.

I want to support wholeheartedly the position taken by both the hon. member for Nepean-Carleton (Mr. Baker) and by the Leader of the Official Opposition (Mr. Clark) that these tasks forces must be parliamentary committees. Maybe they will have to be set up as special committees or what have you, but certainly we as members of opposition parties do not want to find ourselves simply co-opted by ministers of the government and made servants of them for whatever their purposes may be. We think the idea of a special task force on special subjects—which after all is another way of saying a special committee study—is a good one, but we want it kept in its parliamentary context. When there are consultations among the House leaders about these task forces, that will certainly be our position.

Mr. Trudeau: Madam Speaker, the Leader of the Opposition indicated that his government had done both—had set up select committees and task forces. In the case of the Millhaven incident in 1974, the hon. member for Notre-Dame-de-Grâce (Mr. Allmand) reminds me that indeed it was a task force. I believe the hon. member for Kingston and the Islands (Miss MacDonald) sat on that one.

The Leader of the Opposition is confusing that task force with a subcommittee of the parliamentary committee chaired by the then member for Windsor-Walkerville, now Secretary of State for External Affairs (Mr. MacGuigan). But there was a task force. We had set one up and the hon. Leader of the Opposition set some up.

He is now saying, if I understand him, that he would prefer to have select committees to task forces. Madam Speaker, his government showed that you can have both; our government shows that you can have both and we are proposing today to announce our desire to set up these task forces. We hope we will have co-operation from the other parties. If they do not want to hear of task forces in the future, although they did in the past, we will see what can be done.

Out intention is to involve members from all parties in a task force, as was done in 1974, to have all parties come together to give advice to the government of the day and, hopefully, to parliament on a specific situation, as was done in the case of Millhaven.

We are in the hands of the opposition parties. If they do not want to sit on task forces, in view of Speaker Jerome's ruling we probably would not presume to proceed with the creation of such task forces in such circumstances as were regretted by Speaker Jerome because of the unilateral manner in which it had been done by the Leader of the Opposition. We will discuss the formation of these task forces and I hope it will be possible to set them up, Madam Speaker. Members on every side of the House have frequently regretted that Parliament was being ignored, that members were not present enough at the formation of policies and that they should be involved in some way in the establishment of those policies. That is our aim.

Mr. Clark: Madam Speaker, one very brief question for clarification. Is the Prime Minister also prepared to discuss with parties on this side the establishment of select committees for the same purpose?

● (1220)

Mr. Trudeau: Madam Speaker, certainly I would hope that the House leaders of all parties would discuss, when needed, setting up such select committees.

I think we felt when we were in the opposition that the government had perhaps overdone this a little bit in setting up that many and that Parliament could not easily manage

regular standing committees, select committees and task forces. Maybe there will be an inclination to set up less of them, but we have not at all rejected the idea of select committees as provided for under the rules of the House.

Hon. W. G. Dinsdale (Brandon-Souris): Madam Speaker, I would like just a brief word on this important subject because I was closely involved in the breakthrough which occurred last fall. I believe this was a breakthrough that was regarded by all members sitting in Parliament at the time as one which would allow private members of Parliament to have a direct input in developing policy at long last.

As I recall, the then opposition House leader, who is now the Deputy Prime Minister and Minister of Finance (Mr. MacEachen), was concerned that the proper parliamentary procedures be observed in establishing, in particular, the special select committee dealing with the subject of rehabilitation services. In fact, there was such a long delay in making sure that the parliamentary niceties would be observed that our committee did not really have final approval until November 29.

We are all aware, at least those of us who have been in the House of Commons for a number of years, that there has been a gradual erosion of the rights of private members of Parliament. The hope has always been that the committee system would remedy some of this intrusion of the executive. In most instances I think hon. members will agree that even the committee system unfortunately has become a creature of the government. But here in the special select committees was a breakthrough which gave for the first time parliamentarians—private members of Parliament—the right to deal with areas of urgent concern and to bring in recommendations through the regular parliamentary process.

I might add that I was the member of Parliament who had the privilege of leading off in the debate on November 29 that established finally the special select committee of Parliament. The then House leader for the opposition, now the Minister of Finance, objected to the fact that I was the lead-off speaker. I am sure hon. members will recall that debate and the then government House leader, now the opposition House leader, explained in quite explicit terms that it was a gesture that indicated that at long last private members of Parliament were going to have an important role to play in select committees. In particular, they were going to be dissociated from the influence of ministers of the Crown.

In summing up his statement at that time, the then House leader of the opposition stated this at page 1837 of *Hansard* for November 29:

> I do not wish to embarrass any further the hon. member, who has a deep interest in this subject, but I would like to advise the President of the Privy Council (Mr. Baker) that it is a precedent which, I suggest, should have a very short life.

I hope that as consultations proceed on this important subject we can use the same quotation, that a task force directly responsible to a minister is a precedent which will have a very short life, and that we will return to the structure which was a real breakthrough in allowing private members to participate independently through the select committee procedure.

Mr. Mark Rose (Mission-Port Moody): Madam Speaker, I will be very brief. I am sorry the Prime Minister (Mr. Trudeau) has left. I know he can read and I hope this will be drawn to his attention.

The Prime Minister indicated that he was approachable by other House leaders on the nature and kind of committees and whether or not there should be any. I have not seen the complete list. However, I was very interested during the last Parliament in the contemplated select committee on nuclear power and nuclear proliferation. There was mention of that very serious matter, not only for world peace but also for human survival, in the throne speech.

Therefore, I want to ask whether or not the Prime Minister or the government would be approachable on some other kinds of additions in terms of the subjects being addressed in these select committees. Perhaps that matter can be drawn to the Prime Minister's attention and an answer can be given in some other way at some other time.

[*Translation*]

Hon. Yvon Pinard (President of the Privy Council): Madam Speaker, in answer to the last two members who expressed their preference for select committees I simply want to draw to to their attention the fact that according to Standing Order 65 there are already 20 standing committees of the House of Commons. In the past we have found it most difficult to interest more than a third of the members in actively participating in the deliberations of the standing committees of the House. I wonder if it is wise and advisable to plan the creation of select committees at this time before it can be demonstrated that with the already existing committees it is not possible to make the system work properly.

Still I find their suggestion interesting because it conveys to some extent the idea of a change. But, as the right hon. Prime Minister (Mr. Trudeau) mentioned this morning, it is an original idea to which, surprisingly enough, the Progressive Conservative Party had already given some thought since they themselves had considered setting up task forces. So all we want is to allow backbenchers an opportunity to participate more directly in the decision-making process. That is a form of participation that we want and that we suggest to the official opposition party. If members opposite prefer the striking of a select committee, that could be included in new discussions on a more general parliamentary reform. I remember quite well that the hon. member for Nepean-Carleton (Mr. Baker) sat as I did on a committee on procedure and organization in 1975 and 1976. We got a very interesting report on committees that had been prepared by the hon. member for Edmonton West (Mr. Lambert), who is now in the House, and that contained all interesting ideas. But there were never any concrete results about that parliamentary reform so desired and so desirable, Madam Speaker.

So the action we are taking today is that intention which has been expressed by the right hon. Prime Minister of Canada to give members from all regions of Canada and particularly from western Canada a chance to participate in those committees he described this morning in replying to the right. hon. Leader of the Opposition, who is here, and to the House leader of the official opposition. That is our approach on that matter. We believe it would not be wise for the moment to add committees of the House to the twenty or so that already exist in accordance with the provisions of Standing Order 65. Now an invitation has been made to members from both sides of the House to participate. I am sure that the right hon. Prime Minister will not prevent backbenchers from working in a constructive way on matters of national interest. I am certain of it, and I am also assured of it by the House leader of the New Democratic Party.

That is all we are aiming for. We want to make members work, we want to get them more interested, we want to enhance their role. That is a first step in parliamentary reform, and I wonder why reactions are not negative. Questions asked will be the topic of negotiations between the House leaders, as required. Yesterday, I acted merely out of courtesy. I advised my colleagues that the right hon. Prime Minister was going to make an announcement. That is all I was supposed to do. We are open to any positive suggestion for improving the efficiency of the task forces. We are counting on the participation of Progressive Conservative members as well as of the NDP. As for the proposed select committees as such, I respectfully submit that this could be the topic, in the near future, of a study on parliamentary reform.

• (1230)

[*English*]

Mr. Baker (Nepean-Carleton): Madam Speaker, I just want to say I am very happy to note that the government House leader has indicated that all aspects of this question will be subject to negotiations, because I think that is quite important. That is the kind of assurance my friend and I want and I thank him for giving us that assurance.

[*Translation*]

Mr. Herb Breau (Gloucester): Madam Speaker, since we are given the opportunity to discuss this matter briefly, I should like to add just one more point to what the President of the Privy Council (Mr. Pinard) has said. I would co-operate with the Leader of the Opposition and the leader of his party in the House in setting up those task forces for one simple reason. I do not think we should discuss those task forces as such as select committees of the House for one reason only.

I therefore urge them to co-operate because, whether we want to or not, a parliamentary body such as a select committee can in some cases be active and positive, especially in those cases where it is asked to play an inquisitorial role. But often political opposition in the House of Commons can make itself felt through a select committee, which is not to say that this is necessarily a bad thing. However, I do think a task force set up by order in council can be a mechanism that is more positive and efficient than a select committee of the House. But that need not mean that we will not have select committees. But I would ask the Leader of the Opposition, however, not to make co-operation on task forces conditional upon whether or not we have select committees. In some cases, I would agree with that. What I liked about his proposal last year was that in some cases task forces could make more positive studies because, despite the philosophical differences reflected in task forces, chances are they might be less imbued with party politics. As for me, I have agreed to be a member of a task force and I have invited a member of his party to become involved in it, because I feel he could study the matter very well.

* * *

[*English*]

PRIVILEGE

MR. NYSTROM—REPORTED STATEMENT BY MEMBER OF SASKATCHEWAN LEGISLATURE

Mr. Lorne Nystrom (Yorkton-Melville): Madam Speaker, I raise a question of privilege on a subject today that I find very difficult because it has racial connotations to it. That therefore makes it very difficult. It concerns a statement made by a member of the Saskatchewan legislature, Mr. Dennis Ham who, with another member who up until a few weeks ago was leader of the opposition and leader of the Conservative party in Saskatchewan, Mr. Dick Collver, left their party to sit as independents to advocate the separation of the west from Canada and the joining of the west with the United States.

[*Translation*]

Madam Speaker, I have here an article that made headlines in *Le Journal de Montréal* on April 17, 1980, and which I should like to quote:

If the hostages in Tehran were Quebeckers, they would say:

That is, people from western Canada.

"Leave them there".

A member from western Canada—

[*English*]

I will repeat that in English. If the hostages in Tehran were Quebeckers, they would say in western Canada "Leave them there".

Some hon. Members: Oh, oh!

An hon. Member: Who said that?

Mr. Nystrom: A member from western Canada.

[*Translation*]

But, Madam Speaker, as I said, it is not with pride that I rise on a question of privilege this morning, but an article datelined Regina from the Canadian Press says, and I quote:

> If 50 French Canadians were held hostages in Tehran instead of 50 Americans, the majority of western Canadians would say, "Leave them there".
>
> That is at least what the independent MLA for Swift Current, Mr. Dennis Ham, claimed during a conference at the Saskatchewan Press Club on Tuesday.
>
> Mr. Ham, who has already been campaigning for some time for the secession of western Canada and its incorporation into an American state, is also predicting an uprising in Quebec.

Madam Speaker, Mr. Ham, a Saskatchewan MLA, like all other Canadians, has a right to express his opinion freely, but that opinion does not reflect at all the opinion of the people in my province of western Canada.

Unfortunately, as you know, a minority in western Canada does not understand the meaning of the aspirations of Quebeckers. But Mr. Ham's words do not reflect the opinion of that minority, let alone of the majority of the people in my province in western Canada. Mr. Ham's words were an insult to Quebeckers, to the Canadians from Saskatchewan, from western Canada and all Canadians.

[*English*]

Reflecting back to the speech made by the Prime Minister (Mr. Trudeau) in this House three days ago when he said that we in this House represent all of the people of Canada, as a representative of my province and my constituency I feel that a statement of this sort, made by an elected member who has as his colleague a highly respected member, distorts badly in this time in Canada the sentiments of a number of people in western Canada. Because of that, I feel it is an infringement upon my work and my ability to speak accurately for the people of western Canada, as this gentleman does not in any way whatsoever represent the feelings of people in western Canada. I have never found anyone who would like to have the American hostages replaced by hostages from Quebec and who would then say "Leave them there".

I want to take this opportunity to dissociate myself and the members of my party, especially those from western Canada, from the statements made by that member of the Saskatchewan legislature. I am sure the same is true of western members of the Conservative party and the Liberal party as well. If you in any way see this as a question of privilege, Madam Speaker, I would be prepared to move a motion that we refer this statement and articles of this sort to the Standing Committee on Privileges and Elections for study and elaboration.

Some hon. Members: Hear, hear!

[*Translation*]

Right Hon. Joe Clark (Leader of the Opposition): Madam Speaker, briefly on the question of privilege, I doubt very much that this is a question of privilege for a House like ours. I am sure the hon. member had his own reasons to raise this issue and quote that article in the House of Commons, and I do not want to elaborate on his motivations or his reasons. But I, as a member from western Canada, along with my colleagues, want to take this opportunity to join with the hon. member for Yorkton-Melville (Mr. Nystrom) in the position he took, namely, that the statement attributed to Mr. Ham does not represent at all the opinion of the people in western Canada. The basic thing that should be pointed out here today is that the House of Commons is not powered to restrict the freedom of speech of members, private citizens and even of members of another House in another jurisdiction. But for us, as individuals, and myself as leader of a party with a large support in western Canada, this is an opportunity to reject outright the views that were quoted and attributed to Mr. Ham.

[*English*]

Mr. Les Benjamin (Regina West): Madam Speaker, I must add some comments to those of my colleague from Yorkton-Melville (Mr. Nystrom) and the right hon. Leader of the Opposition (Mr. Clark). As my colleague and the Leader of the Opposition said, no one would contemplate limiting the right of any individual to express his opinion. But when that individual expresses an opinion and claims or infers that his opinion is held by most people in western Canada, then that is an insult to most western Canadians.

Some hon. Members: Hear, hear!

● (1240)

Mr. Benjamin: It does, I believe, infringe on the privileges of members of Parliament, particularly on those from western Canada, when that kind of allegation is made so all-inclusively, asserting that some sort of general feeling, attitude or state of mind or piece of insanity is held by western Canadian people.

I want to say to you, Madam Speaker, and to my French Canadian compatriots that the French fact in all parts of Canada is what has made the major difference between our country and most, if not all, of the other countries, and particularly the difference between our country and the United States. The French fact in all parts of Canada has made us an example to the world of how peoples of different cultures can live together in peace and work together to solve differences, some of which go back decades and decades, to make our country stronger, freer, and, what is most important, more sovereign and independent.

It is not new that there have been a few people not only in western Canada but in all parts of Canada who from time to time over the last 200 years have held such views as this, but invariably those few who held such views were the kooks, flukes, flakes, freaks and right-wing reactionaries who are an infinitesimal minority of insanity. It is not just peculiar to a handful of western Canadians; it is peculiar among a handful of people in different parts of this country.

I say to my French Canadian compatriots that the opposite is the case. The great majority of western Canadians feel the opposite; they respect you and your contribution to our nation.

We, the great majority of us, the overwhelming majority of us, will work with you to keep this country sovereign and independent and freer and better, and we shall do it as an example to the rest of the world.

Some hon. Members: Hear, hear!

Mr. Bill McKnight (Kindersley-Lloydminster): Madam Speaker, as a member of the House of Commons from the province of Saskatchewan, I should like to add my voice to the voices of my leader, the hon. member for Yorkton-Melville (Mr. Nystrom) and the hon. member for Regina West (Mr. Benjamin). I should like to repudiate the statements which were supposedly made on behalf of western Canadians by Mr. Ham, as quoted by the hon. member.

The hon. member for Yorkton-Melville mentioned that these two gentlemen had been associated with the Progressive Conservative party of Saskatchewan. That is correct; they had been associated. They have since been repudiated by their constituency associations in the province of Saskatchewan—in the constituency of Nipawin in the case of Mr. Collver and in the constituency of Swift Current in the case of Mr. Ham.

Some hon. Members: Hear, hear!

Mr. McKnight: They no longer have any ties or any connection with the Progressive Conservative Party in Saskatchewan or, for that matter with the Progressive Conservative Party of Canada. I suggested yesterday that there are feelings in western Canada, as there are feelings in the rest of Canada, that we are not all being treated equally. But the feelings expressed by those two members are not the majority feelings in western Canada, as they are not, I hope, the majority feelings of the people in Quebec who are trying to break our country apart. We will stand with our fellow Canadians from Quebec and our fellow Canadians in the rest of this country to try to make Canada a better country.

Some hon. Members: Hear, hear!

[*Translation*]

Hon. Yvon Pinard (President of the Privy Council): Madam Speaker, I simply wish to commend the hon. member for Yorkton-Melville (Mr. Nystrom) for raising that question of privilege.

Mr. Irénée Pelletier (Sherbrooke): Madam Speaker, when I gave the clipping to the hon. member for Yorkton-Melville (Mr. Nystrom) yesterday, I did not expect him of course to raise the matter in this House. I would like to thank him most sincerely.

Madam Speaker, I have had many opportunities to travel across this country and I know that sometimes in some areas, including western Canada, certain government policies or programs were not accepted, but never did Canadian citizens in those provinces show any lack of concern for human tragedies such as the hostages in Tehran. I commend the opposition members, both New Democrats and Conservatives, for putting the record straight, and I am confident that on this side of the House, we appreciate that enormously in this most difficult period we are going through in Quebec, in view of the efforts we have to make to convince French-speaking Canadians that Canada is still for every one of us the land of the future.

Mr. Gérald Laniel (Parliamentary Secretary to Minister of Industry, Trade and Commerce): Madam Speaker, being the only member from Quebec who has been here 18 years, which makes me the senior representative of this province, I would like to thank particularly the hon. member for Yorkton-Melville (Mr. Nystrom) as well as the other members and the Leader of the Opposition (Mr. Clark) for what they said about these comments undermining the honour and the attachment of Quebeckers towards the rest of Canada.

I would like to tell the hon. member that in the last 18 years we have heard a few such insinuations from both sides. However, I believe that the hon. member for Winnipeg North Centre (Mr. Knowles) or the hon. member for Edmonton West (Mr. Lambert), who have been here longer than I have, would recognize that a lot of progress has been made during these 18 years and that this House is perhaps one of the instruments which has contributed considerably to a better understanding and a rapprochement of all Canadians. I believe that the testimonial given by the hon. member for Yorkton-Melville this morning, who was strongly supported by the hon. member for Regina West (Mr. Benjamin), shows that westerners have a lot of affection for Quebeckers and Canada as a whole and I am sure that the comments made this morning will be greatly appreciated by all Quebeckers of good will who want more understanding, solidarity and friendship among all Canadians, whatever their origins or language.

Madam Speaker: The question raised by the hon. member for Yorkton-Melville (Mr. Nystrom) was certainly timely and it was greeted appropriately by members on both sides of the House. If I may judge by the applause that we heard, I can conclude that such statements are certainly offensive both for Quebeckers and for westerners. However, this comment was made outside the House and attacks a group rather than one member in particular. I therefore believe that I cannot find any grounds for a question of privilege, but I still wish to thank the hon. member for his intervention which was so well received by both sides of the House.

• (1250)

ROUTINE PROCEEDINGS

[*Translation*]

OLD AGE SECURITY ACT

INCREASE IN MAXIMUM MONTHLY AMOUNT OF SUPPLEMENT

Hon. Monique Bégin (Minister of National Health and Welfare) moved for leave to introduce Bill C-16, to amend the Old Age Security Act.

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

* * *

[*English*]

SPEECH FROM THE THRONE

CONTINUATION OF DEBATE ON ADDRESS IN REPLY

The House resumed, from Thursday, April 17, consideration of the motion of Mrs. Côté for an address to His Excellency the Governor General in reply to his speech at the opening of the session, and the amendment thereto (Mr. Clark) (p. 31).

Mr. John Thomson (Calgary South): Madam Speaker, at the time the House adjourned last evening I was addressing my remarks to the frustrations of my constituents in Calgary South with respect to the federal government. I would like to say at this time that those frustrations in no way reflect the sentiment which was expressed in the newspaper article which was just described.

In my remarks I was dealing with the question of oil pricing and, in particular, I had commenced to talk about OPEC oil prices. I think that many Canadians believe that OPEC oil prices are still determined by a cartel and that these prices bear no relationship to fair market value. This was certainly the case in 1973 when the supplies of oil from OPEC countries far exceeded the demand for their oil. This has not been the case since 1978. As Sheik Yamani said several weeks ago, OPEC has lost control of price levels. In the years 1978 and 1979 the demand for OPEC oil far exceeded the supply. There is no longer a uniform OPEC price. Each OPEC country, other than Saudi Arabia, is charging whatever the market will bear.

Surely at the very least Canadians should be prepared to pay a price for domestic oil which is equivalent to the cost of developing alternative forms of energy. Failure to recognize this as a fair value for domestic oil is to put our heads in the sand in terms of achieving energy self-sufficiency.

In his speech the Prime Minister (Mr. Trudeau) stated that "Prime Minister Clark was not successful in reconciling the views of the provinces of Ontario and Alberta on energy pricing". That is not the case. Our government did reach an agreement on energy pricing with all of the provinces in Canada. While neither Ontario nor Alberta were happy, the fact of the matter is that an agreement was reached. There was a meeting of the minds and that, in my view, is a definition of an agreement.

The founding Fathers of Confederation wrote into the constitution that it was the right of the national government to uphold the national interest, even in areas of provincial jurisdiction, if such jurisdiction was being exercised in a way which was contrary to the national interest. There can be no question that the wealthier provinces of Canada must share with the less fortunate provinces, but the question is, what do we mean by share? How far does sharing go? Does it mean that one particular province should be compelled to sell its resources on a different value basis than the other provinces sell their resources? Surely this was not the intent of the Fathers of Confederation.

There is no dispute by the people of Alberta that every citizen of Canada should enjoy equality of opportunity, no matter in what part of the country he or she chooses to live. Certainly the Alberta government is not discriminating against equality of opportunity; far from it. So many people are flocking to Alberta because of the very existence of equality of opportunity.

The west must have the opportunity to develop its own economic and social objectives within the Canadian framework. That is all we want. All the west is asking for is that opportunity to develop its own social and economic objectives within the context of confederation. This is no less true for the Atlantic provinces, Quebec or any of the other provinces.

Certainly Canada needs a strong central government, but that strength must come from a feeling of togetherness that is freely given and not given under duress. In my view, national unity is not something that can be dictated by a central government. National unity must evolve from a sense of participation within confederation, and again all the west is seeking is an opportunity to participate in confederation and not be ignored or neglected.

I personally have always seen Canada as a country trying to find itself. There has not been an urgent need for the heavy hand of a central government to pull the country together and to create for us a national identity.

I believe that Canadians could knit themselves together to find a national identity for themselves. I say in all honesty that I have many misgivings about changes to our existing constitution. For all its imperfections it has given Canadians individual freedom, civil liberties and one of the highest standards of living in the world. At the same time, I am reluctantly coming to the conclusion that if we are to hold Canada together, there has to be a change in the constitution which would permit the regions of our country to achieve the diverse objectives which fulfil regional aspirations.

I do not believe that we can continue to cling to the concept that the federal government must control all economic, social, cultural, language and communication policies in Canada. Nor do I believe that Canada can or should try to become uniform with respect to these policies. More importantly, I do not

believe that the federal government can succeed in promoting national unity by enforcing a constitutional solution with respect to these policies.

Mr. Speaker, Albertans are ready and willing for constitutional change but, more importantly, they are crying out for eastern Canada to recognize them as full partners in confederation.

Some hon. Members: Hear, hear!

The Acting Speaker (Mr. Blaker): I will call it one o'clock, if I may. It being one o'clock, I do now leave the chair until 2 p.m.

At 12.59 p.m. the House took recess.

● (1400)

[*Translation*]

AFTER RECESS

The House resumed at 2 p.m.

Hon. Pierre De Bané (Minister of Regional Economic Expansion): Mr. Speaker, in this debate on the unity of our country, I think the real question should be whether Canadians want at all costs to open their hearts and minds in order to ensure the survival of a country where Francophones and Anglophones will live together as equals and brothers or whether they prefer to turn over a new leaf in our history books and live as two sovereign and independent nations in a land called Canada.

Everything else is nothing but discussion and quibble between legal experts, constitutional lawyers or economists.

Personally, I have made up my mind and I want to live in a mature, fraternal, dignified and equal partnership together with all those who were the builders and the beneficiaries of this country. If by misfortune my wager based as much on my openness as on others' generosity should fall through, then, and only then, would I extol the value of a closed society.

By the way, this is the fundamental difference between my option and that of the Péquistes who have decided to close their hearts to others before trying to find out what lies in other people's hearts. You may have noticed that their rationalization is always different. For instance, a PQ supporter will tell you that he took his stand because Quebeckers pay more taxes out to Ottawa than Ottawa spends in Quebec. But if you point out to him that this is a misrepresentation and that Mr. Parizeau himself has admitted that over the last few years the federal government has spent many more billions of dollars in Quebec than that province has paid out in taxes, he still will not change his mind.

Could it be that the present system is too inflexible and that that rigidity is the basis of his attitude? Not so. We could be reminded that Péquiste sovereignty-association was founded when Mr. Pearson was Prime Minister of Canada, a period when federalism, as Mr. Parizeau has himself recognized, has been of unprecedented flexibility. Could it be then that our system is over-centralistic? Of course not because when you remind him that out of each tax dollar paid to the federal government, the federal government retains only 32 cents and the remaining 68 cents go back to the provincial and municipal governments, he still will not be persuaded. So it is not because our system is too centralistic. May that man have endorsed the PQ philosophy because federal policies relating to Quebec are ill-conceived and ineffective? Not so. Once again this is only a pretext because I have never seen a Péquiste who would be willing to abandon his option whether or not, for the sake of discussion of the federal government was willing to go along with any policies he wishes. In fact, this question was asked recently to the Quebec minister responsible for economic development, Mr. Bernard Landry, who was saying that federal policies were not to the advantage of Quebec. Reporters asked him: In the eventuality that these policies were amended as you wish, would you become a federalist? He admitted that of course he would not and that he would remain a supporter of independence.

● (1410)

Mr. Speaker, this shows that all the arguments used to try to explain the independence option are only a smokescreen. Basically, there are not two reasons for wanting independence, there are not three, there is only one: It is because a certain group speaks French and the others English. All the other arguments used to try to justify this option are only a smokescreen. As a matter of fact, the Parti Québécois is now admitting that what it wants basically is to break up a relationship which exists in this country where Francophones and Anglophones together govern the largest country in the world after the Soviet Union. I therefore wonder why they want to hide the basic reason for their option and give out so many reasons which have nothing at all to do with the philosophy of their party.

In this regard, Mr. Speaker, I would like to recall the low blow dealt by Mr. Claude Morin, minister of intergovernmental affairs in Quebec, who stated recently that the only people who could suffer from the consequences of their option are those who represent Quebec in this House. In my 12 years as member of Parliament and now as minister, I never thought that a fellow Quebecker would dare make such an insidious attack against people who do not agree with him politically. Indeed, who are those people who are now preaching independence? Who are they whose administration has been stamped with incompetence? We must recall that for years they criticized their predecessors for having undertaken the James Bay project and that as soon as they were elected, they admitted

what was very obvious, that this might have been the wisest decision made by the former government.

For years, they have argued that nuclear power should be developed without delay, before hydropower. Look what happened immediately after they came to office. Mr. Bernard Landry, who reminded us that there has always been a 2 per cent difference between the unemployment rate in Ontario and in Quebec, must admit today that, for the first time in history, the gap between the two provinces has systematically exceeded 3 per cent during the first three years of their administration, whereas it had always stood at 2 per cent or less during the years previous to 1976, 1977. It was 2.5 per cent in 1976, 3.3 per cent in 1977, 3.7 per cent in 1978 and still over 3 per cent in 1979. This had never been the case before they came to power.

Look at their budget. Out of $17 billion, they will be spending over $10 billion on social and education programs alone. The hon. minister Lazure himself indicated that for every patient treated in Quebec costs amount to over 30 per cent of the costs in Ontario.

In the area of education, I should like to quote a few excerpts from Mr. Parizeau's budget speech. Having recognized on page 34 that—

Quebeckers are overtaxed.

—he added on page 15 that he agreed, during the latest round of collective bargaining, to admit 1,600 more teachers within the system. He said:

In my opinion, this is the settlement's only inconsistent and stupid aspect.

He added:

Had we known at the time these offers were made what we know now about the actual cost of education, such offers would never have been made.

Here is what the minister of finance stated three and a half years after taking over the financial administration:

If I had known what I know today, I would have done that a month ago.

And on page 24, Mr. Parizeau stated—

We have even come to a point where our annual costs per student in our schools are $500 higher than in Ontario. That is nothing to be proud of.

In those two departments alone which engulf more than 50 per cent of his budget, we see what the minister himself and the minister of health are admitting. Fortunately, the department of highways does not come under federal jurisdiction because they would say, of course, that, if the highways in Quebec have become the biggest death traps in the province, the federal government is to be blamed.

But given their incompetence, Mr. Speaker, I have tried to demonstrate on the basis of their own statements—and history will bear witness to it—that the greatest harm they have done to our country has been the division that they created and fostered between Quebeckers of all origins. We shall never be overly stressing the extent of the damage they did during the last 15 years by having our people and particularly our youth believe that federalists are not as patriotic as they are, that they do not love Quebec as much as they do, that they are themselves more patriotic, that they monopolize patriotism. And even on the day Mr. Trudeau was elected with the support of the population to govern Canada, one should remember all that they did to destroy him, and by the same token to undermine everything that we did. They have the gall to chastise us for not progressing fast enough. The most important legislation passed by all sides of this House, with the support of each and every member, from all parties, has been, of course, the Official Languages Act which, in section 2, sets French and English on an equal footing. Remember what René Lévesque and the others had to say on that occasion.

Because they deny us the opportunity of doing our job in our country, they are trying today to win us over to their cause, drawing us within a society which, in spite of all their artifices will be nothing but a closed society. While they pretend to be of a social democratic strain, to foster division they went as far as supporting the Socreds from the very beginning until the last election. I think they are trying to hide under that ambiguity the fact that they want to enhance their national values at all costs. And of course, this ambiguity is also flagrant in the question they will be asking the people of Quebec. In the first part they say, and I quote, that they want the exclusive power to make legislation, to levy taxes, to establish external relations. This for sure amounts to independence. In the same question they want a mandate to conduct negotiations between a sovereign Quebec and Canada. But if the question specifies that both mandates are to be fulfilled as one, "at the same time", as the wording puts it, it remains true that the two are quite different in themselves. And that should be obvious to anybody.

• (1420)

Independence, sovereignty, separation, secession, all that can be decided among Quebeckers alone but if one can decide on his own whether he is going to divorce or get a separation, it takes two to decide upon marriage or association. Therefore nothing would be possible if on referendum day the answer is Yes to the question asked by the Lévesque government, because Canada would not have been consulted about any association with a sovereign Quebec. And Mr. Lévesque has given the rest of Canada, which incidentally has no reason to say Yes, all the reasons in the world to say No since he himself has stated many times that sovereignty and association cannot be dissociated.

On this planet where there are 2,500 languages and cultures but merely 160 countries, there have been many other movements toward separation and independence, but I know none which was marked from the start by ambiguousness and humiliation. To say that something that cannot be negotiated, like independence, will now be indissolubly linked to association, is a most humiliating statement, because it means that we

who are supposed to be the embodiment of pride are putting our future into the hands of someone else. I say, Mr. Speaker, that as far as bargaining power is concerned, I have seen better and that when you want to bluff, you do not start by showing your cards to your opponent.

Is it possible, anyway, to imagine that Canada would say yes? In my opinion, there is but one possibility left for such a scheme. It is the hypothesis of a ruined sovereignty, of a sovereignty on paper only, a sovereignty where we would share the same currency while being a minority as far as monetary decisions are concerned. I recall what Mr. Parizeau himself said three or four years ago: If Quebec has the same currency as a country whose economy would be stronger than its own, it would become a banana republic. This is what is offered to us; to remain in the wake of another country which would have a permanent right of veto in all economic areas.

How can anyone have the nerve to say that it is a challenging outlook on the future? Let us wonder for one moment how long an individual from Trois-Rivières, Matane, Bois-Francs or Beauce would be willing to leave his or her fate in the hands of a man from Vancouver, Toronto or elsewhere? For how long? Is there another country in the world which gives a right of veto on its daily fate to another country? In my opinion it is the only hypothesis which would be accepted by the other country. Besides, it is not for nothing that Canada, which has very close relations with the United States, has never asked for an association because we know quite well that to the extent that we could have a right of veto on their policies they would have one on us and we would then remain in their wake. This is why I never heard of any sensible person in Canada who would dare approve such a solution.

Let us consider for a minute how much that thesis is unrealistic. Let us consider the opposite hypothesis. If the western provinces, which are now substantially richer than the rest of Canada and have a larger population than Quebec, decided tomorrow to separate, after their separation from Canada they could say to Quebec, Ontario and the maritimes: The western provinces will have one vote and Quebec 30 per cent of a vote.

And Ontario, which is even more densely populated than we are, will have 40 per cent of one vote, and the maritimes the balance. Would it be accepted? Is it possible to disregard realities and to think that through legislation Quebec, which has almost three million fewer inhabitants than Ontario, will turn tomorrow to Ontario and say, "we in Quebec, we have one vote and you Ontario, even with your greater population, you as well as the west and the maritimes will have one vote, and if you do not agree, I shall remain in Canada." What kind of ruse is this, if not an attempt to humiliate Quebeckers collectively to lead them to a dead end where we shall all be humiliated, an attempt, by insulting our people, to urge them to take a step, whereas, according to every survey, the percentage of independentists is strictly the same after twenty years?

Mr. Speaker, on that proposition which, I think, is totally unrealistic, which is a dead end which would humiliate all of us who form the government of this country, who have just been mandated with far more support than the PQ, we ask the population to really show some self-respect and urge them to make with us a mature decision for the future, an enlightened choice that has nothing to do with wishful thinking, a courageous choice that will not confuse obliviousness and audacity, a logical choice that will not be dictated either by the economic or the cultural components. In sum, a choice rather than the failure to choose as proposed by the promoters of sovereignty-association.

It is quite ironical that if tomorrow Quebec accepted sovereignty-association, a number of policies it can now establish in total liberty would no longer be possible tomorrow. Whether it be the selective repeal of the sales tax in the fiscal field, industrial development incentives or preferential buying policies, all this can be done today but will no longer be possible tomorrow without the agreement of the other country next door, assuming that country agreed to enter into a common market.

Mr. Speaker, what is most saddening to me is that a large number of my fellow Quebeckers who are totally opposed to the independence concept feel compelled to vote Yes, if only to express our pride. I am not tempted like Camille Laurin to suggest that I am the embodiment of Quebec's soul, quite the opposite, I feel that those who are ready to lead us all together into humiliation in order to make their point have in the back of their minds something much different than a language of pride and dignity. One thing I can tell them, they have no monopoly on the passion for Quebec. That passion we have as much as they do, and to me no scheme is more diabolical than the drawing of cheques on Quebeckers' patriotism, on that goal we all share of living in dignity.

This, Mr. Speaker reminds me of one of the most severe crises we went through, the conscription during the Second World War. One of its heroes was André Laurendeau. During that period where the whole world saw it as a duty to share in the defence of freedom, we believed in Quebec, everyone without exception, that we could not be on the side of liberty, participation in the war. Laurendeau who fought so hard against conscription wrote in his book, and I quote:

> That crisis went deep. It moved us. It changed some of our ideas. Then it seemed to be over . . . out of common agreement we stopped referring to it, as if on either side we were not that proud of what we had done.

● (1430)

Of course, had I lived during that period and had I been told that it was patriotic to refuse to be used as cannon fodder for England, that it was once again a matter of fighting to defend the Empire, I would have said no. But now these passions have waned and we realize that in fact the Second World War was fought to defend freedom. Today they are trying to rekindle

our fellow citizens' patriotism by telling them that a Yes vote is a vote for dignity.

In my view, Mr. Speaker, I think I have shown they are trying to impair irretrievably the dignity and pride of the people in Quebec. For our part, we offer them something infinitely more encompassing. Rather than have a country based on religion, as emphasized by the Tremblay royal commission hardly 25 years ago, they want one founded on race or language; we invite our fellow countrymen from Quebec along with other Canadians of all regions to make up an open, brotherly society based on mutual aid. We want them to be part of Canada, but not because Canada spends more money in Quebec—if that were the reason we would not deserve to be Canadians.

Some hon. Members: Hear, hear!

Mr. De Bané: Furthermore, the word "federal" comes from the Latin word *foedus*, or a pact, with *fides* which means confidence, promise, commitment, obligation, wish. The idea of a pact does not conjure up only a solemn promise between two or more people to have confidence in one another and to respect a commitment. It also suggests co-operation, reciprocity, mutual aid. It is not just by whim that the great French political scientist Raymond Aron stated recently that federalism is wisdom and fraternity applied to politics. A great minister in the de Gaulle administration, who is still a minister in France, Alain Peyrefitte, said recently in his book: *"Le mal français"*:

> Many people think that France has a great advantage, owing to its unitary system. However, after observing the scene for three decades, I am convinced that polycentric countries—

And he mentions the Swiss, German and United States federations—

> —that the polycentric countries constitute more flexible societies.

These are the words of the minister of justice in France, Alain Peyrefitte, who has studied the unitary and polycentric systems for three decades.

Mr. Speaker, where we want to lead Quebeckers is toward an open, fraternal society, that will participate within a country in this system of mutual aid, fraternity, co-operation. Ask a Frenchman, a German, an Englishman, a Spaniard, an Italian, what is their impression of us and they will tell you that we are by far the luckiest people in the world. That is my most deep-seated conviction.

Recently, in a world survey, Gallup found out that the happiest people live in Canada. People in France were asked in a recent survey in what country other than their own they would most like to live. The country that came far ahead of all others was Canada.

A Canada that for us is a land of freedom, a Canada where the relationships between French-speaking and English-speaking Canadians will be characterized by equality and fraternity, a Canada that will be even more generous toward its people who suffer, are sick or poor, and precisely because we will be still richer in the years to come, a Canada that will be interdependent with all other countries of the world. A Canada that, for all of us, for each and every one of us, will keep on being a challenge to our intelligence and an appeal to open our hearts.

And I conclude with this thought of Saint-Exupéry, Mr. Speaker, that the noblest profession of man is to unite men.

[*English*]

Mr. Bert Hargrave (Medicine Hat): Mr. Speaker, may I just take a moment to commend the previous speaker for his intense and very passionate plea for national unity. It was a privilege to sit on this side and listen to him, and I want to tell him that.

Some hon. Members: Hear, hear!

Mr. Hargrave: I want to begin today, Mr. Speaker, by saying it is a personal privilege for me to participate in this throne speech debate. I should like, first of all, to extend my congratulations and best wishes to Madam Speaker on her very significant appointment. I should also like to commend the mover and seconder of the address in reply for their well prepared and ably delivered lead-off speeches.

In my remarks today I intend to discuss several serious issues of special concern to our western prairie provinces, issues that I would describe as much too important to be dealt with in a partisan political manner.

I want to begin by talking about energy, drought, and a lost generation. Alberta's present-day energy resources are really the end result of a fortunate accident in climate and geography that involved dinosaurs and tropical growth many, many millions of years ago.

During the late 1920s and the 1930s I well remember the numerous gas wells, all appropriately called oil wells because that was what their drillers were looking for, on widespread range lands adjacent to our ranch operation in south east Alberta where I still live today. These gas wells had located gas without any trouble, were able to produce, and in some cases were blowing off uncontrolled into the atmosphere. There were no pipelines, of course, and no markets for this early natural gas.

It was not until about 1940 that the Alberta government introduced and passed the necessary Alberta legislation to export both oil and natural gas to other provinces and to the United States of America.

It was also another accident in climate and geography that brought on the great North American drought throughout all of the 1930s, and covering our three prairie provinces in Canada. Coinciding exactly with this continental disaster, was the ten years of business depression. That ten years of drought and depression was, in reality, half a generation lost, followed immediately by another half generation in a sort of recovery phase. We had to learn again how to handle money, how to

borrow and spend it, and that may sound strange today. That was the period of our history when small "c" conservatism was truly entrenched in the west, and especially in Alberta.

While our economies began to turn around in the mid 1940s, it was really only during the 1960s that our western prairie economies truly began to come back. We are only now regaining that lost generation of 40 years ago. This is the reason we now value so highly those energy resources that lie below the soils that drifted so disastrously in the 1930s. I ask hon. members most sincerely to try to understand that Alberta's present Heritage Fund of about $6 billion does not even begin to make up for that lost drifted soil and that lost generation 40 years ago.

I remind the House of this grim history of our western prairies because of my deep concern that the same combination of climate and geography could bring about another drought, even ten consecutive years of it. In spite of immense improvements in agricultural technology, there is no reason why another drought could not occur again all across North America, in the interior, of course.

For our cultivated crops, the results would be exceedingly serious, but not as severe as in the 1930s, thanks to our incredibly sophisticated mechanical farm equipment, and more so, thanks to our chemical herbicides—provided we will be allowed to use them.

During the 1930s, one weed, Russian thistle, single-handedly destroyed thousands of acres of spring seeding, because once the seed was in the ground and sprouted there was no way of controlling Russian thistle other than by plowing down the crop, and, of course, there was insufficient moisture to reseed if that was the course that was followed.

For our western grass pastures it is a different story. The consequences of another drought will be just as serious as that first one for those of us involved in grass growing. There are 45 million acres of grasslands presently used for domestic livestock production in western Canada. Grass, hay, surface stockwater and local flood schemes would suffer severely.

Some members may recall the remarks pertaining to a one-year western drought in 1977 that I made on various occasions in this House. Our mountain snow pack that year was only about 60 per cent of the average. That was the lowest snow pack since 1941 and our 950,000 acres of intensive irrigation just barely survived the growth season that year. Not generally known is that the cities of Calgary and Regina had dangerously low domestic water supply levels. Calgary was within three days of initiating water rationing. A sustained drought now would have a far more serious impact on our entire western prairie human population because of the enormous increase in the demand for water.

● (1440)

The three southern cities of Calgary, Lethbridge and Medicine Hat in Alberta and the three cities of Moose Jaw, Regina and Saskatoon in Saskatchewan have seen their total populations increase from 230,680 in the mid-1930s to well over one million today. That is a 337 per cent increase over 45 years. Add to this the substantially increased water demand from the many hundreds of smaller towns and thousands of individual farms and rural acreages, all with automatic dishwashers, laundries and flush toilets. Of course, very few of the latter group I have just mentioned enjoyed this running water luxury in the 1930s.

I suggest that we all read again the startling evidence presented to the Standing Committee on Regional Development in November, 1979, when PFRA officials, Dr. Harry Hill and Mr. Collinson, were witnesses. Mr. Collinson pointed out that the cost of producing electricity throughout the prairies was an extra $100 million in 1977 because the snow pack in the Rockies was so short. I want to commend Dr. Harry Hill for his initial consideration of this matter relating to drought since he assumed his responsibilities not long ago with the PFRA.

In addition, I would like to remind all concerned of the personal suggestion that I was privileged to make before that same committee calling for a small select parliamentary committee review of PFRA, including its past history, its present status and its future role as the appropriate federal agency to assemble and implement a suitable drought contingency program. This suggestion received all-party support in November, 1979.

It should also be noted that the Canada West Foundation, located out of Calgary, has recently initiated a western Canada water resources project to provide an information base and define the problems, the most important of which in my opinion is drought.

I can assure the House that I am not desirous of deserving the doubtful distinction of being the drought conscience of this Parliament, but we should be doing much more than reminiscing about these matters in 1980. Our southern prairies have just emerged from a very mild winter with very little snow. In reality it was a winter drought, and there is presently very little soil moisture to sustain whatever spring growth is now occurring.

On a related matter, the federal government has a long-standing commitment to repair the Bassano dam on the Bow River in southern Alberta. Certain complex legalities concerning the ownership of this streambed have delayed this long overdue repair. I say we should get on with this undertaking, and if the legal complications cannot be resolved, then the Eyremore site somewhat downstream should be proceeded with.

There is one final suggestion I would like to make concerning drought. We should be proceeding now with long-range water planning. This includes serious consideration of northern Alberta river diversions to southern Canada. This sort of thing takes years of planning and involves both federal and provincial governments. In the west it will be the three prairie governments who will be involved and it must be undertaken within the provisions of the prairie provinces water apportionment agreement.

I want to turn now to another very emotional issue not related to anything I have said up to this point but nevertheless a very important issue. We are all very much aware of the Quebec referendum and the national public debate it has generated. Of course, this debate has made us conscious of that. However, I want to bring to your attention an issue that deals with the Crowsnest Pass freight rates. Debate on this issue is presently under way in western Canada and in its own significant way it is almost as important to the west, and even to Canada, as the issue I have just mentioned.

During the last two years there have been some excellent public debates at various annual agricultural meetings and symposiums throughout the western provinces. The subject is now freely discussed with much less emotion than it was for many years when it was rarely, if ever, raised in a formal way. But this debate is only taking place in western Canada. There has never been a proper formal parliamentary debate on this Crowsnest Pass freight rate issue.

The closest approach to such a debate was a Conservative opposition day which took place on May 26, 1977, when we discussed the Hall report. It seems that we all avoid a direct debate on this issue by a variety of points of view on the deliberately vague phrase "the Crow benefits". Various contributing issues dealing with such things as hopper cars, producer cars, switching, off-board quotas and our domestic feed grain policy, are really symptoms of the basic problem, namely the Crow freight rate.

Thanks to Carl Snavely's report, we now know what it costs to move our prairie grain, and that knowledge is now generally accepted by all concerned. Surely this political reality is now apparent; that our two railways cannot be ordered or forced to haul grain at less than compensatory rates.

With a majority Parliament that may very well last for as long as four years or more, this Thirty-second Parliament should have a formal Crowsnest Pass freight rate debate complete with a standing committee whose members would travel throughout the prairie provinces, possibly in about two years. That will give us another two years for the informal debate to develop. In the interval, before such a debate, would it not be appropriate to request the Supreme Court of Canada to examine and rule not on the legality of those statutory Crow rates—that point is surely not in question—but on the often repeated claim that the profits of various CPR subsidiaries be used by that railway, namely the CPR, to supplement their inadequate freight revenues on grain. Some of those subsidiaries are Cominco, Pine Point Mines, Marathon Realty and literally dozens of others that are closely related to the CPR.

It seems to me that this carefully considered and serious suggestion is a necessary preliminary step to a meaningful parliamentary debate on the Crow freight rate issue, and I hope it receives serious consideration.

I want to turn now to another issue that I think is disturbing many of us throughout the country. I think it has been referred to once or twice in this throne speech, but I want to put forward one or two ideas of my own. I refer to the metric issue. I sincerely hope that all members do not underestimate how disturbing and controversial the metric issue is. It has been a serious and disturbing issue throughout two election campaigns and continues to be.

• (1450)

Here is my considered opinion on how we might deal with metrication. We should allow the present status of metrication to remain unchanged, that is, no changeover deadlines such as those scheduled for January 1, 1981, but allow for voluntary participation in those sectors which wish it, unless one of two courses is adopted. First, there should be a proper, formal debate on metrication in all stages proceeded with in this Parliament, including a travelling standing committee stage across Canada. Incidentally, if we have such a debate, it will be the first formal debate on metrication to take place in the Parliament of Canada. Over the past 11 years there has been an off and on informal debate only.

The second possibility, and this is my preference, is that we proceed with a formal agreement or treaty with the United States which provides for both countries to proceed together on the metric changeover. Until we can agree on a date and schedule for acting together, we should not proceed.

Before I conclude, I want to make a brief but very specific mention of something in the throne speech that really pleased me. Up until now I have not said a word about my special labour of love, the cattle industry. That may surprise some members. However, there were three or four words in the throne speech that pleased me very much. There was mention of a meat import law. I would be much less than human if I did not say how pleased I was to see that. I am very anxious to get some details from the Minister of Agriculture (Mr. Whelan) especially with regard to how he proposes to define the term "meat" rather than "beef", which is my favourite. It no doubt has some connotations which are a little different, but the fact that this reference is in the throne speech is worthy of comment and I appreciate its being there.

In conclusion, I wanted to cover subjects in my remarks that are too important for partisan politics. I hope my hon. friends in this House will agree that these are in that category; they are at least in my opinion.

* * *

[*Translation*]

CANADA ELECTIONS ACT

NOTICE OF ELECTION OF MR. DAVE NICKERSON IN WESTERN ARCTIC

Mr. Deputy Speaker: Order. I have the honour to inform the House that the Clerk has received from the Chief Electoral Officer a copy of the notice which will be published today in the *Canada Gazette* regarding the election of Mr. Dave Nickerson in the electoral district of Western Arctic.

SPEECH FROM THE THRONE

CONTINUATION OF DEBATE ON ADDRESS IN REPLY

The House resumed consideration of the motion of Mrs. Côté for an address to His Excellency the Governor General in reply to his speech at the opening of the session, and the amendment thereto (Mr. Clark) (p. 31).

Hon. Jean Chrétien (Minister of Justice and Minister of State for Social Development): Madam Speaker, I am pleased to congratulate you on your election as Speaker of this House. You are the first woman ever to hold this important office, and I am convinced that you feel much pride in your appointment. I am also proud of the fact that it is to a Quebecker that this historic honour has been conferred. I hope that in the next and subsequent centuries, a great number of women, including a great number of Canadian women and people from Quebec, will follow in your footsteps.

As you know, Madam Speaker, my hopes concerning the role in the House of Quebec men and women may not be realized. Last Tuesday, Mr. Lévesque announced that the referendum would be held on May 20. The PQ is seeking the mandate to end all participation in the Canadian Parliament of the duly elected representatives of the people of Quebec. It is seeking a mandate to make you the last woman from Quebec to hold the office of Speaker of the House. It is seeking a mandate to make Pierre Elliott Trudeau the last Quebecker to hold the office of Prime Minister of this country, and the mandate to make me the last Quebecker to be justice minister of Canada, and so on for all the other Quebeckers who are in the House today.

For the past 113 years this House has been at the centre of Canadian history. If it is exceptional, it is because it is the only forum where the elected representatives from all regions of Canada can meet. We all try to formulate to the best of our ability the aspirations, ideas and interests of our constituents. We listen to what other members have to say and try to understand fully the wealth and diversity of our country.

The PQ is asking for a mandate which would forever leave vacant the 75 Quebec seats in the House, a mandate which would prevent 75 men and women elected by the people from being present to express the will of Quebeckers to live a better life within a better Canada. During the next few weeks, we shall fight to make sure that Quebeckers continue to occupy in the Canadian Parliament the seats to which they are entitled. Madam Speaker, I do not think that the people of Quebec want to break up Canada. I urge them to avoid the trap which the PQ has prepared for them in the referendum. That party used to display some measure of honesty. It said openly that its objective was independence, separation. Even now, at times it does express its intentions clearly as it did, for instance, on March 16, 1977, when Mr. Lévesque stated in the National Assembly that, and I quote:

Our political option is to break away from the federal system. That is our objective: independence, sovereignty. There is no point in mincing our words.

That statement is a slip of the tongue, an accidental admission, because the aim of the whole PQ strategy is to hide the real intentions of the party behind a flow of reassuring words, such as sovereignty-association, true confederation, sovereignty with association and a new agreement. The truth of the matter is that the new agreement he means in 1980 is nothing other than the separation he spoke of in 1968. Under the disguise of all those words, Mr. Lévesque and the PQ are every bit as separatist as ever. It would be a tragedy for a majority of Quebeckers to give a mandate to the PQ. They would then have rallied to a cause whose premises they do not believe in. They would then make a renewed Canada far more remote, when in fact that is the Canada they really want. The government of Canada knows full well that the people of Quebec are acutely aware of the need for change. Unfortunately, the PQ created a climate in Quebec in which it is difficult to judge the importance of what changes have already been made, and the value of what we already have in Canada. Doubtless, Canada has achieved a lot. Federalism has evolved considerably.

• (1500)

Let us look at a few examples. The institutions of the government of Canada were changed forever by the Official Languages Act, as my colleague the hon. member for Matane and Minister of Regional Economic Development (Mr. De Bané) put it so eloquently a few minutes ago. We now have a highly developed system of federal-provincial consultation which has transformed the relationships between the federal and provincial governments. You can see it at all first ministers' meetings which have become an annual event.

Since the war which perforce was an era of centralization, fiscal and financial agreements within the Canadian federation have changed radically. In 1945, provincial and municipal governments controlled only 31 per cent of all government revenues, after transfers. In 1960, their share was nearly 50 per cent, and in 1979 they controlled no less than 67 per cent of public revenues in Canada. In view of those figures, it can be said, as the Parti Québécois does, that Canada is a highly centralized or a centralizing country. Behind those significant figures are other changes of very great importance. Take, for example, the parallel creation in 1965 of the Canada and the Quebec pension plans which gave the government of Quebec enormous sources of investment. For example, the 1974 agreement on family allowances allowed a major federal program to be geared to the particular needs of each of the provinces. And I do not have to stress the importance of the established programs financing agreement in 1976.

Canadian federalism has changed spectacularly in another financial area, namely equalization payments to the least privileged provinces. Equalization payments amounted to only $46 million in 1957-58. They have soared to $3.3 billion today and represent one of the central elements of modern federalism

in Canada. That benefit of Canadian federalism will provide Quebec this year with an amount of $1.6 billion, more than 50 per cent of the whole program. That is the equivalent of $262 or more than $1,000 per family of four. None of those changes—and I mentioned only a few of the more important examples—suggest that our federalism is fixed or unchanging. Those major changes were possible without having to amend formally the written constitution of our federation. These changes prove that it is possible to renew the Canadian federation. As you are aware, the writing of a new constitution remains a fundamental objective for all Canadians. Since there is no amendment formula, we must do our utmost to reach a consensus among the partners in the federation about a new constitution. I suggest such a consensus is emerging at this time. It can be seen in the various proposals made by most provincial governments, by all parties in this House, by the Pepin-Robarts Commission, by the Canadian Bar Association, and many others. Although different in many respects, these proposals all agree on the core of the reform. They all call for a modernization of the distribution of powers, for bettering the central institutions, for constitutional safeguards concerning fundamental civil rights for Canadians and linguistic rights for minorities throughout the country, and also for a renewal of the role of the federal government in distributing the wealth of the country in order to ensure equal opportunities for all Canadians.

But what did the Parti Québécois do regarding this growing consensus? It adamantly rejected any federal solution to the problem of Canada. It is absolutely not interested in the renewal of Canada. What it wants is a mandate to negotiate the end of Canada and the creation of an independent and separate state. It is not seeking a mandate to come and sit at the conference table to negotiate. It only wants to come and demand independence and association. It is obvious, Mr. Speaker, that to give such a mandate to a political party that has always rejected any federal solution can in no way help the renewal of Canadian federalism.

Thus the argument that the Parti Québécois, if given a mandate, will be able to start negotiations and reach a compromise does not hold. Such a mandate would have exactly the opposite result in that it would generate much uncertainty and foster a significant deterioration of the relations within Canada. It would certainly jeopardize the will to change which has has been evident and it would postpone for several years the constitutional reform.

What is more serious is the fact that it could cause positions to harden and create misunderstandings which could result in a division of our country.

It is appropriate to mention that in its campaign, the PQ has emphasized the absurd idea that a mandate given to a separatist party would bring about a constructive change and promote a new deal. I repeat that the new deal of 1980 is in fact the separation of 1968. Only the words have changed!

I trust in the common sense of my fellow Quebeckers. They will look into the details of the PQ's proposal before making up their mind. They will find that the mandate the Parti Québécois requests is aimed at putting an end to the Parliament of Canada, the Canadian nationhood, the role now played by Canada on the international scene and to the benefits derived by all Quebeckers from our resources.

All Canadians are justifiably proud of the significant position held by our country on the world scene. Canada has greatly contributed to the allies victory during World War II. She played a decisive role in the creation of the United Nations and other major international organizations set up after the war, like NATO. Mr. St. Laurent and Mr. Pearson, through their statesmanship, have made Canada's name well known during the forties, the fifties and the sixties. Today, Canada is governed by a man who is recognized as one of the great leaders of the western world. The Parti Québécois is asking for a mandate to put an end to all that.

It would be the end of a Canada endowed with the greatness, confidence and historic ties which gave her a unique role in the world. Quebeckers would no longer have the right to carry the Canadian passport which is so respected. The Parti Québécois is asking for a mandate to divide and to reduce the presence of Canada in the world, a mandate to create two small countries next to a giant, two bitter countries which will distrust each other and which will be isolated in an unstable and uncertain world.

If you doubt for a minute that the Parti Québécois is committed to independence just read last week's newspapers in which Mr. René Lévesque recognizes that a PQ victory in the referendum would be a mandate to create a separate army in Quebec. This is what a new deal means: a separate army, a separate country. PQ members are also asking for a mandate to negotiate an end to the wealth sharing process in Canada. The so-called association they propose would only be a vague reflection of the true economic association which exists at present. In their so-called economic association, Quebeckers would lose what they now have, namely their share in the Beaufort Sea, the Athabasca tar sands, the prairies' wheat, the offshore resources of the Pacific coast and Atlantic oil resources, etc. Canada's strength lies in the fact that all Canadians are partners sharing common resources. The separatists are asking for a mandate to deprive Quebeckers of these riches. The PQ proposition is all the more stunning that it means the relinquishment of other riches that are vital to Quebec. For example, Quebec asks for a mandate to negotiate an end to the sharing of revenue derived from Canadian taxes and Canadian oil supply to Quebec. In both cases, Quebec stands to lose a great deal. Actually what does a mandate to negotiate the end of the sharing of tax benefits mean?

● (1510)

Mr. Speaker, it amounts to a mandate to increase Quebec provincial income tax by 33 per cent should it wish to retain the same social services; a pension, family allowances, contribution to various provincial expenses, and so forth. In any case, they would have to find $900 for each household, or a total of $1.4 billion. That will be another hole that Mr. Parizeau will have to fill, the independence hole. Let's not forget that Quebeckers are already paying the highest taxes in Canada. For example, they pay 21 per cent more than their western neighbours, the Ontarians, and 28 per cent more than the average resident of the other nine provinces. The PQ also puts a great deal of emphasis on the need for Quebec to have full control over its resources.

As a Quebecker, I am proud of the success of Hydro-Quebec. However, I am not blind to some fundamental facts which are as follows: Quebec is relatively poor as far as energy is concerned. In 1978, it produced only 38 per cent of the energy it used. While it has exported some electricity, it imports all of its natural gas, oil and coal. Hence Quebec is very lucky to be a part of Canada, which produces more energy than it uses. Quebec has benefitted directly from Canadian energy resources in two ways: first, by paying for western Canadian oil at a price much below the international price; second, by receiving a substantial grant which enables it to buy foreign oil at the Canadian price.

These two advantages mean for Quebec a saving of $3.8 billion. The PQ makes no mention of this in its so-called economic association. In effect, it is asking for a mandate to negotiate an end to the grants. This will add a further $1,250 to the energy bill of the average Quebec family of four. That is the kind of mandate the PQ is seeking in the field of energy.

Mr. Speaker, I may have quoted too many figures, and I apologize, but I think it is important for my colleagues and myself to take this opportunity to correct certain misconceptions. I am privileged, Mr. Speaker, to have sat in this House for 17 years and served my country as a Minister of the Crown for over 12 years. I came to Ottawa in 1963 with some of my colleagues, with some apprehensions of the federal system. But I have learned much about Canada. I have had the privilege for six years, one month, three days and two hours to be Minister of Indian Affairs and Northern Development, and that is how I learned what Canada was all about. I have learned for example that in Arctic settlements there are more sedimentary rocks than in Louisiana, Oklahoma, Texas and California, but I will not dwell on those economic aspects.

I had the privilege to look after citizens of this country who were here before the French-speaking and English-speaking people came—the Indians and the Eskimos. And in the mandate I was given,I had to speak to them about their belonging to Canada. And you do not know how proud I was to be able to tell them that in Canada they could be what they were, Indians and Inuits, and at the same time full-fledged Canadians. It is possible in this country to keep our linguistic and cultural differences, it is possible for those people who were the first citizens on this soil to share a historical cultural heritage unlike ours, and at the same time share the benefits and the responsibilities of Canadian citizenship.

We have made enormous progress in our society. What irks me a little in the on-going emotional debate in Quebec is that they are still talking about the mistakes of the past, a time when there was a lot of discrimination before Canada grew into a more mature society. Of course there was discrimination. But there is no point, Mr. Speaker, in trying to rewrite history. I too would have liked Montcalm to be able to defeat Wolfe on the Plains of Abraham. I was not there to wake up Montcalm when Wolfe arrived in the night. There is no point in wanting to rewrite history.

But take today's reality. The other day I was in Toronto and I was really moved by something I saw. A man of Italian origin who had arrived in Canada with a bag on his back when he was very young and single went up to the mike. He has now become a very successful businessman. I was at a meeting where there were 500 or 600 people, generally of ethnic groups, to honour a person of Jewish faith. That man of Italian origin said: When I was a little boy I went to a swimming pool where you had to pay 5 cents. I had my 5 cents. When I got to the door I was asked: "Have you seen the sign up there?" The Italian man said: "Yes, I did." It read "For Gentiles Only", people of another faith than the Jewish faith. So the Italian man said: "I am not Jewish, I am Italian". The person at the door answered back: "That's even worse!" And that is the kind of society we have overcome; that no longer exists today. You do not know how proud I was to tell them: Well, this is your brother the peasouper who is with you tonight. That's what this country is all about.

We have made enormous progress and what irritates me in this debate is that they try to sow hatred in our society. Some people hate us because we are federalists, because we decided to come here to Ottawa and defend the interests of our constituents. It hurts. In recent years, when visiting the province of Quebec, I have seen in meetings young brainwashed Quebeckers who hated me because I am a Quebecker like them, I love my people and I come to serve them in Ottawa.

This is what hurts, Mr. Speaker. We probably had some unhappy times in our Canadian history. But today millions of human beings would give their shirt and all their possessions to come and share with us what we call our miseries.

Some hon. Members: Hear, hear!

Mr. Chrétien: And it is possible to build a fraternal society in Canada. Arrangements are possible. Everybody wants a new Canadian constitution. No political party wants the status quo. I had some very stirring times Wednesday at the federalist meeting in Quebec. My hon. friend from Joliette (Mr. La Salle) who is here would have been very surprised to see me

sitting side by side with Marcel Masse, both of us speaking for a united Canada. This is what is happening in Quebec. It is possible for people who believe that you can be a Canadian and a Quebecker at the same time. As far as I am concerned, Mr. Speaker, I have no problem with my identity. It does not give me any problem, I am a Maurician before anything else. I am from the province of Quebec and I am a citizen of Canada. It does not give me any complex. I can be a Quebecker and a Canadian as well.

Mr. Speaker, what concerns me right now is that people are trying to bring about divisions rather than unity. We have received too much from our creator not to open our eyes to our fellow citizens. Canadian society is one of the most democratic in the world. Our country is the freest in the whole universe. You can hold any type of opinion and support any cause you want in Canada, you can have a different language or a different culture, and your government will encourage you to maintain these differences because a person can achieve his potential when he accepts his own personality and adapts it to the personality of others.

When I look at my country, when I look at the progress accomplished in the last 25 years, I see that there has been a lot of change. Seventeen years ago, when I came here, the Canadian Parliament was not the same as it is now. I can wander around the House and see people of all political parties who spend hours trying to learn the language of the other group. This was not the case 17 years ago. There are schools throughout Canada which are full and refused, where Anglophones want to take immersion classes in French. Of course, we do not expect all the Anglophones to become bilingual. People in Shawinigan or Joliette who work in plants can very well go on speaking French only and those who do the same work in Hamilton or Windsor can very well go on speaking their own language. However, the fact that we have two official languages in Canada is not a problem, but an asset, Mr. Speaker. The fact that we have access to the two greatest cultures of the western world is what makes Canada great.

My last function as finance minister was to sign an agreement with the government of Algeria, and I asked the ambassador why he was signing an agreement in which we granted a credit margin of $2 billion to purchase Canadian goods. His reply was very simple. He told me: Because Canada is the only country which can give us North American technology in French. This is Canada. This is why we are accepted as a nation throughout the world. This is why when you sport a maple leaf or hold a Canadian passport abroad, you are always received as a friend, because we are sufficiently developed to help others and have no extraterritorial ambitions.

This is why, Mr. Speaker, we Quebeckers must now think seriously about what the Parti Québécois is asking, about the true nature of the mandate it has requested.

And I would like to briefly sum up this mandate. It is a mandate for putting an end to the Parliament of Canada; it is a mandate which will make you, Madam Speaker, the first and the last lady from the province of Quebec to preside over the House of Commons; which will make my colleague, Mr. Pierre Elliott Trudeau, the last French Canadian to ever be Prime Minister of Canada; it is a mandate which will guarantee that Quebec men and women will never sit again as elected representives in the Canadian Parliament. To all of that, Mr. Speaker, I say no. This mandate would put an end to equalization payments to Quebec, would oppose any reform of Canadian federalism, would create a separate Quebec army, take away from Quebeckers their Canadian passport, would deprive them of the riches of Canada, would put a stop to the sharing of the benefits of the Canadian tax system. It is a mandate to increase the taxburden of the Quebec people or lower their level of government services. To all that, Mr. Speaker, again I say no. Finally, it is a mandate to negotiate an outrageous increase in the price of gasoline and heating oil consumed by Quebeckers.

Mr. Speaker, I say no and I invite all Quebec citizens to say no with me because the Canadian experience is not over yet, because we are able to face up to the challenge and be recognized as full-fledged citizens of Canada while assuming all our responsibilities both as Quebeckers and as Canadians. That is why, Mr. Speaker, we will all meet this new challenge with the knowledge that there can be a better Canada and this is why we will reject the mandate requested by the PQ government by saying, no, thanks, Mr. Lévesque.

• (1520)

[*English*]

Mr. Terry Sargeant (Selkirk-Interlake): Mr. Speaker, first I should like to extend my congratulations to Madam Speaker, the hon. member for Laval-des-Rapides (Madam Sauvé), on her appointment to the chair of this House. I extend my best wishes to her, and to you as Deputy Speaker.

I am very proud to be able to speak today on the motion before the House. I am proud to be here as the representative of the people of Selkirk-Interlake. I thank these fine people for having shown their faith in me twice in the past year. I only hope I will never betray that faith.

Although I was rather active in the last Parliament, having risen on a number of occasions during the question period and in Committees of the Whole, I have never had an opportunity to make my so-called maiden speech. I was scheduled to be my party's next speaker in the budget debate last December, but events deprived me of that opportunity.

Some hon. Members: Hear, hear!

Mr. Sargeant: So it is with much pleasure that I do so today.

As is customary on the occasion of maiden speeches, I would like to share with the House a brief view of my riding.

Selkirk-Interlake lies in central Manitoba, stretching north from the city limits of Winnipeg 250 miles to Grand Rapids. It is bounded east and west by lakes Winnipeg, Manitoba, and Winnipegosis. It is diverse in its makeup. The southeast is given over to urban centres, the west and central parts to agriculture, and the north is a largely unpopulated spread of muskeg and spruce. Scattered throughout are some 12 Indian reserves.

Selkirk-Interlake played a not inconsiderable role in the development of western Canada. It was into this area that Sieur de La Verendrye first led his fur traders from Montreal. It was into this area that Chief Peguis led a band of Salteaux Indians from north central Ontario. In 1812, Lord Selkirk came with his first group of settlers. A few years later these same settlers returned fleeing the massacre at Seven Oaks.

Subsequent settlers included Icelanders who, in 1875, established a colony on the shores of Lake Winnipeg—a colony with its own republican form of government. A few years later came the first Ukrainian settlers to western Canada, followed by Poles and Germans. Among the German settlers were the ancestors of our present Governor General.

From this brief outline, let us turn to look at the concerns of the people of Selkirk-Interlake today. They share with most Canadians a desire to share in the good life that we know that this country can offer us. They share the same frustrations at not being able to share fully in this good life. They share the hardships, both economic and social, that are the result of decades of unconcerned and misdirected government in our country.

Let me be a bit more specific, Mr. Speaker. In my riding there is a large number of farmers. Some are fortunate enough to have some of the best grain land in the west. Others have land that seems to grow rocks better than any other crop. Some run large cow-calf operations; others are market gardeners. All of these farmers are looking to the immediate future with considerable uncertainty. Increases in interest rates and energy costs, and threatened increases to the Crow rates are adding considerable costs to their operations. Meanwhile the price they receive for their product does not keep pace with their cost increases. Indeed, in some cases their prices have dropped. A way of life that is very important to much of Canada, the very continued existence of the family farm and of farming communities, is seriously threatened, and successive Canadian governments do nothing but exacerbate the problem.

Many hundreds of persons and thousands of their family members rely on the lakes bordering Selkirk-Interlake for their livelihood. These are commercial fishermen. They share the farmers' concern about ever increasing costs for energy, and interest rates. They share with their east-coast counterparts an anger at the last government for removing a subsidy which assisted them to upgrade their equipment. Their immediate future is threatened by a provincial government which would like to dismantle the federally constituted Freshwater Fish Marketing Corporation, a body which has brought stability to the industry and a better standard of living to the individuals. Their future is further muddied by the construction of an irrigation project in North Dakota.

The Garrison Diversion unit has been making waves for years. An International Joint Commission report has confirmed that serious harmful effects would result in Manitoba from the completion of this project. One effect would be the eventual wiping out of Manitoba's freshwater fish industry. Successive government ministers have mouthed assurances that no harm would be done to the Manitoba environment, yet construction continues.

• (1530)

The least fortunate people of Selkirk-Interlake, and those for whom I am most concerned, are the native peoples. Status and non-status natives represent 25 per cent of the population of my riding. They represent a vastly larger proportion of the unemployed. In all native communities unemployment is scandalously high; in some it is in the 90 per cent range for much of the year.

Natives of Selkirk-Interlake are concerned about unemployment. They are concerned about the lack of adequate educational opportunities. They are concerned about the lack of decent housing. They are disturbed about the lack of understanding among the bureaucrats in a bloated Department of Indian Affairs. They ask to be allowed to run their own lives, a not unreasonable request in Canada of the 1980s something that Canadians have struggled and even fought for, for years. Indians ask to run their own lives. It is too typical of the dearth of understanding and of the arrogance of Canadian governments that they claim to know best how to run the lives of our natives One has only to look at the quality of life on most reserves to see how badly these arrogant bureaucrats have failed.

There are many others in my riding, among them women, small businessmen, workers, who all share similar concerns, concerns about where the Ottawa government is taking us. In the past year we have twice gone through the considerable trouble and expense of an election, but nothing has changed. The problems have worsened, and this throne speech offers nothing concrete to turn the country around. It is merely full of tired old platitudes.

Is it any wonder that people in many parts of this land feel alienated from their federal government? Is it any wonder that westerners feel alienated from a government that sends as its ambassador to the west a man who insults western voters for electing so-called eunuchs. To paraphrase my leader, as he so aptly put it the other day, westerners are not alienated from the federal system, we are simply alienated from the practitioners of that system. The people of Selkirk-Interlake share in this feeling and look to this government for better offerings than those made in this throne speech.

We have heard a great deal in recent weeks about the Liberal party's "innovative" plans to represent western Canada. I believe they call it "twinning", and somehow it is strangely related to railroad tracks. The Liberals seem to think that such a plan will put them into touch with the grassroots

concerns of westerners, but their record, when it comes to responding to the grassroots concerns of their own constituents, is hardly anything to brag about.

For instance, in my riding of Selkirk-Interlake, the unemployment rate has reached an unconscionable level of 9.1 per cent, the highest rate in all Manitoba. A Liberal twin, say, the Deputy Prime Minister and Minister of Finance (Mr. MacEachen), might come to my riding to hear the concerns of westerners, and be told, "Mr. Minister, please help us; we want very much to work so that we can pay our bills and feed and clothe our families, but there are no jobs". How would the minister respond to their request? No doubt he would respond in the same way that he responds to that same request in his own riding of Cape Breton Highlands-Canso which, I would add, has an unemployment rate of 16 per cent plus, the highest in the maritimes. How does he respond to that request from his own constituents? In silence!

Perhaps the minister might, while visiting my riding, meet a fisherman who would no doubt tell him, politely, of course, that he was having a tough time making ends meet because he needed a new fishing boat and the government's freeze on the 35 per cent subsidy on the purchase of fishing boats means he just cannot afford that new boat. The minister has heard that complaint too. The fishermen of Cape Breton are feeling the effects of this freeze as much if not more than their counterparts in western Canada, and yet what has he done for his constituents? I suggest he has done nothing.

On the other hand the minister might have the chance to meet farmers or small businessmen in Manitoba's Interlake and he might ask what was on their minds. They would be quick to tell him high interest rates and high energy costs are just unbearable. A farmer might also add that freight rates for his livestock are reducing him to a subsistence level of farming.

The minister has heard all these concerns from the farmers and small business people in his own riding. We have seen his response to these questions—raise the ceilings for loans under the Small Businesses Loans Act or the Farm Improvement Loans Act. Big deal! For most farmers and small businessmen in Cape Breton or Selkirk-Interlake, that amounts to virtually nothing.

The point of this brief exercise in comparative economic problems is to show the government that there is no need to twin with western ridings to discover what bugs them. Members opposite need only to look in their own backyards to become conversant with the sources of western discontent. The sources of western discontent are those same problems that face their constituents, and the same problems that hon. members opposite have been unable to cope with for the many years they have sat as the government of this nation.

As I have said, there were many omissions from Monday's throne speech, but perhaps the most disturbing for me, as my party's defence critic, was the absence of any announcement that this government intends to launch a full-scale review of Canada's defence policy. Perhaps I should not have been all that surprised by this omission in light of some of the extraordinary statements that have been made recently by the Minister of National Defence (Mr. Lamontagne).

In response to the question of when will a new defence white paper be undertaken, the Minister of National Defence replied:

I don't want to talk about a white paper, when you consider it means a stack of studies and all kinds of evaluation—

He went on to say in addition that he would not mind so much, but white papers were "complicated and, yes, boring". That is right, Canada will continue to flounder endlessly without direction in its defence initiatives because the current minister feels that a white paper would be complicated and boring.

Make no mistake, Canada is floundering when it comes to an up-to-date defence policy that recognizes the reality of changing world affairs. In 1971 the last white paper on defence policy was drafted and presented to Parliament. Since then the government of the day has changed, seemingly at random, Canada's defence role to suit its short-term political needs. This government is planning to spend as much as $5 billion on defence in this coming fiscal year. We, as members of Parliament, and Canadians from all walks of life, have no way of knowing that we are getting the best value for our defence dollar.

While Canada flounders aimlessly in search of a defence policy, the world teeters closer to the brink of catastrophe. Escalating tensions between the United States and the Soviet Union do not bode well for our future. The government's intention to work toward disarmament is truly admirable, but the sincerity of such a statement is quickly called into question when, in the same breath, the government announces that it will buy 137 of the most sophisticated fighter aircraft in the world. The F-18A is not a weapon of peace.

Surely, Mr. Speaker, world peace through disarmament should be the goal of our foreign policy. Canada should take the lead with strong independent foreign policy designed with the sole intent of bringing peace to our world. It follows quite logically that we should be using our defence policy as an effective tool for achieving this goal. Canada can lead through example by demonstrating to the world that peaceful co-existence is possible and that there is no need to join in the great rush to the apocalypse. I note only in passing that the new Secretary of State for External Affairs (Mr. MacGuigan), like his colleague, the Minister of National Defence, seems also to think that white papers are too complicated and boring, and has shelved that laudable initiative of his predecessor.

● (1540)

In September of last year the U.S. Secretary of Defence said that excessive defence spending was risky. Events since that time have proved him all too right. As super powers heat up their cold war and try to leap-frog each other in military supremacy through huge and provocative increases in defence spending, the fuse of the global holocaust becomes shorter. As Canadians, and as a nation that has tirelessly devoted its energies to international peacekeeping and world disarma-

ment, we need to know that our defence dollars are being productively spent and are not simply heightening world tension. A complete and thorough review of Canada's military role could examine how and where Canadian military dollars are spent. All facets of our defence policy could be reviewed—NATO, NORAD, UN world peacekeeping, and the protection of Canadian sovereignty.

At present our NATO forces are divided into two small groups. One, the land group, is composed of roughly 3,000 people, while the second, the air group, is made up of roughly 2,000 people. There are approximately 5,000 Canadians in Europe as part of our commitment to NATO. That, my friends, represents one tenth of 1 per cent of the total manpower of the alliance. We must ask ourselves if this is a meaningful commitment or whether, for our energies, we can better contribute to our allies in the North Atlantic. There is already concern within the Department of Defence that our airfields are so badly protected now that, in the event of a conventional conflict, our new $4 billion fighters would be destroyed before they could take off and fire a single shot in anger. Surely our role vis-à-vis our European allies should be rethought so that it is rational and effective in maintaining a stable and peaceful Europe.

Let me briefly mention here our participation in NORAD. The NORAD agreement was first drafted when the principal threat to American security was the manned bomber. But by now we all know that such a threat is virtually non-existent. In 1975 then U.S. Secretary of Defence, James Shlesinger, said that the threat of manned bomber attack was unthinkable in this day of ICBM's and nuclear submarines because of the strike-back capacity of the United States. In the time it would take for a manned bomber to reach North American targets from the Soviet Union, the world would have been destroyed three or four times over by nuclear missiles.

Canada should rethink its role in NORAD. No one denies that we must be able to protect the sovereignty of our nation, but we must be realistic when we identify those things that threaten our sovereignty. Unfortunately I fear our defence planners have not been realistic in their thinking.

It is this same lack of realism, the fact that our planners seem to live in an action-adventure book world, that has led our party to be so critical of the new fighter aircraft project. We have now purchased one of the most advanced fighter planes in the world to protect North America from an eventuality that is only likely to occur, as General Simonds said in a committee on national defence ten years ago, "if all the Russians are crazy". I am sure almost everyone in this House will agree they are not. Surely this is wasteful government spending to the highest degree. And to add insult to injury, it seems very possible that we have purchased an aircraft which the government in Washington will shortly put into mothballs. The NORAD agreement is now up for reapproval. This government should, at a minimum, ensure that the decision whether to renew is referred very soon to the Standing Committee on External Affairs and National Defence for a full and thorough study.

Earlier I made mention of one of the problems that maritime fishermen are facing. Another problem has to do with Canada's extension of its territorial boundaries to 200 miles. This extension has meant that problems of enforcement have arisen. Not enough attention is being paid to the need for Canada to be able to protect the sovereignty of its territorial waters. We do not have the patrol aircraft and the naval vessels to allow us to protect Canadian offshore interests adequately. This proposed defence review could address itself to these problems.

I should like at this time, Mr. Speaker, to respond to some comments directed my way a few days ago by the hon. member for Victoria (Mr. McKinnon), the former minister of national defence. In referring to my recent suggestion that the purchase of the fighter be referred to a special committee of the House, he once again showed his complete inability to understand a clearly enunciated position. If he had thoroughly read my release he would have known that I was suggesting a special committee, not the standing committee. He would have known that the terms of reference were such that my colleague, the hon. member for New Westminster-Coquitlam (Miss Jewett), could have made very valuable contribution to such a review. If the hon. gentlemen were to cut through his myopia, he would discover that the NDP does indeed have policies on defence. These policies are consistent with our over-all philosophy. In our defence policies, as in all others, we put people first. We say that the ultimate goal of our foreign and defence policies must be peace. To achieve peace we must seek disarmament. Does it not strike you as strange, Mr. Speaker, that people who seek peace are ridiculed and very often dismissed as being a bit soft?

One of my colleagues in recent days said to me, "The best way to prepare for war is not to prepare for it". It strikes me as sheer insanity that in the cause of world peace the nations of this world are spending $1.5 billion each and every day on weapons of war. If I may quote George Ignatieff from a recent *Maclean's* article: "The one sure thing about nuclear weapons is that they do not contribute a defence; they can only be a threat."

If I may repeat myself, I say that the commitment of this government to pursue such a path of peace is suspect. In one paragraph in this throne speech the government speaks of the need "to suffocate the deadly growth in the nuclear arsenals of the world", and of the need for arms control and disarmament. Yet I am reminded that only last fall when my colleague from New Westminster-Coquitlam called for Canada to join with those of our NATO allies that were opposed to the placement of nuclear missiles in Europe, not a word of support was heard from these same Liberals. The appointment of an ambassador for disarmament, while very laudable, will, I fear, be no more than cosmetic until such time as this country spends as much on disarmament as it does on armament.

I do not live in a dream world. No, I am firmly rooted on this earth in the late twentieth century when it is our misfortune and to our shame that we must maintain armed Forces. However, I contend that we can do a far better job with our

forces than we have been doing. We can use our forces in a much more positive way, in a way that will better serve Canada's needs and interests. Once we determine these needs it is then incumbent upon us to provide our forces with the best and most suitable equipment. But, as I pointed out earlier in this speech, this government does not seem interested in defining these needs and interests.

It is to the credit of the former minister of national defence that he has once again taken a trip along the road to Damascus, and now sees the wisdom in having an early review of our defence policy. I say that this review must be done in conjunction with a foreign policy review. Our defence policy must serve our foreign policy, and not run off on a completely different track. I repeat that our foreign policy must, as its first premise, pursue peace through disarmament, and that our defence policy must reflect this.

We are stagnating in our approach to rapidly changing world events. In an age when cutbacks and restraint are the catch words for our budget drafters, why are we not taking a long hard look at where we spend our defence dollars? As the hon. member for Oshawa (Mr. Broadbent) said at the outset of this debate, "the $15.7 million for just one fighter is enough to purchase 60,000 tons of rice". Surely, as legislators, we must be sure that every dollar spent on defence is needed. A great American general once said:

● (1550)

Every gun that is made, every warship launched, every rocket signifies a theft from those who hunger and are not fed, from those who are cold and are not clothed.

American President Dwight Eisenhower said that in the 1950s. The defence problems of which he spoke then are as true today.

Some hon. Members: Hear, hear!

The Acting Speaker (Mr. Patterson): The hon. member for Sainte-Marie (Mr. Malépart).

Mr. Pelletier: A question of privilege, Mr. Speaker.

[*Translation*]

Mr. Speaker, in his speech the hon. member for Selkirk-Interlake (Mr. Sargeant) mentioned that my constituency is twinned with his, and he inferred I was trying to represent it. Mr. Speaker, this is absolutely untrue, I am not attempting to represent other constituencies than mine. I am proud to represent my constituents from Sherbrooke, and have no intention whatsoever of representing other people than those who elected me. I am somewhat surprised the hon. member feels offended because another member of Parliament went into his constituency. I remember very well three years ago, one of Mr. Firth's colleagues invited me to his constituency and asked at one point if he could come into mine. I thought this was an excellent idea. I had to travel through Mr. Firth's constituency, and well, some 40 per cent of all Canadian territories, and I thought this was an excellent idea. Another member—

Some hon. Members: Order!

[*English*]

Mr. Hees: You are making a speech. Sit down, buster. That is not a question of privilege.

The Acting Speaker (Mr. Patterson): Order, please. I believe this was a point of debate rather than a point of order, and I would invite the hon. member to begin his address.

Mr. Pelletier: I will conclude in a second, Mr. Speaker. I simply want to remind or tell the hon. member for Selkirk-Interlake that I do not and am not representing in this House the people of Selkirk-Interlake.

The Acting Speaker (Mr. Patterson): Order! Order, please. Is the hon. member raising a point of order?

Mr. Hees: Mr. Speaker, I was told some time ago that I followed the NDP and my turn is up.

An hon. Member: By two centuries.

The Acting Speaker (Mr. Patterson): I have been advised that the hon. member for Sainte-Marie is next on the list.

[*Translation*]

Mr. Jean-Claude Malépart (Sainte-Marie): Mr. Speaker, my first words are to congratulate the hon. member for Laval-des-Rapides (Madam Sauvé) for her nomination as Speaker of the House of Commons, and to commend my colleagues for her election. I would also like to express my gratitude to the constituents of Sainte-Marie who re-elected me as their member of Parliament. This honour I am accepting with deep humility, and I would like to assure them of my total co-operation. I note with pleasure in the throne speech important elements that meet the needs of the Canadian people and more particularly the citizens in my constituency of Sainte-Marie, such as the $35 monthly increase in the guaranteed income for the elderly, the reallocation of resources to job creation for young people, women and the handicapped, a lower price policy for Canadian oil than was proposed by the former government, the establishment of a Petroleum Price Auditing Agency, promoting the establishment and development of Canadian businesses through a government-buying policy, as well as assistance to companies wishing to repatriate assets and the revival of the process of constitutional reform.

Today, Mr. Speaker, I wish to draw your attention to a point which I take to heart, that is the future of Quebec and Canada. We all know that on May 20, Quebeckers will vote on the referendum question as set and I emphasize "set by the PQ." The same party is asking us for a mandate to negotiate the separation of Quebec from the remainder of Canada, a scheme it has called sovereignty-association. It is a well known fact that the leader of the PQ has often objected to the federalists' mention of the word "independence" in the present

debate, and stated in the legislative assembly that his party had always advocated sovereignty-association. Following those statements, I checked the PQ platform from 1975 to 1979 and in chapter 2 we find in black and white a reference to accession to independence and on page 62 of the 1978 platform under the title: "Mandate to all representations of the party" the following in paragraph 6 and I quote: The sixth convention asks that an evaluation of federalism be made to show the necessity of independence to carry out the platform of the party. To my knowledge, Mr. René Lévesque, an active member of the PQ, attended that convention.

Mr. Speaker, the PQ government is promising the Garden of Eden to the people of Quebec. Promises, promises and more promises! At that rate, I think they are about to beat the record set by the Parti Rhinocéros for impossible promises. You can find them in the white paper of the Parti Québécois. This is all very nice, but I would like to remind Quebeckers of all the promises the Parti Québécois made before 1976 and never kept. Here is one of the very first the party made. It appears in its 1975 program at page 19, and I quote:

A government led by the Parti Québécois would commit itself to providing all people, including the elderly, with a guaranteed minimum income based on the following principles:

a) the minimum income of a person cannot be allowed to fall below the poverty line—

I would like to know why Mr. Lévesque is keeping social assistance benefits below the poverty line. For example: a single person on social assistance in Quebec receives only $301 per month, and a single person who receives the old age security pension with the federal supplement will get $361 a month as of July 1, 1980, and that pension is indexed every three months whereas in Quebec it is indexed only once a year. I would like to know why Mr. Lévesque did not live up to his commitment and why he so quickly abolished the indexing of welfare benefits and decreased, not to say stole, by some $15 million family allowance benefits, when the federal government decided last year to grant a $200 child tax credit. Mr. Speaker, the leader of the Parti Québécois also made another commitment which is set out on page 21 on the party's program. It says that a Parti Québécois government is committed to indexing the minimum wage rate to the increase in the cost of living.

Another promise gone up in smoke. On page 24, chapter 9, of the same program, under the heading "Senior Citizens," one finds that a Parti Québécois government promises to build housing units with rents based on income which will provide, apart from the usual services, superintendent, elevators, laundry facilities, tuck shop, medical services and a lounge. The Quebec finance minister recently informed us that this project will be abandoned next year. This statement appears on page 33 of the Parti Québécois budget speech.

• (1600)

In that same program, the government guarantees free transportation for the elderly in urban areas and transportation at reduced fare for intercity travelling. Everybody in Montreal remembers the increase in fares for older people. Moreover, those who live in homes know full well that every three months the Lévesque government deprives them of their indexation; who knows what will happen to the $35 the Canadian government intends to give them?

Another promise made by the PQ government on page 27 concerning the education of young people reads as follows:

To implement universal free education at all levels, to raise the compulsory school age to 18, to set up a coherent system of scholarships and living allowances or possibly a pre-salary system.

Just another unfulfilled promise.

Mr. Speaker, how could we believe all the fine promises in the PQ's white paper and in the statements Mr. Lévesque and his team have made, when they were not even able to fulfil those they had made before being brought to power?

The PQ's advertising during the referendum campaign reminds me of those finance companies which prevail upon the public to borrow from them without indicating that they charge twice as much as any other institution. That is why the PQ is exerting a pressure on the feelings of Quebeckers to sell them its project, without having the courage to tell them the truth about how much this sovereignty-association adventure is going to cost them.

Mr. Speaker, in 1973 the Parti Québécois had presented its so-called year one budget but the electorate, knowing the true cost of sovereignty-association, massively rejected the Parti Québécois and its option for independence. Let us not forget that a Yes vote in the referendum would achieve nothing but maintain uncertainty, and that Yes vote would put our country in jeopardy, as the Prime Minister of Canada put it in his speech to the Parliament of Canada: since provinces refuse to negotiate the association, the Canadian government has no mandate to negotiate sovereignty and Mr. Lévesque will not get the mandate to negotiate association pure and simple. Which means that a Yes vote leads to nothing but uncertainty. Can we afford to pay the price for that uncertainty and take the risk of seeing it last until the second referendum? Moreover, who says that in two or three years the PQ, afraid again to present its option honestly, will not use new tactics to perpetuate this climate of uncertainty?

I would also like the chief of the Parti Québécois to tell us what would be the consequences of a Yes for the 3,000 employees of CBC, the 8,000 employees of Air Canada, the 1,050 employees of Teleglobe Canada, the 600 employees of the Federal Development Bank, the 900 employees of the National Film Board, the 500 employees of the St. Lawrence Seaway, the 500 employees of the Canada Mortgage and Housing Corporation, the 14,000 employees of Canadian Na-

tional and the thousands of civil servants of the Montreal area who work in various federal departments. I would like Mr. Lévesque to answer this question.

I should also like to remind the citizens of the Montreal region of the contribution of the Canadian government in the field of social and community aid in 1977-78. With regard to family allowances, the Montreal area then had over 975,000 children and the Canadian government paid the mothers of those children an amount totalling $303 million. Under the heading of old age security, there were 300,000 senior citizens in the Montreal region to whom the Canadian government paid globally over $783 million. Under the heading the New Horizons Program, which program the Canadian government implemented to allow our senior citizens to take a more active part in the life of their communities, the Canadian government paid $1.4 million. Under unemployment insurance, it paid $723 million in 1977.

Under housing, from 1975 to 1978, through Canada Mortgage and Housing Corporation, the Canadian government granted loans totalling over $173 million for the construction and purchase of houses and income-producing housing complexes in the Montreal region. Direct loans for public housing there totalled over $102 million. Moreover, the corporation lent in the Montreal area more than $21 million for rehabilitating individual and multiple housing units. And CMHC guaranteed in the same area loans totalling more than $1.5 million from 1975 to 1978. All those direct and guaranteed loans contributed to the acquisition and rehabilitation of 92,199 dwellings. What did the Government of Canada do to help the municipalities? Municipalities in the Montreal area benefitted under CMHC programs, particularly those dealing with municipal infrastructure, neighbourhood improvement, public housing and medium density promotion. CMHC paid the municipalities in the area more than $428 million from 1975 to 1978 under those programs. Furthermore, the Department of Finance of Canada contributed in excess of $16.2 million in payments in lieu of taxes to municipalities and school boards in the Montreal area in 1977-78.

I would also like to remind people of the assistance of the government of Canada to businesses. The Department of Industry, Trade and Commerce guaranteed loans totalling $18.4 million to small businesses in the Montreal area in 1977-78. With respect to business expansion, the Department of Industry, Trade and Commerce of Canada paid grants of $2.5 million and guaranteed loans totalling $13 million in the area under the program to promote business expansion and efficiency. In 1978 the Federal Development Bank awarded in the Montreal area 731 business loans totalling $50.5 million. In 1978 the Export Development Corporation concluded with Montreal businesses agreements exceeding $150 million.

Those are accomplishments, Mr. Speaker, not promises like those made by the PQ. In concluding, for all the negative reasons I have outlined with respect to the Parti Québécois and for all the positive reasons I have set out in respect of the Government of Canada and because I am proud to be Francophone, a Montrealer, a Quebecker and a Canadian, I will be voting No to the PQ question and I am sure the very great majority of Quebeckers will say No to the PQ proposition.

[*English*]

Hon. George Hees (Northumberland): Mr. Speaker, one of the very important things which Canada must do is to become self-sufficient in oil, thereby enabling this country to get out of the hands of foreign oil producers who are now able to charge us anything they like and cut off our supplies whenever it suits them to do so.

To bring this about the government must first of all introduce a very extensive program of research and development to develop cheaper alternative sources of energy, such as energy produced from the sun, grain alcohol, coal, uranium, the tar sands, hydroelectric sources, solid municipal waste, agricultural and forest waste, unutilized industrial by-product heat, and biomass conversion.

The government must also greatly increase the use of natural gas for heating houses, office buildings, factories and apartment buildings. This can be done by subsidizing the cost of the change-over from present oil-heating equipment to gas-heating equipment, and thus greatly encourage people to make this change.

We have abundant supplies of natural gas in this country. Our supplies of this excellent fuel increased by 7½ per cent during the past year and we have more than 7,000 capped gas wells which have had to remain capped because of lack of demand for this valuable heating fuel.

If we can change over from oil heating to gas heating and develop the alternative sources of cheaper energy which I have mentioned, we can use Canadian oil for transportation and plastics only; become self-sufficient in oil; and become independent of the present costly and uncertain supplies of off-shore oil which our present position makes necessary.

As an example of what can be done to introduce a positive program to bring about self-sufficiency in oil, I would like to mention briefly what my own province of Ontario is doing at the present time. In the area of conservation they have set themselves some tough goals. By 1985 they are aiming to reduce the growth in demand in Ontario for all forms of energy to no more than 2 per cent a year while the annual growth in demand for petroleum will be cut to zero per cent per capita.

● (1610)

To my mind, conservation is the most valuable energy resource we have. It is cheap, powerful, abundant, and easily accessible. All it takes is a little common sense, and in some cases, a little help from the government.

The province's new five-year $5 million "Heat Save" energy conservation project, for instance, will utilize thermography and home energy audits to aid Ontario home owners in discovering where their homes are losing valuable heat. Thermography is a process for identifying heat loss by measuring infra-red emissions from a building.

In these "heat pictures", which are taken from an aeroplane, home owners can see where heat is escaping from their homes. Armed with this information, home owners can decide for themselves where and how much to insulate their homes.

Over the past three years, the Ontario government has conducted eight pilot projects in thermography, and home energy audits have reached well over 16,000 home owners. In the process, Ontario has become the world leader in the application of aerial thermography.

The government also has a wide range of projects to develop renewable and recoverable energy. As announced in a major policy document last fall entitled "Energy Security for the Eighties: A Policy for Ontario", the government set targets for solar energy to supply 1.8 per cent of the province's total primary energy needs by 1985, and for municipal, forest, industrial and agricultural wastes to contribute another 3.2 per cent.

These goals are part of the government's target to increase Ontario's capacity to produce more of its own primary energy from the present level of 22 per cent to at least 35 percent by the year 1995. Just a few weeks ago the government initiated a program for the development of energy from waste projects in Ontario. In making that announcement, the energy minister pointed out, and I quote:

> If properly utilized, energy from waste and biomass conversion could displace the equivalent of 27 million barrels of oil a year, worth about $400 million in 1979 terms. That's enough to heat one million single family dwellings each year.

Over a 15-year period, the government estimates that the production of energy from municipal solid wastes, industrial, agricultural, and forest waste, unutilized industrial byproduct heat, and biomass conversion will require an investment in 1979 dollars of some $3 billion. The government expects a large percentage of the investment will come from the private sector, with the balance coming from the Ontario government, municipalities, the Ontario Energy Corporation and Ontario Hydro.

The ministry of energy has budgeted $2 million in this fiscal year for cost-sharing in feasibility studies and engineering design work. The ministry will provide preliminary assessments of projects as well, and technical advisory services, once a project is under way. Additional assistance will be available under the Canada-Ontario bilateral program.

The government firmly believes that local governments and private industry have a vital role to play in developing energy from waste projects. Such projects will benefit Ontario's economy and will also make it possible for many municipalities and industries to solve their solid waste disposal problems.

In Hamilton, for example, the Solid Waste Recovery Unit, or SWARU plant, is now operated by Tricil Limited. This plant, commissioned in 1972, has a design capacity of 600 tons of prepared refuse a day. It was the first plant of its type in the world. Tricil has a ten-year contract with the regional municipality of Hamilton-Wentworth to process at least 120,000 tons of refuse a year, and plans to expand its operation to include electrical generation from steam in co-operation with the Ontario Energy Corporation.

In the Sudbury region, Inco Limited and the Sudbury Regional Development Corporation have recently announced a joint plan for a similar plant with a capacity of more than 100,000 tons of waste annually.

The government of Ontario feels that these are just two of the existing opportunities for business and government which are waiting to be developed in the area of new energy forms.

Besides energy from waste projects, industry is becoming interested in producing synthetic liquid fuels, in developing solar energy technology and products, and in devising more energy efficient appliances, automobiles and building products—to name just a few. At present, the ministry of energy is reassessing the potential of synthetic liquid fuels, and the minister of energy expects to be presenting a major policy proposal to cabinet in the coming months.

These fuels, which can be produced from natural gas, coal, grain or other agricultural crops and wood, do have a role to play in our future as a means of conserving conventional fuels. Although it is hard to know at this point in time how much of the fuel market they will eventually comprise, very real opportunities exist for the development of the synthetic liquid fuel industry.

This country has the potential to develop a secure supply of energy compared to other industrial countries. Since security of supply is the major consideration of most industries, this availability of energy would give this country a very real industrial advantage in the marketplace. All we need to do as a country is to grab the brass ring.

In conclusion, Mr. Speaker, I have outlined to the House what a province with initiative, knowledge, and sound leadership is doing to move toward self-sufficiency in energy, in the shortest possible time. I sincerely hope that the federal government will show the same kind of leadership, so that this country may become self-sufficient in oil with the least possible delay.

Mr. Ralph Ferguson (Parliamentary Secretary to Minister of State, Small Businesses): I want first of all to congratulate Madam Speaker on having been selected as the Speaker of the House. The qualities of discipline and tact, the firmness and sensitivity that she has shown during her past service in

government will serve all of us well during her tenure as Speaker of this Thirty-second Parliament. This is indeed an historic Parliament to be under the direction of the first woman Speaker. I also want to commend my colleagues from Rimouski (Mrs. Côté) and Sudbury (Mr. Frith), who moved and seconded the Address in Reply to the Speech from the Throne, on the excellence of their speeches on that occasion. They were beyond reproach.

The background information they have given the House regarding the parts of Canada they represent certainly assists us all to reach a fuller understanding of our country, with its diversities and its common problems. As the newly elected member for the constituency of Lambton-Middlesex I shall, in my maiden speech, take the opportunity to speak about this part of our country—its past, its present, and the potential contribution it has to make to our nation, Canada.

I want to place on the record my appreciation to the electors of the constituency of Lambton-Middlesex for giving me this opportunity to serve them in this Thirty-second Parliament. The riding is a 6,400 square mile area on the southern tip of Lake Huron, bordering part of one of the world's great seaways. It embraces a blend of agriculture and small business that is unique. It is also rich in history.

In the early 1800s, when our relations with our neighbours to the south were not as friendly as they are today, the victorious battle of the Longwoods was fought in the southern part of this constituency. Later, some of the United Empire Loyalists settled here and carved homesteads from this wilderness land. In the next four decades much of the area in both Lambton and Middlesex counties was settled by immigrants primarily from Ireland, Scotland, and England, who made that emotional decision to leave the country of their birth for a country of their choice. They named their settlements after communities in their homelands, and towns like Glencoe, Appin, and Watford grew, reminding them of their roots. The area prospered and the population increased as the pioneers cleared and cultivated the fertile soil, established their businesses in the context of woollen mills, flour mills, cheese factories, and blacksmith shops, and built their schools and their places of worship.

● (1620)

Historians tell us of a man named Lucas who was forced to leave his farm in New York during this period. He set out to find freedom in Canada. As he proceeded through the Enniskillen swamps, the bedding in his wagon shifted and was dragged along the ground. When he arrived at Watford to spend the night, he was refused lodging because of a foul-smelling substance on his clothes and wagon. He was ordered out of town. A short time later the people in the community realized what the source of the pollution was. It was oil, and after a full investigation the oil industry in Canada was born in my community near a town which was later named Oil Springs. Shortly after, a few miles away, a new community was established named Petrolia.

Today, more than 100 years after that initial discovery, some of these oil wells are still producing in Lambton county and new ones are being brought into production. These are not, of course, on the scale of productivity we find in other areas of Canada today. It is significant, though, that we are rebuilding part of this old oil field and it is being called Discovery Petrolia, due to be opened in July for tourism in the area. In those early days, the area prospered as a result of the oil industry and the agricultural sector. One of those early pioneers had over 200 oil wells on his property. His name was J. H. Fairbank and he served in this House in the Fifth Parliament of Canada.

It is also interesting to note that another member from the Lambton area was represented in Canada's first four parliaments—Alexander McKenzie, a former prime minister of our country.

Of later note, we in our constituency had the honour of having a very lovely and gracious young lady, Sheila Rose, presented with the Order of Canada at the residence of the Governor General. This was for her work in the field of education and promoting the cause of Canada from coast to coast. The award was very well deserved, I may say.

The technology developed by those early pioneers of the oil industry spread abroad during the following generations. Men went to the Middle East, to South America, to Borneo and other parts of the world, taking their experience and equipment with them. Drill bits are still manufactured in the town of Petrolia for shipment to domestic and foreign fields. To this day, Canadian technology developed by those entrepreneurs is being utilized all over the world. This technology has benefited the world, and as Canadians we can be justifiably proud of our pioneers and of our heritage.

For a number of years at the turn of the century many thousands of people moved to the prairie provinces from my region taking with them their resourcefulness and their expertise in agriculture. There, they were joined by immigrants from all over the world who were making this their country of choice.

In my area, in my lifetime, I have witnessed people from other nations joining us, the Slovak people in the 1930s, the Dutch in the 1950s and the Portuguese in the late 1960s, to name but a few. They came to Canada, a land of opportunity, a land of freedom, and they have made our lives richer by their presence here. I admire their courage and remember that our ancestors too, made this their country of choice. They settled among our native people who still reside in the area today in the communities of Kettle Point, Muncey and Caradoc. It is with pride that these native people contribute and involve themselves in sports, community activities, and society in general.

Incidentally, I want to commend the hon. member for Yorkton-Melville (Mr. Nystrom) on his question of privilege in the House this morning which allowed participants from all parties to express themselves on the issue he raised. I think it was a proud occasion in the House when we saw such unanimity among hon. members about certain comments which had been made outside this area.

I am aware of the traditional differences which historically have developed between the east and the west as well as between individual regions, misunderstandings which unfortunately seem to be increasing in intensity rather than decreasing. Perhaps it is due to the nature of modern day communications that we are instantaneously aware of regional advantages and disadvantages. It sometimes seems we have forgotten the hopes and dreams of the Fathers of Confederation as they struggled to unite this vast and diverse land into one great nation.

If we are to fulfil our duties in this House we must not forget that we all have a common bond—the bond of being a Canadian. Whether we were elected to represent a constituency in the east or in the west, we were elected to the Parliament of Canada. This institution is Canada, and if we are to fulfil our duties as elected representatives we must work for a common objective, and part of that objective is a better understanding of our fellow Canadians and the problems that are unique to the respective regions.

Some hon. Members: Hear, hear!

Mr. Ferguson: I would suggest that the Speech from the Throne encompasses and reflects our heritage and our objectives when it refers to ensuring, and I quote—

> —a strong country with first claim on the loyalty of all of its citizens; a country that regards diversity as an asset, not a liability; a country whose people share their wealth first with those who need it most; a country that encourages initiative, welcomes daring and promotes enterprise and a country which opens its eyes, its mind and its heart to the larger community of nations, refusing to regard its own national borders as the outward limits of the universe.

Ours is a great and beautiful country which has been blessed by vast and diverse natural resources as well as by as great and diverse human resources. We must look ahead in a positive manner and plan to develop, nurture and utilize those resources. Our greatest resource, of course, is our people. Let us give our young people the incentive and encouragement to travel throughout our land so that they, unlike many of us, may understand the diversity which is Canada and the cultures which have given us such a unique identity. I feel fortunate that my children have had the opportunity to travel across this land from west to east to see and understand its vastness and grandeur. I am proud, too, that they have learned to communicate with Canadians whose first language is French as well as with Canadians whose first language is English.

Another potential I am enthusiastic about is the potential of our renewable resources, and again, in this area, we are the envy of the world because we can develop such a variety of energy sources. Like those early entrepreneurs from the oil industry we now find many young and energetic individuals utilizing crop and communal refuse in a manner which will allow us to conserve our non-renewable resources. We are enthusiastic about a more efficient concept of heating being developed by two young men in my constituency, a concept which will utilize materials presently considered to be waste. I trust that the Renewable Energy Corporation will be of assistance to such individuals and entrepreneurs. The alternatives are there and must be utilized as quickly as possible.

The over-all philosophy of the Speech from the Throne was one of a positive continuation of the potential of our nation, and certainly I am pleased to see included the proposal to establish the Canadian Agricultural Export Corporation that will enable our producers to sell abroad as Canadians, rather than seeing one province competing against another for the same markets. Such a vehicle will enable us to focus on specific markets and expand our sales abroad, utilizing the potential of a renewable Canadian resource. We are one of the few nations of the world with mechanisms in place to plan our production for specific markets and to sell on long-term contractual arrangements. The spinoff effects of such as positive move will create new jobs and be a boon to small businesses and the agro-industries in this nation.

These spinoff effects will not only give us a better balance of trade and thereby benefit all of society, but will enable farmers in Canada to work together as Canadians as envisioned by the Fathers of Confederation.

Mr. Speaker, may I call it 4.30?

● (1630)

Mr. Deputy Speaker: Order, please. It being 4.30 p.m., it is my duty, pursuant to Standing Order 38(4), to interrupt these proceedings and put forthwith the question necessary to dispose of the amendment now before the House. The question is on the amendment. Is it the pleasure of the House to adopt the amendment?

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Deputy Speaker: All those in favour of the amendment will please say yea.

Some hon. Members: Yea.

Mr. Deputy Speaker: All those opposed will please say nay.

Some hon. Members: Nay.

Mr. Deputy Speaker: In my opinion the nays have it.

And more than five members having risen:

Mr. Deputy Speaker: Call in the members.

Division

The House divided on the amendment (Mr. Clark) which was negatived on the following division:

● (1640)

(*Division No. 2*)

YEAS

Messrs.

Alexander
Andre
Baker (Nepean-Carleton)
Beatty
Blenkarn
Bosley
Cardiff
Clark (Yellowhead)
Clarke (Vancouver Quadra)
Cook
Cooper
Corbett
Crosbie (St. John's West)
Crosby (Halifax West)
Crouse
Dantzer
Darling
Dick
Dinsdale
Domm
Ellis
Elzinga
Epp
Fennell
Forrestall
Fretz
Gamble
Gass
Greenaway
Gurbin
Gustafson
Halliday
Hamilton (Qu'Appelle-Moose Mountain)
Hargrave
Hees
Howie
Kempling
Kilgour
King
Korchinski
Kushner
Lambert
La Salle
Lewis
MacDonald (Miss) (Kingston and the Islands)
MacKay
Malone
Mayer
Mazankowski
McCuish
McDermid
McGrath
McKenzie
McKinnon
McKnight
McLean
McMillan
Mitges
Munro (Esquimalt-Saanich)
Neil
Nickerson
Nielsen
Nowlan
Patterson
Reid (St. Catharines)
Roche
Schellenberger
Scott (Hamilton-Wentworth)
Scott (Victoria-Haliburton)
Shields
Siddon
Speyer
Stevens
Stewart
Taylor
Thacker
Thomson
Towers
Vankoughnet
Wilson
Wise
Wright
Yurko—83.

NAYS

Messrs.

Allmand
Appolloni (Mrs.)
Bachand
Baker (Gander-Twillingate)
Beauchamp-Niquet (Mrs.)
Bégin (Miss)
Benjamin
Berger
Blaikie
Blais
Blaker
Bloomfield
Bockstael
Bossy
Breau
Broadbent
Buchanan
Bujold
Bussières
Caccia
Campbell (Miss) (South West Nova)
Campbell (LaSalle)
Chénier
Chrétien
Collenette
Comtois
Corbin
Corriveau
Cosgrove
Côté (Mrs.)
Cousineau
Cyr
Daudlin
Dawson
Deans
De Bané
de Corneille
Demers
Deniger
Dingwall
Dion (Portneuf)
Dionne (Chicoutimi)
Dionne (Northumberland-Miramichi)
Dubois
Duclos
Dupont
Dupras
Erola (Mrs.)
Ethier
Evans
Ferguson
Fisher
Fleming
Flis
Foster
Fox
Francis
Frith
Fulton
Garant
Gauthier
Gendron
Gimaïel
Gingras
Gourd
Gray
Guay
Guilbault
Harquail
Henderson
Hervieux-Payette (Mrs.)
Hopkins
Hovdebo
Irwin
Isabelle
Ittinuar
Jewett (Miss)
Johnston
Joyal
Kaplan
Keeper
Kelly
Killens (Mrs.)
Knowles
Kristiansen
Lachance
Lajoie
Lalonde
Lamontagne
Landers
Lang
Laniel
Lapierre
Lapointe (Charlevoix)
Lapointe (Beauce)
LeBlanc
Leduc
Lefebvre
Lewycky
Loiselle
Lonsdale
Lumley
MacBain
MacDonald (Cardigan)
MacEachen
Mackasey
MacLaren
MacLellan
Malépart
Maltais
Manly
Massé
Masters
McRae
Miller
Mitchell (Mrs.)
Munro (Hamilton East)
Murphy
Nystrom
Orlikow
Ostiguy
Ouellet
Parker
Pelletier
Pepin
Peterson
Pinard
Portelance
Prud'homme
Regan
Riis
Robinson (Burnaby)
Robinson (Etobicoke-Lakeshore)
Rompkey
Rooney
Rose
Rossi
Roy
Sargeant
Savard
Schroder
Simmons
Skelly
Smith
Stollery
Tardif
Tessier
Tobin
Tousignant
Trudeau
Turner
Veillette
Waddell
Watson
Weatherhead
Whelan
Yanakis—157.

● (1700)

Madam Speaker: I declare the amendment lost.

Mr. Nowlan: Madam Speaker, when the Table called the roll, I distinctly heard them call the name of the hon. member for Durham-Northumberland (Mr. Lawrence). We have shadow spokesmen in the opposition, but I am Mr. Nowlan. I do not know if my name is on the roll. The hon. member for Durham-Northumberland is away and I believe that his name was called twice.

Madam Speaker: We will check the roll to make sure the hon. member's name is on it.

[*Translation*]

It being five o'clock, this House stands adjourned until Monday at 11 a.m., pursuant to Standing Order 2(2).

At five o'clock, the House adjourned, without question put, pursuant to Standing Order.

HOUSE OF COMMONS

Monday, April 21, 1980

The House met at 11 a.m.

● (1105)

ROUTINE PROCEEDINGS

[*English*]

QUEEN ELIZABETH THE SECOND

BIRTHDAY GREETINGS TO HER MAJESTY—MOTION UNDER S.O. 43

Mr. Donald W. Munro (Esquimalt-Saanich): Madam Speaker, today, April 21, being the real anniversary of Her Majesty Queen Elizabeth the Second, by the Grace of God, Queen of Canada, I move, seconded by the hon. member for South Shore (Mr. Crouse):

That this House convey to Her Majesty Queen Elizabeth the Second, on the auspicious occasion of her birthday, our sincerest good wishes for many additional years of happiness and good fortune.

Some hon. Members: Hear, hear!

Madam Speaker: Such a motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

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

Some hon. Members: Agreed.

Motion agreed to.

* * *

NORTHERN AFFAIRS

REPORT OF NORTHERN MINERAL ADVISORY COMMITTEE—MOTION UNDER S.O. 43

Mr. Dave Nickerson (Western Arctic): Madam Speaker, I rise, under the provisions of Standing Order 43, on a matter of urgent and pressing necessity.

Whereas the report of the Northern Mineral Advisory Committee has been received with considerable interest by both the northern minerals industry and the general inhabitants of the territories; and whereas by a unanimously adopted motion of the Thirty-first Parliament of Canada the report was referred to the Standing Committee on Indian Affairs and Northern Development which, however, because of the intervening election was unable to complete its study, therefore I move, seconded by the hon. member for St. Catharines (Mr. Reid):

That the report of the Northern Mineral Advisory Committee be referred by this House to the Standing Committee on Indian Affairs and Northern Development.

Madam Speaker: Such a motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

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NATIONAL RESOURCES

CALL FOR STUDY ON NON-RENEWABLE RESOURCES—MOTION UNDER S.O. 43

Mr. Bill J. Yurko (Edmonton East): Madam Speaker, I rise, under the provisions of Standing Order 43, on a matter of urgent and pressing necessity.

In view of the existing and developing controversies among federal and provincial governments on non-renewable resource pricing, taxation and royalty structures, I move, seconded by the hon. member for Calgary East (Mr. Kushner):

That this House instruct the Government of Canada to appoint a royal commission to examine and make appropriate recommendations on the adequacy of present pricing, royalty and taxation structures in relation to national, regional and provincial objectives of all substantive non-renewable resources produced in Canada and marketed nationally and/or internationally. In particular, the commission is to study the pricing, royalties, and taxation mechanisms and regimes on hydrocarbon resources, ferrous and non-ferrous metals, asbestos and phosphates, and the commission is to specifically document the inconsistencies and anomalies in national practices in regard to the federal pricing and taxation of non-renewable resources involved in interprovincial and international trade.

Madam Speaker: Such a motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

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MULTICULTURALISM

REQUEST FOR CREATION OF FULL MINISTRY—MOTION UNDER S.O. 43

Mr. Laverne Lewycky (Dauphin): Madam Speaker, I rise on a matter of urgent and pressing necessity, under the provisions of Standing Order 43.

S.O. 43

In view of the necessity of safeguarding the interests of ethnic groups in Canada, and considering the request of the National Congress of Italian Canadians, I move, seconded by the hon. member for Winnipeg North Centre (Mr. Knowles):

That this House call on the government to create a full ministry of multiculturalism.

Madam Speaker: Such a motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

● (1110)

HOUSING

TAXES PAID BY RESIDENTS OF NATIONAL PARKS—MOTION UNDER S.O. 43

Mr. Mark Rose (Mission-Port Moody): Madam Speaker, I rise under the provisions of Standing Order 43. Since there have been extremely disturbing and worrisome reports that ground rents of the permanent residents of Banff National Park, and perhaps other western parks, are to be increased dramatically, meaning that home owners will face taxes of from $3,000 to $10,000 yearly, I move, seconded by the hon. member for Winnipeg North Centre (Mr. Knowles):

That the Minister of the Environment look into this matter immediately, with the view to ordering an immediate roll-back so that long-time residents no longer need fear the loss of their homes.

Madam Speaker: Such a motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

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INDUSTRY

CALL FOR COMMITTEE STUDY OF AUTOMOBILE INDUSTRY—MOTION UNDER S.O. 43

Mr. Ian Deans (Hamilton Mountain): Madam Speaker, I rise, under the provisions of Standing Order 43, on a matter of urgent and pressing necessity.

This weekend, further cutbacks in employment in the auto industry were announced. It is now generally agreed that the industry is in need of major overhaul and that the auto pact is not providing adequate protection for the Canadian industry and Canadian workers. I, therefore, move, seconded by the hon. member for Winnipeg North Centre (Mr. Knowles):

That a parliamentary committee be struck for the purpose of reviewing the state of the auto industry, the auto pact and the government's responses, and that this committee meet immediately with industry, union and government representatives for the purpose of making recommendations to the government on an appropriate course of action which it should follow in dealing with the future of the industry in Canada and the terms and conditions which Canada should require be included in the auto trade pact.

Madam Speaker: Such a motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

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ENVIRONMENTAL AFFAIRS

SPRING FLOODING IN ONTARIO—MEASURES TO ALLEVIATE—MOTION UNDER S.O. 43

Mr. Doug Lewis (Simcoe North): Madam Speaker, I rise on a matter of urgent and pressing necessity, under the provisions of Standing Order 43.

In view of the fact that there has been a great deal of flooding this spring throughout Ontario, and in view of the fact that a crisis has arisen in the riding of Simcoe North, where water levels are under the jurisdiction of the Minister of the Environment, through Parks Canada, I move, seconded by the hon. member for Mississauga South (Mr. Blenkarn):

That the Minister of the Environment order that immediate steps be taken to order Parks Canada to alleviate the flooding in Simcoe North, and commission a study to seek a long-term solution of the problem.

Madam Speaker: Such a motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

ORAL QUESTION PERIOD

[*English*]

EXTERNAL AFFAIRS

BOYCOTTING OF OLYMPIC GAMES IN MOSCOW

Hon. Flora MacDonald (Kingston and the Islands): Madam Speaker, my question is to the Prime Minister, whose two-month delay in announcing the government's decision regarding an Olympic boycott has caused anxiety, not only among our allies but untold difficulty regarding the government's intentions among Canadian athletes.

I would like to ask the Prime Minister: given that the Conservative government had initiated detailed discussions with other countries about the holding of international games of a comparable standard in one site, or several sites or countries, since this had already been undertaken, what has the Liberal government done to advance this planning so that our athletes could be assured of such kind of international competition?

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, I know the question had been discussed by the previous government. My recollection at the time was that that alternative was not a very serious possibility. But I will inquire if the subject matter is still being kept alive.

Miss MacDonald: Madam Speaker, I thank the Prime Minister, because I am sure that our athletes want very much to have this question kept alive. They want to know that they will have the opportunity to participate in games of an international standard elsewhere.

Will the Prime Minister give the House a commitment today that his decision, the government's decision on the boycott will be announced prior to the visit of Secretary Vance on Wednesday, so that it will not appear that Canada is being pressured into taking a position; so that it will at least be assured that the government has the moral fibre to take a decision on its own.

Some hon. Members: Hear, hear!

Mr. Trudeau: Madam Speaker, I answered a similar question last week, and indicated that Secretary Vance's visit was not considered as a deadline by me. On the contrary, it might be used as an occasion to inform myself, from the Secretary, of various aspects of their international politics and international relations.

• (1115)

I did say that the deadline for this government was, perhaps, the meeting next weekend of the Canadian Olympic Committee. But we may make a decision before, we may make a decision after Secretary Vance's visit, Madam Speaker.

Miss MacDonald: We already know that 53 countries oppose going to Moscow. Twenty-seven countries, many of them Warsaw pact countries, favour going. I would like to ask the Prime Minister, what further consultation or what further information does he require before he is able to take a stand on Canada's behalf.

Mr. Trudeau: Madam Speaker, I believe this is a repetition of the question the hon. lady asked last week. I suspected then that her figures were inaccurate, and now I have confirmation of it.

Some hon. Members: Hear, hear!

* * *

ENERGY

DEPARTMENTAL SURVEY OF ENERGY QUESTIONS—REQUEST FOR TABLING

Mr. Edward Broadbent (Oshawa): Madam Speaker, I have a question for the Minister of Energy, Mines and Resources. Would the minister confirm today that his department did conduct a survey on a variety of energy questions, and would he assure the House that the results, which should now be available, will be tabled either today or tomorrow?

Hon. Marc Lalonde (Minister of Energy, Mines and Resources): Madam Speaker, I thank the hon. member for his question and for having given me time to check on the facts.

The department has had a public attitude survey conducted on energy conservation in February and March of every year since 1975. The contract is let out to Canadian Facts by the consumer research and evaluation branch of the Department of Consumer and Corporate Affairs.

The report has not yet been received by Energy, Mines and Resources. It is expected shortly. I would like to advise the hon. member that the report will be made available to the public, as have all previous attitude surveys carried out every year in February and March on this subject. The report can be obtained from the Department of Energy, Mines and Resources or the Department of Consumer and Corporate Affairs as soon as it is ready. As soon as I have received a copy, I will be glad to send the hon. member a copy, if he does not already have one.

Mr. Broadbent: I thank the minister for that full answer. My next question, which is broader in its implications, is directed to the Prime Minister. On Friday, the Prime Minister said he would inquire into what polling was being done by other government departments.

In that context, I wish to ask him if he is now prepared to table information concerning all such polls, including questions and answers, and ask him what he meant when he said in the House on Friday that some surveys may elicit information which should not be made "very widely public". More specifically, can he tell us which opinions of Canadians would be inappropriate for Canadians to know about themselves?

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, that is a repetition of the question that was asked on Friday, and I undertook then to look into the matter. This is Monday morning, as the hon. leader of the New Democratic Party knows. I have not had the information yet from the departments, but it appears to me from the answer just given by the Minister of Energy, Mines and Resources that at least the way the hon. leader asked the question the other day was incorrect, since in his question he implied that we were keeping these polls secret.

Mr. Broadbent: No.

Mr. Trudeau: The hon. member says "No". I have his question here. He said, "the dubious practice of the government of Ontario by using taxpayers' money to do public opinion surveys which it keeps secret?". The Minister of Energy, Mines and Resources just indicated that for the past six years we have been making the results of these surveys public.

Mr. Broadbent: Madam Speaker, I know the Prime Minister would not consciously distort what I had to say in my

question. The words which he quoted said, "the dubious practice of the government of Ontario"—

Mr. Trudeau: Read it.

Mr. Broadbent: I was attempting to obtain assurances from his government that the Liberal government was not pursuing such dubious practices. I was not implying that it was; I was happy with the answer I received from the Minister of Energy, Mines and Resources. I would like to ask the Prime Minister: given the fact that in one year alone the government of Ontario spent almost a half-million dollars on such polls, which they originally intended to keep secret, and since the minister has referred to only one poll which has been taken periodically and made available to the public, the general question remains open. Will the Prime Minister assure us that all such polling by other departments will be made available to the public?

• (1120)

Second, what are his grounds for saying—as he indicated in his answer on Friday—that some should not be? What are the criteria?

Mr. Trudeau: Madam Speaker, as to the first part, I would refer the hon. member to his own question which I will now read in full from page 158 of *Hansard*: "Would the minister confirm that the federal government is following the dubious practice . . .", and so on, "of doing public opinion surveys which it keeps secret." If that is not an inference and a veiled accusation that we are keeping such opinion polls secret, I do not know what is. That was the question.

As to the rest of the question, I have just told the hon. member that I have asked the departments to inform me of such surveys. I do not have the information yet, but as soon as I have it I will let the hon. member know the answer, as well as the answer to the other part of the question in response to which I indicated that perhaps some surveys which are made at a particular point in time should not be made public. I will give the answer to that, too.

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SPORTS

INTERNATIONAL GAMES AS ALTERNATIVE TO OLYMPICS

Mr. Joe Reid (St. Catharines): Madam Speaker, my question is directed to the minister responsible for amateur sport. In view of the fact that the former government took a position with respect to an Olympics boycott and had entered into discussions with localities so that the games might be held at alternative sites, notably, here in Canada, such as the Velodrome in Montreal, the Commonwealth Games facilities in Edmonton and the yachting facilities at Kingston, would the minister tell us whether he has followed up these discussions with any of the organizations concerned, so that Canadian athletes may be assured of alternative games at an international level?

Hon. Gerald Regan (Minister of Labour): I thank the hon. member for his question, and compliment him upon being chosen to be the critic for his group on the subject of fitness and amateur sport. I am sure his keen interest over the years will enable him to perform that function very well indeed.

May I say, in response to his question, that examination has been made by Canada and other countries as to the possibility of holding games which would enable our athletes, if a boycott did occur, to participate in important events since they would otherwise, perhaps, be losing a lifetime opportunity to take part in the Olympics. It has been determined that it would not be practicable to hold all those games in one place at one time; the preparation period which would be necessary is much greater than is available.

It should also be noted that no games of an international character held within six weeks of the Olympics could be accredited, and that athletes participating in such games might well lose their status in respect of future international competition. That is another hindrance. Beyond that, a number of countries have examined the possibility of staging individual-event games, and Canada has certainly been considering the possibility of utilizing some of the existing facilities in different regions of this country to stage events in two or three sports, if this should turn out to be desirable and if, indeed, a boycott were to take effect.

Mr. Reid (St. Catharines): Madam Speaker, the delay which has been imposed upon the athletes with respect to these alternate site locations is a cause for serious concern.

Has the minister put forward any recommendation or suggestion to any international gathering with respect to alternate sites and what games may be played there, so that the athletes of Canada and, indeed, of the world, will not find their opportunities jeopardized as a result of the government's delay in making a decision with respect to the boycott?

• (1125)

Mr. Regan: Madam Speaker, I thank the hon. gentleman again, and I would say to him that there has not been a delay because of a position in relation to alternate games, because obviously you are not going to plan alternate games until a determination is made as to whether you are going to participate in the Olympics.

We did send, as an observer, a functionary to a meeting in Geneva, which certain other countries attended, for a general discussion of the possibility of international competitions in other parts of the world. As a consequence, we have information on the thinking of some of the countries.

I do not believe that the hon. member is correct in suggesting that it is interfering with the preparations of the athletes, because the athletes are continuing to train for the Olympics on the assumption that we will be participating, until any decision is made to the contrary. However, I assure the hon. member that, on an informal basis, very careful examination has been made by my department, and soundings have been made, as to what is feasible. I point out that this cannot be a

unilateral decision by Canada because you cannot have an international competition unless athletes from other countries also participate.

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EXTERNAL AFFAIRS

SANCTIONS AGAINST IRAN—POSSIBILITY OF ANNOUNCEMENT BY GOVERNMENT

Mr. Donald W. Munro (Esquimalt-Saanich): Madam Speaker, my question is directed to the Prime Minister. In anticipation of the visit later this week of Secretary of State Vance, and as a means of indicating to the United States, to the world and to the Canadian people that this government is prepared to make some sort of stand on its own, is this government prepared to impose sanctions on Iran as an indication of this government's condemnation of Iran's failure to uphold and respect international law, so as to effect the release of the United States hostages?

Right Hon. P. E. Trudeau (Prime Minister): Yes, Madam Speaker, that matter will be discussed with Secretary Vance.

Mr. Munro (Esquimalt-Saanich): Madam Speaker, I am not sure that the Prime Minister understood my question. I did not ask whether he is prepared to discuss this with Secretary Vance, but whether he is going to make an announcement in anticipation of this.

There is a further visit in about ten days by a prime minister of a country which has also announced sanctions against Iran. This is a very courageous stand by Japan, and we are expecting a visit from the Prime Minister of Japan. Is the Prime Minister going to wait for that visit, also, before he takes any stand in support of the recognition of international law and in support of diplomatic personnel around the world?

Mr. Trudeau: Madam Speaker, I certainly will be discussing that question with Prime Minister Ohira also. The hon. member knows that I think the breach of international law which took place last fall by the terrorists seizing hostages in Tehran was something that all countries should have condemned more strongly at the time than they did.

I indicated to the other participants in the upcoming Venice summit that we intended to raise that subject there, and our officials have already raised it at the meeting in Sardinia preparatory to the summit meeting.

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ROYAL CANADIAN MOUNTED POLICE

ALLEGED ILLEGALITIES COMMITTED BY MEMBERS OF FORCE

Mr. Svend J. Robinson (Burnaby): Madam Speaker, my question is for the right hon. Prime Minister. In the last couple of days there has been substantial evidence released by the McDonald commission of criminal wrongdoing on the part of the RCMP security service under the operations Checkmate, Oddball, and a number of similar operations. These illegalities included the interception and destruction of first-class mail, filing false income tax returns, making threatening telephone calls, and so on. My question to the right hon. Prime Minister is whether he or his solicitors general authorized, either directly or indirectly, these particular operations.

Second, what action will the government take to ensure that similar illegal operations do not take place in the future? Specifically, what disciplinary action will the Prime Minister and his government be taking with respect to persons who have been found to have been violating the law, and what prosecution will the Prime Minister be recommending in this regard?

• (1130)

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, I should like to advise the hon. member, as I advised the House in the previous Parliament, that our government does not, and will not, comment on the day to day testimony given before the McDonald commission. We will wait for the commission's report to indicate what our actions will be in that regard.

In so far as any illegalities are concerned, the hon. member might want to address his question to the Solicitor General. It has been the practice of the government and of previous solicitors general—and I feel it is the practice of this one—to supply provincial attorneys general with information which might be of the kind to incriminate criminally members of the force. However, the Solicitor General might answer that part of the question.

Mr. Robinson (Burnaby): Obviously, the Prime Minister is unaware of the fact that prosecutions for breaches of certain federal statutes are made by the federal government and not by provincial attorneys general. The commission has been going for three years, and I would ask the right hon. Prime Minister what action he intends to take before the commission reports, to ensure that similar violations do not take place. Second, who in his government authorized destruction of the files relating to this particular operation shortly before the establishment of the commission?

Mr. Trudeau: The hon. member has a different view of the law than I have, Madam Speaker. The Criminal Code is a federal statute, yet prosecutions under it are enforced by provincial attorneys general.

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IMMIGRATION

TIMOTHY LEARY—ENTRY INTO CANADA—HOTEL ENGAGEMENTS

Mr. Dan McKenzie (Winnipeg-Assiniboine): Madam Speaker, my question is for the Minister of Employment and Immigration. Last week, I questioned the minister on Mr. Timothy Leary making his first commercial appearance in

Canada at a hotel in which the minister has an interest. At that time the minister said he had read of Mr. Leary's appearance at the hotel in an advertisement in a Winnipeg newspaper.

I would like to ask the minister—as he, also, made a statement to the Winnipeg *Free Press* and to Mr. Peter Warren, of radio station CJOB in Winnipeg, that he was notified the weekend prior to Mr. Leary's appearance at his hotel—whether he would tell us which statement is true. Did he read it in an advertisement, or was he advised by his brother?

Hon. Lloyd Axworthy (Minister of Employment and Immigration): Madam Speaker, I would be very glad to clarify, for the hon. member, that when I said I was notified, I meant I read it in the newspaper that weekend prior to his arrival. That was how I was notified. I think the word "notified" means that I was made aware of the fact. I went home for the Easter weekend and read the advertisement; that is being "notified", Madam Speaker.

Mr. McKenzie: As the minister is aggressively working to replace the present Prime Minister, has he discussed with the present Prime Minister his conflict of interest, his having shares in this Winnipeg hotel in which the first commercial appearance of Mr. Leary took place, which is definitely a conflict of interest? Has he discussed it with the Prime Minister, as well as his possible resignation from the cabinet?

Mr. Axworthy: Madam Speaker, as I pointed out to the hon. member beforehand, there was no conflict of interest. The approval of Mr. Leary was based upon the application for him to appear in several other cities, but it was never brought to my attention that he was to appear in Winnipeg. I set out those facts before the Prime Minister; he has the letter.

I think there is absolutely no conflict involved, and I think the hon. member's own peculiar obsession with the hotel is one on which I would be very glad to sit down and clear up with him, as well as his interest in the hotel business. I should also say that I have now divested myself of the interest, which is now in a blind trust, and I hope this will further ease his mind.

Mr. Don Blenkarn (Mississauga South): I have a supplementary question for the Minister of Employment and Immigration. The minister issued a special permit for the temporary immigration into Canada of one Timothy Leary.

Did the minister get the list of hotel engagements before he issued the permit? If he did not get the list of engagements, will the minister please table in this House the terms of the application and how the application was approved? Would the minister give us this exact detail, because this is a matter of serious conflict?

Some hon. Members: Oh, oh!

Mr. Blenkarn: If what the minister has said is so, he should be happy to table the details of the application for the permit and the nature of the permit offered. Would the minister do that?

An hon. Member: It is a question of acid rain.

Mr. Axworthy: As the hon. member well knows, there are literally hundreds of applications to this government for temporary work visas in this country.

An hon. Member: If you are not going to read them, why sign them?

Mr. Axworthy: Several of them, where there may be a question of safety to the country involved, require ministerial application and approval, which I gave. The initial application, which I point out again to the House—I am repeating myself and I ask for your indulgence, Madam Speaker, because I gave that answer last week—the original application and recommendation that was forwarded to me on March 6 exclusively asked for Mr. Leary to appear in Ottawa, Toronto and Montreal. I approved that in principle.

No further notification was given to me at that point. But I did unquestionably—as I would do again—allow Mr. Leary to come to the country on the grounds that whatever he has to say, some Canadians might want to hear it even though the hon. member might not want to hear it.

Mr. Blenkarn: Dealing with this question of a permit, the minister is quoted in an article in the Winnipeg *Free Press* as having said:

> Our judgment was that he (Leary) didn't constitute any major problem—

He went on to say that he had granted several permits on compassionate grounds, one to a Polish seaman and one to an Indian girl who is blind. Is there any compassionate ground on which Mr. Leary was given access to Canada—

Some hon. Members: Oh, oh!

Mr. Blenkarn: —or is it a question of LSD promotion, or was this a question of business reasons to do with the minister's hotel? If the permit, as the minister has suggested, was only for Ottawa, Montreal and Toronto, is Leary in default of the permit by appearing in Winnipeg? Will the minister please explain why the permit was only for Montreal, Toronto and Ottawa, and why, all of a sudden, it turns out the appearance was at Winnipeg?

Mr. Axworthy: Madam Speaker, to come back to the issue again, there are a variety of reasons why people make application requiring ministerial permits. Some are on compassionate grounds, others are simply because they are required under the act because of their past records. Mr. Leary had already served his parole. The judgment of the officials who had examined the case was that he did not constitute any kind of danger to the country. The application was for those three cities.

I agreed in principle with the judgment of the department. When a further application was made by his lawyers or agents to extend his visit, that was given approval. It did not come to

my attention, and I would have to say, Madam Speaker, that there was absolutely no occasion whatsoever for any conflict to occur. I suggest that the hon. member, by suggesting that, is really stepping out of turn and should be answering to his own privileges. I simply made the judgment on the grounds of operating the act as it should be operated, and that is not to censor opinions of people coming to this country.

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CANADIAN PACIFIC RAILWAY

WINNIPEG—RELOCATION OF MARSHALLING YARDS

Hon. Stanley Knowles (Winnipeg North Centre): Madam Speaker, my question is for the Minister of Transport. In view of the fact that the council of the city of Winnipeg has taken a stand in favour of relocating the Canadian Pacific railyards—a matter of great importance to the future of the city of Winnipeg—and in view of the fact that this position has been supported for a long time by the four members in this party who represent the city of Winnipeg and also by the two Liberals from Winnipeg, the Minister of Employment and Immigration and the Parliamentary Secretary to the Minister of Transport, will the minister tell the House, now, that the government is prepared to consider favourably federal participation in this important relocation project?

Hon. Jean-Luc Pepin (Minister of Transport): Madam Speaker, the question is not about federal participation or non-participation; it is about the level of federal participation. The federal government is already committed to spending, if I remember correctly, about $7 million of UTAP money in Manitoba. But what the municipality is doing now is to come up with another type of project, the most expensive one with respect to the relocation of track yards, at the level of about $167 million.

In their assessment of the situation, they have assigned roles under which the municipality would pay about one-sixth, the province about one-sixth, and the federal government about two-thirds. Two-thirds of $167 million—I do not have a computer with me—is a heck of a lot of money. I am sorry, but we do not have it. So we have to be reserved in the extent of the commitment we make to this very worth-while project.

● (1140)

An hon. Member: Tracking operations.

Mr. Knowles: Madam Speaker, the minister has said that agreement to participate has been announced already by the federal government, that all that is at stake is the level. Unless the level of participation is adequate, that participation will mean nothing.

I ask the minister this supplementary question: in view of the fact that the relocation of these yards is terribly important to the economic and social future of the downtown part of Winnipeg, and in view of the government's commitment to assist other municipalities with relocation, will the government give favourable consideration to the appeals to be made to him by the delegation from Winnipeg representing the city council and the legislature of Manitoba when that delegation meets with him on Thursday of this week?

Mr. Pepin: This has been done already, Madam Speaker. I will receive the group and listen to their arguments. I am just trying to indicate the size of the project in Winnipeg, and also that similar projects exist elsewhere. All over Canada there is hardly a municipality which does not have a track relocation problem to solve: Regina, Toronto, Montreal—name it—all over Canada. So, obviously, measures less expensive than the full relocation of tracks and yards will have to be taken because probably the country cannot afford to go the whole way in remedying this problem and embellishing all the cities of Canada in the coming years.

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HAZARDOUS SUBSTANCES

ASBESTOS—MEASURES TO PREVENT DANGER TO HEALTH

Mr. Jesse P. Flis (Parkdale-High Park): Madam Speaker, I should like to direct this question to the Minister of National Health and Welfare. In view of the fact that the mortality rate of asbestos workers is increasing—for example, 43 employees who work for the Canadian Johns-Manville company in Scarborough, Ontario, have already died of asbestos cancer—what steps does the minister plan taking to ensure that owners of asbestos plants reduce asbestos dust levels for workers to at least the levels regulated by the federal government on December 31, 1978?

Hon. Monique Bégin (Minister of National Health and Welfare): Madam Speaker, I understand that the national guidelines which we issued—I am not sure if the date is correct; I take it for granted—now are respected by the provinces and enforced by them. Also, my officials are now working with those of the United States to see what strengthening we can give to the national guidelines. We would pass on the information and eventually recommend much more severe guidelines, in order to reduce the level of asbestos permitted in plants.

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ADMINISTRATION OF JUSTICE

JAMES OAG—CRITICISM OF PAROLE

Mr. Chris Speyer (Cambridge): Madam Speaker, my question is for the Solicitor General. In 1968, one James Oag was convicted in London of an extraordinarily brutal murder. In 1971, he was a participant in, and convicted of, the death of two inmates at the bloody Kingston massacres.

Prior to 1968, he had a criminal record which included arson, involving the throwing of molotov cocktails, assault causing bodily harm, assaulting a police officer, and numerous

other offences. My question for the Solicitor General is: just what was the Canadian Penitentiary Service doing, allowing Mr. Oag on the streets of Canada unescorted?

Hon. Bob Kaplan (Solicitor General): Madam Speaker, I am having an investigation done of this particular case and I will be glad to inform the House about the results of it. I might also indicate that I am collecting statistics in general about the performance of inmates on parole and on all forms of conditional release. There are over 6,000 inmates on various forms of conditional release—a very substantial number.

If the parole system is jeopardized, that could involve extra costs, among other things, of hundreds of millions of dollars to provide for incarceration of all inmates until they complete their sentence. So I think it is important to support the concept of parole and to look into cases where abuses, obviously, like this take place and try to get to the bottom of it in order to minimize the risk of the sort the hon. member has described. I can tell the hon. member that this particular individual was released twice before. His behaviour was exemplary on both prior releases—

An hon. Member: It sure sounds like it.

Mr. Kaplan: —and I am told, in a preliminary way, that he was considered a good risk by the officers who dealt with him.

An hon. Member: Oh!

Mr. Speyer: Madam Speaker, my supplementary question is to the Solicitor General. On the basis of his current investigation, would the Solicitor General confirm that Mr. Oag has had a history of protracted violence? Would he agree that a person with such a history ought not to be released on the streets, having in mind that he participated in separate acts of murder in 1968 and 1971?

Mr. Kaplan: He has a violent history; so do many persons who are safely on parole and are not jeopardizing the public interest. I would like to wait for the study to be completed and to have the statistics before I give assurances to the hon. member about changes in the way the parole system operates.

Some hon. Members: Hear, hear!

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HOUSING

ASSISTANCE FOR HOME OWNERS ADVERSELY AFFECTED BY RISING MORTGAGE INTEREST RATES

Hon. John C. Crosbie (St. John's West): Madam Speaker, my question is to the Prime Minister, in the absence of the minister responsible for housing. Last week, I sent a petition to that minister of 470 home owners in Newtown-Mount Pearl, in my district, who have mortgages coming up for renewal under the AHOP scheme this year. In one case the rent has already been doubled, or the mortgage payments, from $161 to $338 a month, and the interest rate has gone from 9.5 per cent to 14.5 per cent. That case is already concluded.

Will the Prime Minister direct the minister responsible for housing, or discuss with cabinet extending the plan that is now to be limited to some 7,000 individuals, so that it will be retroactive as well as apply in the future, to assist in these AHOP cases where mortgage interest rates have gone up so much in recent months?

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, in the absence of the minister I would be very happy to give him notice of the question on behalf of the hon. member.

Mr. Crosbie: My supplementary question is to the Prime Minister, Madam Speaker. The Prime Minister's housing critic, on November 6, 1979—the present Minister of Employment and Immigration—proposed a principle that if there was a requirement to raise interest rates, if interest rates had to go up, there was an equal requirement to help people who were hurt by those interest rate increases. That was a great Liberal principle when they were out of office.

Does that great Liberal principle now apply when they are in office and when interest rates have again gone up something like 2 per cent since this government took office? Is that principle to be applied so that everybody will get relief, those who have already been stuck by AHOP and CMHC, as well as those who will be stuck in the future? Will that principle be carried out, or is the Prime Minister repudiating his putative successor who made that statement last November 6?

Mr. Trudeau: No, Madam Speaker, I am not repudiating him as a minister nor as my putative successor, if that is what interests him, providing he does not start too soon.

Some hon. Members: Hear, hear!

An hon. Member: He has already started.

Mr. Trudeau: Also, I certainly do not repudiate the principle he enunciated. On the contrary, it must be understood and read with that other great Liberal principle, that we must first help those who need it most. That it what this government will do, rather than—to quote the hon. member—trying to help everybody: we will try to help those who need it most.

Some hon. Members: Hear, hear!

* * *

ENERGY

SALE OF GASOLINE TO UNITED STATES CITIZENS

Mr. Harvie Andre (Calgary Centre): Madam Speaker, my question is directed to the Minister of Energy, Mines and Resources. The minister is aware that thousands of American drivers are coming across our border to fill up on subsidized Canadian gasoline, and that foreign airlines, trucking and shipping companies—even pleasure boat owners—are doing

the same thing. I am sure the minister has asked his officials to get an estimate of this. Can he tell the House just how many thousands of barrels of fuel oil and gasoline are being transported across our border in that way?

• (1150)

Hon. Marc Lalonde (Minister of Energy, Mines and Resources): Madam Speaker, Canada has always been a country that welcomes tourists, particularly American tourists. One must remember that even with the large influx of tourists into Canada, the consumption of gasoline by them represents less than 1 per cent. There has been an apparent increase in the number of American residents who are coming to Canada to fill their tanks. In some of the bordering areas the situation is being monitored.

At the present time, there does not appear to be any reason to take any special steps in that respect. One must remember that a large number of Canadians consume a large amount of American gasoline every winter, in California or in Florida.

We are monitoring the present situation. My officials, in consultation with the provincial governments, are examining the situation. If any steps are required in the future, I will advise the House.

Mr. Andre: Madam Speaker, the minister did not indicate if, in fact, he has an estimate. I wonder if he would quarrel with the estimate of another organization, that there are some 20,000 barrels a day involved. This represents a subsidy by Canadian taxpayers to these foreign consumers. They are not tourists; they are people who come into Canada to fill up their tanks, and then to go home. There is a big distinction. According to one estimate, Canadian taxpayers subsidize airlines alone by $5 million to $10 million.

Besides being aware of the situation, as the minister has indicated, what plans does he have in mind to stop this situation? Obviously, it is ludicrous to have Canadian taxpayers spending tens of millions of dollars to subsidize foreign consumption, not tourists coming to Canada but foreigners consuming the gasoline in their own country.

Mr. Lalonde: Madam Speaker, I would not want to endorse the specific figures mentioned by the hon. member.

TRANSMISSION OF LOWER CHURCHILL FALLS POWER

Hon. James A. McGrath (St. John's East): Madam Speaker, I would like to direct a question to the Minister of Energy, Mines and Resources. In view of the fact that the government of Quebec has now demonstrated that it is not prepared to enter into an agreement with the province of Newfoundland for the transmission of Lower Churchill Falls power through the province of Quebec in order to get it to customers in New York and Ontario, is the minister prepared to exercise the authority of the federal government under sections 91 and 92 of the BNA Act to permit a corridor of Lower Churchill Falls' power through Quebec; and, indeed, is the federal government prepared to assist in the building of the transmission lines?

[*Translation*]

Hon. Marc Lalonde (Minister of Energy, Mines and Resources): Madam Speaker, the existing contract between Newfoundland and Quebec concerning Churchill Falls electricity has been the subject of many debates not only in the last few months but also in the last few years. I understand that recent discussions took place between the governments of Quebec and Newfoundland. I shall meet the energy ministers of Newfoundland and Quebec in the near future. During those meetings I shall take the opportunity to examine with them the present situation but I do not intend now to recommend any particular measure, at least as long as I have not had the opportunity to meet my provincial colleagues and to examine with them what is exactly the present situation. I remind the hon. member once again that the contract has been signed freely betweeen both governments, and it is under the authority of both governments concerned.

[*English*]

Mr. McGrath: Madam Speaker, my supplementary question is to the Prime Minister, in view of the fact that the Minister of Energy, Mines and Resources does not seem to fully understand the question, because the contract to which he referred deals with the Upper Churchill, which is already a fact, a *fait accompli.*

We are talking about the development of power on the Lower Churchill River. That power cannot be developed unless Newfoundland can get it through the province of Quebec, which has indicated that it is not prepared to enter into an agreement with Newfoundland to provide a corridor. Under sections 91 and 92 of the BNA Act, the federal government has clear constitutional authority, as it does in the case of pipelines for the transmission of gas and other forms of energy.

My question to the Prime Minister is very simple, since the Minister of Energy, Mines and Resources does not seem to understand. Is the federal government prepared to exercise its constitutional authority and provide a corridor through Quebec to Lower Churchill Falls, so that the power can be developed? Indeed, is the Government of Canada prepared to assist in the building of that corridor, or transmission line through Quebec?

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, of course the Minister of Energy, Mines and Resources understands that; if only the hon. member would understand that the minister believes that it is better for the provinces to at least attempt to reach an agreement between themselves before we invoke the superior federal power. I should have thought that would have been a position approved by the hon. member and his party which sometimes accuses us of using the federal power too willingly.

Mr. Crosbie: Read your correspondence.

Oral Questions

SMALL BUSINESS

PLANS TO ASSIST BUSINESSMEN

Mr. Nelson A. Riis (Kamloops-Shuswap): Madam Speaker, my question is directed to the Minister of State (Small Businesses). The minister well knows that these are difficult times for small businessmen, who face exorbitant costs for inventory and are experiencing increased bankruptcy rates and a manufacturing downturn which is adding fuel to this fire.

Will the minister inform this House what he plans to do in the immediate future? Does he really care for small businessmen, and when can we expect some specific action?

[*Translation*]

Hon. Charles Lapointe (Minister of State, Small Businesses): Madam Speaker, of course I care about the present general economic situation and its effects on small business in Canada, as also do all my colleagues of the government. To answer more specifically the question of the hon. member, I should like to indicate that at noon today I shall be tabling for first reading a bill amending the Small Businesses Loans Act to raise the ceiling on loans so that small businesses can have easier access to financing. In a few days, I shall also be tabling another bill to again raise the maximum financing allowed the Federal Business Development Bank. If I may add something else, Madam Speaker, I should like to say that we have undertaken two major studies of general as well as financial problems of small businesses. Those studies which are being made by the Economic Council of Canada in co-operation with the Department of Industry, Trade and Commerce, and The Canadian Bankers Association, will give us a broader view of the solutions we can bring to the problems of small businesses. But I can assure the hon. member that we are really concerned about those problems and continue to hold regular consultations with small businessmen themselves and their associations.

* * *

AIRPORTS

INQUIRY WHETHER FLIGHTS ARRIVING AT DORVAL WILL BE DIVERTED TO MIRABEL

Mr. Robert Gourd (Argenteuil): Madam Speaker, my question is directed to the Minister of Transport. In view of the inertia and incompetence of the former government in the field of transport, can the minister tell the House whether or not he intends to authorize the transfer of flights from Dorval to Mirabel in order to allow for the development of the largest airport in North America and pull it out of its impasse?

Hon. Jean-Luc Pepin (Minister of Transport): Madam Speaker, the original intention, when the Mirabel airport was built, was to transfer there all flights except short domestic flights. I believe the objective remains the same today. However, in achieving it, such things must be taken into account as the state of access roads, the habits of the travelling public and the economic situation in the Dorval area. Those are the elements my department is now putting together in a study of the situation I expect to get by June and intend to use as the basis for the discussions I shall hold with all parties concerned.

* * *

[*English*]

NATIONAL DEFENCE

STATUS OF LIEUTENANT-GENERAL PARADIS

Hon. Allan B. McKinnon (Victoria): Madam Speaker, my question is to the Minister of National Defence. Would the minister inform the House if Lieutenant-General Paradis, the forthright officer who commands Mobile Command, approached him to prevent any posting action being taken that would have resulted in him, General Paradis, resigning; and did the minister intervene, as he has every right to do?

[*Translation*]

Hon. J. Gilles Lamontagne (Minister of National Defence): Madam Speaker, it is one of the Minister of National Defence's responsibilities to make sure that generals in charge of certain commands may communicate with him as freely as possible. Recently, however, I have had no conversations with General Paradis concerning a possible resignation or promotion or whatever. The hon. member is certainly aware that, in co-operation with the high command, we are making a number of changes among higher ranking generals, and he should therefore obtain the information he is seeking within the next few days.

● (1200)

[*English*]

Mr. McKinnon: Madam Speaker, my supplementary question is for the same minister. Recently the commander of Air Command resigned without giving any particular reason, and I have been informed that the commander of Mobile Command was asked to resign. Admiral Allan has been posted from the position of commander, Maritime Command, after only ten months in that position. Admiral Martin, commanding officer of Maritime Command, Pacific, is resigning a year ahead of his age limit, and the chief of personnel development, a major-general, is also resigning.

Could the minister tell the House if he is aware of and interested in these matters, and could he tell us if some kind of witch hunt is going on?

Mr. Lamontagne: Madam Speaker, I think the hon. member is wrong in mentioning a witch hunt. If some of our generals are retreating or—

Some hon. Members: Oh, oh!

Mr. Lamontagne: Not "retreating".

Mr. Hees: You just made the headlines.

Mr. Lamontagne: I mean, retiring before time, it is because—

An hon. Member: They have no place to go!

[*Translation*]

Mr. Lamontagne: Madam Speaker, perhaps it would be better for me to speak French and explain that the English word "retreat" means, in French, retirement of certain generals. Our generals are certainly highly competent, and those who decided to retire early hold very good positions and earn a very decent living. Because of their expertise and training in the armed forces, these people can certainly look forward in the final analysis to a very good job and a new career following that of general.

* * *

[*English*]

HOUSING

RISING INTEREST RATES—EFFECT ON MORTGAGES

Mr. Doug Lewis (Simcoe North): Madam Speaker, my question is for the Acting Minister of Public Works. On Tuesday, April 15, the Minister of Finance suggested, on page 17 of *Hansard*, that people only have difficulty renewing their mortgages for the following reason:

—their incomes have not increased and because their equity in their homes has not increased, or the value has not appreciated—

Will the minister admit that mortgage loan officers are only interested in income available to meet mortgage payments when considering whether to renew a mortgage, and that an increase in equity or appreciation in value only helps mortgage companies avoid the spectre of foreclosure, rather than helping the 350,000 average Canadians who are renewing their—

Madam Speaker: Order, please. Would the hon. member please ask the question.

[*Translation*]

Hon. Yvon Pinard (President of the Privy Council): Madam Speaker, as the Minister of Public Works is absent, I will gladly refer to him the hon. member's comments.

* * *

[*English*]

POINT OF ORDER

MR. BAKER (NEPEAN-CARLETON)—ACTING MINISTERS

Hon. Walter Baker (Nepean-Carleton): Madam Speaker, I have a point of order. The answer to the last question prompted me to rise. Is it the intention of the government House leader to arrange to table a list of acting ministers in the government, so that members of the House may know who has responsibility during the question period?

[*Translation*]

Hon. Yvon Pinard (President of the Privy Council): Madam Speaker, if I am not mistaken, that has already been done or should be done without delay, and for my hon. colleague's information, I am the acting Minister of Public Works, which is why I rose to answer the question.

Mr. Baker (Nepean-Carleton): It has not been done!

Mr. Pinard: Now my colleague says that he has checked and that it has not been done. I assure him that it will be done forthwith.

ROUTINE PROCEEDINGS

[*English*]

STANDING COMMITTEES

Hon. Yvon Pinard (President of the Privy Council) presented the report of the special committee to prepare and report lists of members to compose the standing and standing joint committees of the House, as follows:

AGRICULTURE

Messrs.

Althouse	Lonsdale
Bloomfield	Mayer
Bockstael	McKnight
Bossy	Mitges
Côté (Mrs.)	Murta
Ferguson	Nystrom
Garant	Ostiguy
Gurbin	Schroder
Hamilton (Swift Current—Maple Creek)	Tardif
Hargrave	Taylor
Henderson	Tessier
Hovdebo	Thacker
Lapierre	Towers
Lapointe (Beauce)	Veillette
Leduc	Wise—30

COMMUNICATIONS AND CULTURE

Messrs.

Beatty	Dion (Portneuf)
Carney (Miss)	Dupont
Cook	Flis
Dawson	Friesen
de Jong	Gauthier

Standing Committees

Gingras
Gourd
Herbert
Irwin
Kushner
Masters
McMillan
Rose
Scott (Hamilton—Wentworth)
Smith—20

EXTERNAL AFFAIRS AND NATIONAL DEFENCE

Messrs.

Appolloni (Mrs.)
Bloomfield
Caccia
Crouse
Dionne (Chicoutimi)
Dionne (Northumberland—Miramichi)
Duclos
Dupras
Friesen
Frith
Gauthier
Hamilton (Swift Current—Maple Creek)
Hopkins
Jewett (Miss)
MacDonald (Miss) (Kingston and the Islands)
MacLaren
Massé
McKinnon
Munro (Esquimalt—Saanich)
Nowlan
Ogle
Patterson
Prud'homme
Robinson (Etobicoke—Lakeshore)
Roche
Roy
Sargeant
Schroder
Stewart
Wenman—30

FINANCE, TRADE AND ECONOMIC AFFAIRS

Messrs.

Blenkarn
Breau
Buchanan
Campbell (Miss)(South West Nova)
Crosbie (St. John's West)
Cullen
Deans
Evans
Garant
Hopkins
Huntington
Lachance
Lambert
Laniel
Mackasey
Peterson
Rae
Stevens
Thomson
Wilson—20

FISHERIES AND FORESTRY

Messrs.

Baker (Gander—Twillingate)
Breau
Campbell (Miss)(South West Nova)
Crosby (Halifax West)
Crouse
Cyr
Dingwall
Dionne (Northumberland—Miramichi)
Gass
Henderson
Kristiansen
MacLellan
Maltais
McMillan
Miller
Munro (Esquimalt—Saanich)
Oberle
Siddon
Simmons
Tobin—20

HEALTH, WELFARE AND SOCIAL AFFAIRS

Messrs.

Berger
Blaikie
Chénier
Crosbie (St. John's West)
Dinsdale
Gauthier
Halliday
Killens (Mrs.)
King
Knowles
Lewis
Malépart
Marceau
McGrath
Reid (St. Catharines)
Robinson (Etobicoke—Lakeshore)
Rossi
Savard
Schroder
Weatherhead—20

INDIAN AFFAIRS AND NORTHERN DEVELOPMENT

Messrs.

Allmand
Chénier
Cyr
Gimaiel
Gingras
Greenaway
Guilbault
Ittinuar
Loiselle
Lonsdale
Maltais
Manly
McCuish
Neil
Nickerson
Oberle
Penner
Schellenberger
Shields
Watson—20

JUSTICE AND LEGAL AFFAIRS

Messrs.

Baker (Nepean—Carleton)
Crosby (Halifax West)
Dubois
Guay
Henderson
Hnatyshyn
Kilgour
Lachance
Landers
Lawrence
MacLellan
MacKay
Marceau
Nystrom
Hervieux-Payette (Mrs.)
Robinson (Burnaby)
Robinson (Etobicoke—Lakeshore)
Rossi
Smith
Vankoughnet—20

LABOUR, MANPOWER AND IMMIGRATION

Messrs.

Alexander
Bosley
Dawson
Dupont
Epp
Flis
Hawkes
Henderson
Irwin
Lewis

Malépart
McLean
Orlikow
Parent
Parker
Portelance
Speyer
Stollery
Tousignant
Veillette—20

MANAGEMENT AND MEMBERS' SERVICES

Messrs.

Breau
Coates
Comtois
Dionne (Northumberland-Miramichi)
Duquet
Ellis
Evans
Lambert
Nowlan
Rose
Turner—11

MISCELLANEOUS ESTIMATES

Messrs.

Berger
Blackburn
Collenette
Cossitt
Daudlin
Demers
Duquet
Fraser
Garand
Gauthier
Gilchrist
Herbert
Isabelle
Joyal
Lambert
Mitchell (Mrs.)
Peterson
Siddon
Stevens
Towers—20

MISCELLANEOUS PRIVATE BILLS AND STANDING ORDERS

Messrs.

Andre
Berger
Blaikie
Chénier
Collenette
Cooper
Côté (Mrs.)
Cousineau
de Corneille
Duquet
Gendron
McLean
Orlikow
Parent
Savard
Scott (Hamilton—Wentworth)
Scott (Victoria—Haliburton)
Wright
Yanakis
Yurko—20

NATIONAL RESOURCES AND PUBLIC WORKS

Messrs.

Andre
Cooper
de Corneille
Dingwall
Gendron
Gilchrist
Gingras
Gustafson
Hopkins
Jarvis
Keeper
Kelly
Loiselle
MacLaren
McCauley
Nowlan
Roy
Savard
Waddell
Yurko—20

NORTHERN PIPELINES

Messrs.

Corriveau
de Corneille
Frith
Fulton
Hargrave
Loiselle
MacLaren
Malone
Neil
Oberle
Watson—11

PRIVILEGES AND ELECTIONS

Messrs.

Benjamin
Bosley
Buchanan
Chénier
Clarke (Vancouver Quadra)
Collenette
Dick
Domm
Dubois
Duquet
Evans
Isabelle
Laniel
Lapierre
Lewycky
McKenzie
McKinnon
Reid (Kenora—Rainy River)
Scott (Hamilton—Wentworth)
Smith—20

PROCEDURE AND ORGANIZATION

Messrs.

Baker (Nepean-Carleton)
Buchanan
Chénier
Collenette
Dick
Friesen
Knowles
Lachance
Laniel
Nowlan
Reid (Kenora—Rainy River)—11

PUBLIC ACCOUNTS

Messrs.

Anguish
Clarke (Vancouver Quadra)
Corbett
Demers
Deniger
Desmarais
Evans
Fennell
Gamble
Garant
Henderson
Hovdebo
Huntington
Joyal
Lang
Lapointe (Beauce)
Murta
Nicholson (Miss)
Peterson
Wilson—20

Tabling of Documents

REGIONAL DEVELOPMENT

Messrs.

Bachand
Beauchamp-Niquet (Mrs.)
Campbell (Miss) (South West Nova)
Carney (Miss)
Chénier
Darling
Dingwall
Foster
Fretz
Frith
Harquail
Howie
La Salle
Maltais
Murphy
Pelletier
Reid (St. Catharines)
Riis
Tobin
Scott (Victoria—Haliburton)—20

TRANSPORT

Messrs.

Benjamin
Bockstael
Campbell (La Salle)
Dionne (Northumberland—Miramishi
Forrestall
Gourd
Jelinek
Mackasey
Maltais
Mazankowski
McCuish
McDermid
McKenzie
Olivier
Penner
Portelance
Roy
Skelly
Stollery
Wright—20

VETERANS AFFAIRS

Messrs.

Bradley
Campbell (La Salle)
Chénier
Cullen
Dupras
Henderson
King
Knowles
Lambert
Laniel
McKenzie
Mitges
Parent
Robinson (Etobicoke—Lakeshore)
Rossi
Schroder
Scott (Victoria—Haliburton)
Stewart
Young—19

* * *

HEALTH AND WELFARE

TABLING OF "THE RETIREMENT INCOME SYSTEM IN CANADA—PROBLEMS IN ALTERNATIVE POLICIES FOR REFORM"

Hon. Monique Bégin (Minister of National Health and Welfare): Madam Speaker, under Standing Order 41(2), I should like to table, in both official languages, the Finance, Health and Welfare report entitled "The Retirement Income System in Canada—Problems in Alternative Policies for Reform."

* * *

[*Translation*]

GOVERNMENT ADMINISTRATION

TABLING OF ORDER IN COUNCIL ON ESTABLISHMENT OF MINISTRY OF STATE FOR SOCIAL DEVELOPMENT

Hon. Yvon Pinard (President of Privy Council): Still on tabling of documents, Madam Speaker, in accordance with the provisions of Standing Order 41(2), and in the name of the right hon. Prime Minister of Canada, I would like to table a copy of a proposed order in council approving the issuance of a proclamation for the creation of a department of state for social development under the provisions of section 18 of the Ministries and Ministers of State Act.

* * *

[*English*]

FINANCE

TABLING OF ANNUAL REPORT OF GOVERNOR OF BANK OF CANADA

Hon. Allan J. MacEachen (Deputy Prime Minister and Minister of Finance): Madam Speaker, I should like to table the annual report of the governor of the Bank of Canada.

* * *

[*Translation*]

SMALL BUSINESSES LOANS ACT

MEASURE TO AMEND

Hon. Charles Lapointe (for the Minister of Industry, Trade and Commerce) moved for leave to introduce Bill C-17, to amend the Small Businesses Loans Act.

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

* * *

TRANSPORTATION OF DANGEROUS GOODS ACT

MEASURE TO IMPROVE PUBLIC SAFETY

Hon. Jean-Luc Pepin (Minister of Transport) moved for leave to introduce Bill C-18, to promote public safety in the transportation of dangerous goods.

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

[*English*]

STRIKING COMMITTEE

CONCURRENCE IN FIRST REPORT

Hon. Yvon Pinard (President of the Privy Council) moved that the first report of the committee appointed to prepare and report lists of members to compose the standing and standing joint committees of the House, presented earlier this day, be concurred in.

Motion agreed to.

* * *

SPEECH FROM THE THRONE

CONTINUATION OF DEBATE ON ADDRESS IN REPLY

The House resumed, from Friday, April 18, 1980, consideration of the motion of Mrs. Côté for an address to His Excellency the Governor General in reply to his speech at the opening of the session.

Mr. Ralph Ferguson (Parliamentary Secretary to Minister of State, Small Businesses): Mr. Speaker, when I referred to the Canadian Agricultural Export Corporation at the last sitting of this House, I spoke of its potential spin-off effects on all of society. We must ensure that we utilize the potential of this food production sector, because food provides the first essential of human life. By expanding this area of productivity, we will be further giving our processing industry the volumes of output required for efficient and economic operation. I am confident that such a move would help reverse the trend away from further processing that has occurred in Canada over the last few years.

In this context, Mr. Speaker, I am certainly alarmed at the volume of imported foods that Canadians bought last year, particularly in the meat sector. Close to $2.5 billion worth of manufactured foods and semi-processed meats and fish products that might have been processed in Canada came from other countries. I believe that we should be working to correct this imbalance, because we have the most efficient producers in the world.

● (1210)

I am pleased that the Speech from the Throne provides for a meat import act: this should provide the stability required for both producers and consumers. I trust that the remarks made by the hon. member for Medicine Hat (Mr. Hargrave) on Friday of last week reflect the position of his party and assurance of speedy passage of this bill before the House.

While there are specific areas of our agricultural industry facing very low prices at the present time, retail price comparisons with other capital cities of the world usually show our Canadian consumer prices to be either the lowest in the world, or second only to those of the United States. Also, the time spent by our workers to earn the retail value of our food products in selected world capitals as of March, 1980, is the shortest in the world. Our Canadian producers can compete on world markets. The creation of the Canadian Agricultural Export Corporation is essential to our total agra-industry and economy based on our current productivity, our potential productivity and the need for food in specific areas of the world. The Canadian farmer realizes that the Canadian consumer is his best customer; but, as any businessman, he must show a profit to survive. Farming is no longer a way of life; it is big business, requiring adequate funding and public support and appreciation.

One cause for alarm for us is the fact that some of the vast deserts of the world are spreading at an everincreasing rate. For example, the Thar Desert, in India, is expanding at the rate of 30,000 acres per year, and the great Sahara—which was at one time the granary of the Roman empire—is expanding rapidly, partially due to poor agricultural practices and management.

I believe that, as energy was the challenge of the 1970s, we must accept the fact that energy and food will be the challenge of the 1980s. I trust this House will appreciate the efforts of the Ontario Federation of Agriculture, who publish the prices that producers receive and prices that consumers pay for the same products at the retail level. This step, I trust, will bring about a better understanding between our rural and urban societies and will be of benefit to all Canadians. The concerns expressed for our farmers and small business people in the throne speech must be acted upon in a positive manner to ensure the expansion of our most essential renewable resource.

Last, but not least, if the creation of social and economic opportunities is the ambition of this Thirty-second Parliament, we must move to ensure that the qualities of life in rural Canada are maintained in our countryside, our small towns and our villages, because they provide the setting for our small businesses and light industry and so create jobs. This job creation provides opportunities for our young people. Canadian small businesses employ more than 2.5 million people, representing 40 per cent of the work force in the private sector. We must ensure that these small businesses, many of which work in close harmony with our farm sector by providing allied services, are given the incentive to develop and expand.

This quality of life must be protected. Young people must be encouraged and helped to establish themselves. Our farmers and small business people must be able to plan with some confidence; and, above all, retirement must be a time of rewards, not apprehensions.

At the outset of my remarks I spoke briefly about the area that I represent in the House of Commons. It is a great part of this nation. We grow many products that cannot be grown in other parts of Canada because of climatic conditions. We produce fruit, vegetables, tobacco, corn, soybeans, wheat, and most meat and poultry products. In the last few years, the town of Strathroy has become the turkey capital of Canada: in this context I refer only to the feathered species! But one of the largest hatcheries in Canada, with subsidiaries in several other countries of the world, is located in my constituency. Again, a

dedicated Canadian entrepreneur has distinguished himself and his nation in a highly competitive industry.

I am proud of the area that I represent. It is an area that, although it now has a wide diversity of products, is rich in productivity and potential that can be of benefit to all of Canada, but these benefits can only be realized and utilized by working together with other Canadians.

Each and every part of Canada has its own unique contribution to make to the whole. Each is equally important. I have travelled across this nation many times, from the rugged shores of Newfoundland, along the Cabot Trail of Cape Breton in the east to the majestic Rocky Mountains and to the Pacific in the west. We, as Canadians, can be justifiably proud of our country and its people. I trust and pray that the uncertainty existing in some parts of this nation can be overcome in the months ahead, and that we can work together as Canadians to utilize all of the potential that is ours.

I submit that the Speech from the Throne has provided us with a foundation upon which we can build an even greater Canada in the decade ahead.

Mr. Lloyd R. Crouse (South Shore): Mr. Speaker, it is with some pleasure that I rise to participate in this debate, for it is a privilege that I have enjoyed for the past 23 years while serving in Parliament representing the citizens of the South Shore of Nova Scotia.

First, I wish to congratulate you, sir, on your appointment as Assistant Deputy Speaker. Also, I wish to congratulate Madam Speaker on her appointment to that high office. It is one that I know she will fill with dignity as well as show fairness to all members of this House. I wish to congratulate the newly-appointed members of cabinet and the parliamentary secretaries. Some of them are old friends and I know it will be a pleasure to work with them during this Parliament.

I wish to congratulate the mover, the hon. member for Rimouski (Mrs. Côté), and the seconder of the Address, the hon. member for Sudbury (Mr. Frith). Both hon. members gave a good account of themselves. While I did not agree with all the views they expressed, I believe they are a credit to the constituents who elected them to this House.

The throne speech is one that is long on rhetoric and long on promises, as have been all the throne speeches presented by Liberal governments since coming to power under the leadership of the Prime Minister (Mr. Trudeau) in 1968. However, in looking back over the years, the performance has fallen far short of the promise since the Liberal party came to power in 1968; that is with the exception of the brief period in which my party was in power.

I believe, therefore, that the present government must be held responsible for our present economic conditions, our high unemployment rate, our high interest rates, our lack of leadership at the top, and the disunity we know exists within the nation. In fact, the present depression in Canada, with inflation running at an annual rate of something like 13 per cent—if we take the March figure of 1.1 per cent as a guide—can be directly addressed to the policies and the programs that have been initiated by Liberal governments since 1968.

The throne speech, among other things, says that we have the capacity and the imagination to make this a decade of opportunity rather than a decade of doubt. But there is one question which clouds the horizon and obstructs the view, and that is the question of the unity of our country. The throne speech points out that this unrest is in Atlantic Canada—my part of the world—it is in central Canada, it is in western Canada, and it promises that in spite of the evident unrest, Canada will endure, grow and prosper.

Naturally, all of us approve of that high principle. But, like the man who rows a boat, we must sometimes look back to our point of departure, if we wish to arrive safely at our destination which lies ahead. We must ask ourselves, how did this all unrest in Canada start; from whence did it originate? I listened attentively to the Prime Minister when he spoke on leaders' day in a philosophic way, in the tones of a university professor fascinated by the internal logic of his own arguments. He spoke out forcefully against René Lévesque's proposals for sovereignty-association, and asked for a negative response to the referendum being held on May 20—a stand with which I agree.

He also spoke of the enemy within Canada, an enemy which is eroding the legitimacy of the federal government. He said there is growing doubt about our ability to act as one strong nation. We see Canadians fearing that other Canadians will be a real danger to them. We see provinces closing the door to labour, capital and services from other provinces. We see Canadians acting as though the language of other Canadians was a danger to them. Unfortunately, Mr. Speaker, all of this is only too true.

● (1220)

The Prime Minister's philosophic lecture on today's problems caused me to look back over the years to the days when he helped found *Cité Libre* which was the mouthpiece of a group of young Quebec intellectuals. It is most interesting to read his written statements and views at that time, when he was helping to start the quiet revolution along with his friends André Laurendeau, Gérard Filion, Gérard Pelletier and René Lévesque. Compare them with his statements today. According to all reports, the group supporting *Cité Libre* were rebelling against accepted systems, rebelling against established order, rebelling against conformity and conservatism and traditionalism.

Following the provincial election of July, 1952, the Prime Minister lent the pages of *Cité Libre* not only to the then spokesmen of the socialist party, but also to Pierre Gélinas, the director of agitation and propaganda for the communist party in Quebec. The Prime Minister wrote at that time:

> After the British conquered French Canada, French Canadians made up their minds to abuse, not use, the parliamentary system. They played the parliamentary game, but they didn't believe the basic principles upon which it was founded. They were so worried about preserving their national identity that they subordinated the national good to French Canada's good and lost their sense of political morality in the process. French Canada's answer to the great depression

was to demand that the state reaffirm its nationalism. As far as we were concerned, our misfortunes weren't the result of the economic system but of a system dominated by "the English".

Those are the words of the present Prime Minister as written in 1952. I regret that he is not in the House to explain them or to respond to them. There are many more, but I quote those words only to show that the fires of unrest and the fires of disunity were lit many years ago, assisted by our present Prime Minister.

Mr. Collenette: Nonsense, absolute nonsense.

Mr. Crouse: They have been slowly, but steadily, burning until they have flared up in the referendum on sovereignty-association set for May 20. To expect the present Prime Minister to be effective in solving this problem is like inviting an arsonist to put out the fire. I say there is nothing more important today for the security, at least, of North America than unity within Canada.

To date, there has been too much written about "we" and "they": we English Canadians speak the language of business, the language of North America, they do not; we French Canadians have our own profoundly original culture and identity, as well as our special privileges as a founding race, and they do not; we in central Canada own our industries, we in the western provinces own our resources, and "they" had better not get in our way. So many Canadians are clutching economic and cultural chattels to their breasts, or making fists in their pockets as they watch others clutch theirs, that they seem to have forgotten the fatal flaw in such feelings, namely, that "they" is "we".

Living in a pluralistic federal Canada has its difficulties and heartbreaks. This is bound to occur when different races and cultures live together; and we must remember that the English and French language groups are large and powerful enough to break up this country. However, there is another choice. A country's political framework and values are not something to be knocked down on Monday and rebuilt by Friday: they are more like a garden, to be planted, worked and nurtured in harmony with the landscape.

Our Canadian landscape began to shift almost three decades ago for the reasons I gave previously and, in my opinion, the season has come for a change; the season has arrived for all of us not to consider ourselves as hyphenated Canadians, but to consider ourselves Canadians. That is what we must start to do.

Some hon. Members: Hear, hear!

Mr. Crouse: It should begin with the recognition that the existence of two great language communities and many regional and cultural differences—which we often insist are problems that cripple Canadians—are, in fact, opportunities that can enrich and unite us, for "they", in the end, is really all of us. Speaking personally, I sincerely hope that French Canada votes to stand as a part of all of Canada, for we need French Canada. We need them as part of a united nation. It is only if we unite and work together that we can make progress and go forward.

I turn now to another section of the Speech from the Throne entitled "Developing our Economic Potential", where we read:

My government will reduce the federal deficit in a planned and orderly manner, but not to the exclusion of other objectives such as reducing unemployment and promoting industrial growth . . . My ministers believe that Canadians want more effective government, not necessarily less government.

These words are from a government which in 1968 required some $10 billion to look after the needs of approximately 20 million Canadians, while today they require well in excess of $50 billion to look after the needs of a little more than 23 million Canadians—an increase of more than $40 billion in expenditures in 12 years. It is not enough for this government to say it will reduce the federal deficit; it is much more important for this government to plan to balance the budget within the next four years.

In Atlantic Canada there is unrest, as was pointed out in the throne speech. We are fearful of the economic drift experienced by this country since 1968. Our interest rates, our balance of trade deficits, our relatively poor showing in terms of productivity are all symptoms of that drift. We have little confidence that this government is going to offer any solutions or even improvements.

It is difficult to be optimistic about our future when the prime interest rate exceeds 16 per cent, when our small firms are suffering financial hardship and going bankrupt, when our productivity is declining and mortgages are being foreclosed. We could, perhaps, accept those conditions temporarily if we could believe that the government had a plan or made a commitment to live within its means; that is, to balance the budget at least in terms of actual cash requirements.

This act alone would set an example. It would show Canadians and Canadian businessmen that there is a determination to bring inflation and the cost of money under control. In 1978-79, the federal government went into the financial markets of this country and borrowed some $11 billion. The government outbid all other borrowers for that amount of money. It outbid other levels of government, the provinces and the municipalities. More important, it outbid the private sector borrowers who needed money for the construction of new tourist facilities, new factories, and building hydroelectric dams. The government was also competing with farmers, fishermen and small businessmen, all of whom I represent. Interest is the price of money, and interest rates are governed by supply and demand. The government is in the market now. At this very moment it is bidding for millions of dollars at something like 12 per cent for people to invest in Canada Savings Bonds.

● (1230)

The government rate sets the pace for all other borrowers, and the more the government borrows, the more it increases the interest rate while making money scarce for the individual entrepreneur and, at the same time, increasing the nation's tax burden. Today, the public debt absorbs something like 16.5 per

cent of all budgetary outlays, or roughly $9 billion of our total expenditures.

Since the budget deficit determines the level of government borrowing, the government can, and must, control its spending and balance its budget. These are not my views alone. While I served as chairman of the public accounts committee, the Auditor General in his report of March 31, 1976—four years ago—stated:

> I am deeply concerned that Parliament and, indeed, the government has lost, or is close to losing, effective control of the public purse.

A year before that, he stated:

> The present state of financial management and control systems of departments and agencies of the Government of Canada is significantly below acceptable standards of quality and effectiveness.

In his most recent report, he voices similar concerns over the productivity and effectiveness of government civil servants. According to the Auditor General, employees in various departments of the public service worked at an efficiency rating of only 60 per cent, compared to 87 per cent in private industry.

Members sitting on the front benches opposite cannot say that they have not been warned or that suggestions to help solve the problem have not been made. In his most recent report, the Auditor General stresses the need for top-level financial controllers in each department, a recommendation with which I concur. I would also suggest, having spent many years studying the public accounts of Canada, that the committee system should be revised so as to give individual members and senators more clout in ensuring that the government is held accountable for its actions. If such a course had been followed earlier, perhaps the billion dollars, plus, spent on Mirabel and the $1 million a week losses it is racking up might have been saved. In my opinion, the government has a responsibility to set out clearly the objectives of public policy. Parliament then has the responsibility of measuring how effectively these objectives are met. We, as parliamentarians, need better mechanisms for doing that job.

The Speech from the Throne states that transportation is a vital part of industrial strategy and promises that the government will ensure that the Canadian transportation system has the capacity to meet the economic challenges of the 1980s. If the government is sincere about this, I hope a feasibility study will be undertaken immediately in Shelburne, Nova Scotia, to determine the course to be followed in strengthening the freight and passenger connecting links between Nova Scotia and New England. Due to the needs of our expanding fishing industry, as well as of the papermaking industry and the manufacturing industry generally—to say nothing of our important tourist industry—there is growing interest in establishing a new ferry service in the port of Shelburne, one of the finest ice and fog-free harbours on the Atlantic coast. Shelburne is relatively close to a number of American ports, and European shipping companies have expressed an interest in providing this service once suitable docking facilities are available. I hope the government will take this matter under serious consideration, since action on these lines would be beneficial not only to Nova Scotia but to the maritimes generally.

In the Speech from the Throne we read these words:

> The government is determined to reduce our dependence on imported oil by promoting conservation and by stimulating the production of new domestic energy supplies.

This type of thinking is, of course, commendable—but words without action are meaningless. For example, it has been known for some time that an automobile makes the most productive use of the energy available in gasoline when it is driven at speeds of between 50 and 55 miles per hour. However, speed limits throughout most of Canada are still set at 100 km per hour, or approximately 62.5 miles per hour. I would suggest to the government that if they are sincere in their conservation efforts, they should make lowering the speed limit throughout all of Canada to a maximum of 55 miles per hour a top priority for discussion at the next federal-provincial conference.

Another project worth considering is the further development of our coalfields, a source from which energy is available in great quantities in almost every province, by extracting oil from coal using a process of gasification. The immediate product of this process is gas, the final products being petrol and dieseline. Byproducts such as ammonia, pitch, alcohols, paraffin waxes and liquid gas are also obtained. Projects of this type could go a long way toward lowering our unemployment rate by making positions available in a vast, new petrochemical industry which could make use of the skills of trained fuel technologists and chemical engineers.

I submit this proposal for consideration because there are many young, trained people leaving the universities today some of whom, unfortunately, are without hope. Projects of this type could make use of their training by providing opportunities in new fields. In light of the manner in which we are being held for ransom by some of the oil producing countries, I endorse what is said in the Speech from the Throne: we must work for self-sufficiency. There has been quibbling about the years we mentioned and the years the Liberals mentioned. All I want to see is some action in this area, some forward steps being taken, and if we can move toward self-sufficiency in this field, it matters not to me who gets the credit. But we must get on with the job.

There are many other items in the Speech from the Throne on which I could comment. The promise to amend the Foreign Investment Review Act simply means, in my view, that greater emphasis will be placed on controlling Canada's over-all economy. This amounts to bigger government and more problems for us in Atlantic Canada. Our region has prospered from foreign investment. The companies which have located in Nova Scotia have become good corporate citizens, providing our people with new skills, new job opportunities and a chance for a higher standard of living without having to move to central or western Canada.

The new proposals will make FIRA a more intrusive instrument in the marketplace, frightening away new investment capital at a time when Canada desperately needs such capital

for the creation of additional jobs. It is for these reasons that, to my mind, the thrust of the Speech from the Throne is not reassuring; it looks like another Liberal interventionist government in power at a time when the economy is crying out for less government, less by way of controls and lower taxes, all of them desirable concepts which appear impossible under present conditions.

[*Translation*]

Hon. J. Gilles Lamontagne (Minister of National Defence): Mr. Speaker, I am pleased to take part in the throne speech debate. However, I would have liked to discuss and emphasize the exceptional legislative program put forward by our government, a program designed to improve the situation of the Canadian people, to take a positive approach to various economic problems and to enable us obviously to assume our responsibilities under the serious and difficult conditions both at the national and the international levels referred to in the Speech from the Throne. However, in our present situation, there is a priority, the preservation of a united and indivisible Canada which I believe is, for all Canadians, and especially for Quebeckers a matter of national survival, because the possibility of a disastrous fragmentation of the finest and most prosperous country in the world is a real threat.

Therefore allow me to speak on behalf of the great majority of Quebeckers who sent 74 members from Quebec to represent them in the Parliament of Canada and who have given us the mandate to protect the interests of Quebec and Canada in this House and in our ridings. We have already begun and intend to continue, to put our energies, our capabilities and our heart at their service in order to defend this country and Quebec against those who are trying in a vicious and intellectually dishonest way to brainwash, as never before, the people of Quebec. They do so with a view to taking power under the camouflage of a narrow and biased nationalism by promoting a sense of pride in Quebec which, they claim, only separatists possess. I can assure you that even if Péquistes have the monopoly on ambiguity and confusion, they certainly do not have one when it comes to the pride of being true Quebeckers. They may have temporarily appropriated the flag of Quebec and the fleur-de-lis and are using them as political instruments, but they are not going to take away from us, the members of this House who come from Quebec, our pride of being Quebeckers.

● (1240)

Mr. Speaker, as a veteran let me now point out a fact which irritates me very much, even though I am trying to stay calm. According to communications I received from all quarters, it also irritates thousands of women and men who have served and who still serve their country in the armed forces. I think of thousands of veterans, of their families, of our dead, of former prisoners of war and of so many other unknown victims.

In a Radio-Québec interview, Premier Lévesque compared the Canadian army to a comic opera with more chiefs than Indians. He stated that the Canadian army included 1,600 generals, adding that this was costly for the taxpayers. First, let me tell you, Madam Speaker, that we are getting used to these unfounded allegations, because there are not 1,600, but exactly 107 generals in the Canadian armed forces. He went on, and I quote: "A sovereign Quebec would have its army which would play a more effective role within NATO than does now the Canadian army". In my mind, this is an unjustifiable insult from one of our fellow citizens, an insult that we would have never thought possible. To this, General Richard, commander of the Valcartier base, gave a very adequate answer: "The army to which you belong has earned and deserved the respect of the international community in all the tasks that have been entrusted to it—" He then explained the various roles assumed by the Canadian army both at the international and national levels.

Does Mr. Lévesque realize that this insult is directed to thousands of Quebeckers, men and women? I hope they will express their disagreement during the referendum campaign and on their ballot. I consider this statement as an act of extreme cowardice, when it is well known that members of the Canadian forces are not allowed to appear on the political scene in order to protect their reputation and even that of thousands of others who are no longer here to do so. This is why I speak in their name and it is my duty to set the record straight.

The armed forces that some are trying to denigrate must necessarily be composed of professionals to fulfil the multiple roles assigned to them. In order to defend North America, we need interceptors whose crews are constantly on the alert, always ready to detect, to intercept, to identify and if need be to destroy enemy aircraft which would violate our air space. In order to fulfil its commitments towards NATO Canada must have outstanding airmen, very competent seamen, perfectly trained soldiers who will implement our measures of collective defence. We need impartial and professional servicemen with whom to entrust the peacekeeping operations designed to prevent the outbreak of war in tension zones.

Those servicemen are necessary to the national well-being. They are ever ready to intervene to assist Canadians when all hell breaks loose, when forest fires are raging, when floods threaten our property or even our lives. Those servicemen are on call 24 hours a day, seven days a week to come to the rescue of victims of maritime tragedies or plane crashes.

In order to defend the territorial integrity of an independent Quebec, Mr. Lévesque thinks of, and I quote:

—a small army, modest in size but efficient.

But he forgets about air defence or the absolute necessity of ensuring air support to a field army. Nor does he say anything about the naval forces that are essential to the security of a maritime state. He seems to think that a minimum contribution to the Atlantic Alliance would be sufficient to solve all these problems and that it will not cost him anything. Indeed,

the Premier of Quebec is quite naive. Let's ask him the question: how important will his small, modest and efficient army be? What will be its role? And its budget? We now know one thing for sure; if Mr. Lévesque is already toying with the idea of a Quebec army, then his statement is clear: he is talking about independence and separation.

Anyway, it is a very troubling statement and given the contribution of our past and present armed forces, an insulting one. Has he forgotten all the veterans who gave their life in combat so that Mr. Lévesque could display the freedom of speech he now enjoys, a freedom unequalled in any other country of the world and that he is using to demolish his own country?

Does Mr. Lévesque realize that it is a Quebecker, like him, who is Minister of National Defence and that two of the last four chiefs of staff are native sons of Quebec? General Jean Victor Allard and General J. A. Dextrase have both held the highest post in the Canadian armed forces. The present deputy chief of staff is also a Quebecker. Right now the highest ranked woman in the armed forces is a Quebecker, she is Anne-Marie Bélanger, a colonel, who is director of women personnel. Quebeckers have their rightful place in the armed forces and they have had in the past, just as they have today, an enviable reputation, and I wonder why Mr. Lévesque is insulting them.

To demonstrate the importance of the armed forces in Quebec and in Canada, I will just mention that Quebec now has 39 marine cadet corps offering naval training to some 2,500 young people, and that there are some 8,000 young people in the 109 army cadet corps. There are also 86 air cadet squadrons, with 6,500 youths. In Quebec, this program will cost the defence department over $5 million this year, not counting the great support given by bases. I also want to mention the military contribution to the Summer Youth Employment Program, which represents an investment of some $1,800,000 for approximately 10,000 man-weeks of valuable training and work. And everyone knows about the Katimavik program for the youth. All this means that Quebeckers have a large part of our armed forces' participation.

● (1250)

Let us see now very briefly what national defence brings to Quebec on the equipment side. The military training, operations and support facilities are of necessity very significant. Right now our lands in Quebec are worth some $160 million. The total estimated value of the equipment in Quebec is $1.3 billion. These investments are on a constant increase from week to week. Their operation involves a sizeable budget. Looking at personnel management expenditures, both military and civilian, the figure exceeds $275 million, mainly salaries. Operating costs are $29 million for facilities, and $87 million for large equipment such as ships, vehicles and radars. During the last fiscal year, the net operating cost of national defence establishments in Quebec topped $393 million. Not many corporations spend that much in our province. Orders for defence material awarded to the Quebec industry are a source of even greater fallout. Last year, the Department of National Defence purchased roughly $334 million worth in Quebec.

In short, the Canadian armed forces are a major economic asset for Quebec, an incomparable training and education asset for young Quebeckers, an important source of new technology and research. That is still a peacetime army at the service of the people of Canada.

I would like to refer again to the news article from the Canadien Press, and I quote:

> Premier Lévesque added that a sovereign Quebec would take over the military equipment on Quebec soil and reduce its cost while at the same time make it more efficient.

Madam Speaker, I ask Mr. Lévesque whether he intends to take over all of those assets paid for by all Canadians? Once again, if that is his intention, then that is because he intends to carry out his dream of independence. Indeed, I will have in the appendix, Madam Speaker, all the figures for investments and expenditures by the Department of National Defence in Quebec to show in the final analysis that DND represents a major asset in Quebec and I, for one, as Minister of National Defence, do not intend to let those assets go to anyone but the Government of Canada.

Another issue that was mentioned in the Speech from the Throne was the purchase of the new fighter aircraft. I would like now to deal with the contract for the NFA. In awarding the contract, we had to work hard to protect the balance of payments and the balance in Canada's economic exchanges. And we succeeded. We also had to get the most economic benefits for Canada. A lot of deals were made favourably but that purchase worth $3 billion from the United States is an investment that will result in $3,260 million worth of economic fallouts for Canada. We also had to choose the best plane to be able to meet our commitments for the defence of the sovereignty of our Canadian territory as well as our collective commitments to our NORAD and NATO friends. The choice of the F-18 was undoubtedly, following elaborate technical studies, the best fighter to meet all the required criteria. A fair distribution of industrial benefits was also among the main objectives of that contract. We should remind ourselves here that it was the Government of Canada that built the Quebec aeronautical industry and we want to continue to support and expand that industry to make it an advanced industry in the two major central provinces.

We also wanted to ensure that Quebec would benefit as much as possible from our choice. We saw to it that benefits for Quebec would be at least the equivalent of those that could have resulted from the project which was rejected. This is what we did. If we take into account only the sales and purchases elements of the economic fallout, which gives the best idea of the financial aspects of an activity, the program proposed by

McDonnell Douglas is evaluated at about $3,260 million for Canada as a whole. By using the same analytical method to establish the economic fallout for Quebec, we obtain a figure of about $1,570 million in the case of McDonnell Douglas, or about 48 per cent of the total economic fallout.

It therefore seems that the best choice for Canada was also the best for Quebec. Now that the choice has been made, we must see to the execution of the contract, and to do so, my colleagues and myself must have the co-operation of all parties, whether they be governmental or not. We already have the guarantees needed, and if we read the press release published last Friday by McDonnell Douglas and parts of the speech made by its president, Mr. Graff, we can find concrete actions and statements which prove the goodwill of the company and give us every justification for having confidence in the future.

Here are a few excerpts of the speech made by the president:

Now is the time to sign the contract. Some have suggested that this step marks the end of the project, but such is not the case. In fact, the CF-18 program has only just begun. The challenge has changed, but it still remains. We have already begun to meet it.

Work is now well under way for delivery of the first CF-18 in 1982 and the important program of industrial fallout that we have undertaken is in the process of being carried out.

Already, a contract of over half a billion dollars to manufacture the guiding system for cruise missiles has been awarded in Canada.

He also said:

Morever, the contract that we shall be signing today includes a clause providing for fallout of at least $150 million in new technology derived solely from the high technology program activities related to the F-18.

So, I think what he said in his comments about his corporation is worth repeating.

Our corporation is proud to have been a good corporate citizen for more than 15 years.

It is important for a corporation.

It is a fact. During that period, McDonnell Douglas has entered into contracts worth more than $1.5 billion with over 700 Canadian businesses. For more than 20 years, Canadian industry has had the opportunity, like that of other countries, to bid for McDonnell Douglas contracts; and—

—and this is very important, Mr. Speaker—

—it got a large number of contracts. There is not one DC-10, DC-9, F-15 Eagle, F-4 Phantom or DC-8 that does not comprise parts and equipment made in Canada and Quebec.

I think it is very important to realize that they are not just interested in the F-18.

Madam Speaker, I also wish to quote from a letter of the president, Mr. Graff, when he corrected a press report:

I deeply regret that a remark made last week in Ottawa by one of our representatives has been completely misinterpreted by some reporters and the general public.

McDonnell Douglas entirely agrees that government projections about the industrial spin-offs of the new fighter are reasonable and accurate. As concerns the economic benefits accruing to the province of Quebec referred to in the press report, we certainly agree with the projection amounting to $1,573 billion in industrial benefits and we also agree with the projection of $248 million for the structural components of the F-18A—

—that will be made in Quebec.

I am also thinking of another passage from the speech by the Minister of Supply and Services (Mr. Blais) that I would like to recall and on which I agree. Mr. Blais once again mentioned that it was thanks to the intervention by Quebec federal members that the economic spin-offs that will accrue to Quebec with the F-18 contract have increased from $1.358 billion to $1.573 billion. Thanks to them also, numerous amendments have been made to the contract in order that the General Electric plant designed for the manufacturing of vanes and blades be set up in the eastern townships and that a $225 million numerical control machining centre be also provided for in the contract.

[*English*]

The Acting Speaker (Mr. Blaker): I regret to interrupt the minister, but I see the time is one o'clock and I must now leave the chair until two o'clock.

At one o'clock the House took recess.

AFTER RECESS

The House resumed at 2 p.m.

[*Translation*]

Mr. Lamontagne: Mr. Speaker, before the House took recess for lunch, I was saying that in the final analysis there is no loser in the F-18 contract, since Canada has made a profitable deal and I think that it may not always have been the case. On a purchase of $3 billion in the United States, we could recover as marginal benefits the amount of $3,250 million and this means that at trade level, the balance of payments was well maintained. Second, we say to it that we were buying the best possible plane to discharge our responsibilities and the mission entrusted to us by our NATO friends as well as by our American friends of the North Atlantic defence. In addition, we have taken steps to ensure that the sharing of economic effects will be fairly distributed between the two provinces in which most of the air industry is located. Above all we have taken into consideration the fact that we had set up the air industry in Quebec, that we did not intend to let it go down the drain and as the result of the action of my colleagues from the caucus and the cabinet, we all worked together to see that Quebec had its own fair share of those economic benefits, that is 48 per cent.

Some of course are incredulous. I saw an article about Mr. Duhaime who asked for some figures. In my last letter, I offered to Mr. Duhaime to send some representatives of the Department of Industry, Trade and Commerce, the Department of Supply and Services and the Department of National

Defence to brief him on all the information he wanted to obtain on the issue. He chose to ignore my proposal—

An hon. Member: As always!

Mr. Lamontagne: As always, he would rather remain ignorant to criticize in his own way that contract which in the end is a very good deal for Quebec.

Mr. Speaker, there is no confusion, as I said earlier, and we note that in his letter, the chairman of McDonnell Douglas, Mr. Graff, explains quite clearly that the commitments would be fully respected and that finally there would be no way to avoid attaining the percentage and the economic benefits promised by the company. Mr. Blais, who is responsible for the contract, has made it clear that the contract will be complied with as strictly as possible.

I said earlier that there is certainly no confusion. Mr. Duhaime and his colleagues are looking for excuses. He says that we distort the facts, that we lack good faith. He even accuses us of lying. I can assure you that those accusations do not bother me very much, considering where they come from. He wants guarantees. The best guarantee I can give him is that we, the Quebec delegation in the federal government—I think our past record in the aeronautical industry in Quebec answers for the future—will make sure this industry will be able to grow and take its proper place in Quebec. In that regard, the annex of the documents I will provide gives every detail on the industrial subsidiaries Quebec should get.

It is nonetheless extremely surprising to see Mr. Lévesque and his friends get involved and interested in such a project while at the same time devoting all their energies to separation from Canada. It is even more surprising to hear them always talk of confusion about the contract of the century, about the F-18, when the question of the century, the referendum question itself, is the perfect example of confusion and bad faith. The referendum question asks for nothing else but a mandate to separate. And I hope Quebeckers will see through it. Let Mr. Lévesque as well give us guarantees. He wants guarantees about the F-18 contract, let him give us guarantees that the referendum question does not amount to a mandate to achieve independence and separation. Let him guarantee that the aim of his referendum campaign is not independence and the separation of Quebec from the rest of Canada.

Mr. Speaker, I know Quebeckers well. My association with them dates back a great many years. I fought side by side with them during the last war. I did business with them for 20 years. I was at the helm of their provincial capital for 12 years. I have been the elected member for the Langelier riding in the House of Commons for nearly three years. I suggest that we should trust to Quebeckers' common sense and insight, as well as to their sense of belonging to this great country, Canada. As a matter of fact, they demonstrated these qualities when they elected our candidates in seven provincial byelections. They demonstrated them again recently during the last federal election, when they gave us large majorities in 74 ridings.

Mr. Speaker, I feel that Quebeckers did not elect 74 out of a possible 75 members of our party to come here and work for the separation of Canada. Finally, Mr. Speaker, I shall say briefly that a No vote in Quebec would guarantee the future of our children and our own security.

• (1410)

[*English*]

Hon. Flora MacDonald (Kingston and the Islands): Mr. Speaker, I take part in the throne speech debate today recognizing indeed the problems that we face in Canada. To take part in this debate today is to speak to a very troubled Canada and, indeed, to a very troubled world.

I think that all members of the House would agree on the problems that are facing us. The difference, of course, is how each party deals with these problems and how it responds to them. As members of Parliament we will be called upon in the course of this session to deal with serious economic problems. As well, the tensions of confederation—never more real than today—will have to be faced. We cannot forget either that Canada lives in an international world that sees trouble growing daily. We face very stiff challenges.

Canadians have much to hope for in the recent throne speech. As we enter a new decade, the decade of the eighties, there is no other country that has a greater potential than Canada. I am sorry to say, however, that the throne speech and subsequent statements made by ministers of the Crown do not offer all that much hope for certain problems which Canadians face.

For instance, there is the present housing situation. Hundreds of thousands of Canadians are having to face high mortgage rates. This year 350,000 Canadian households will have to renegotiate their mortgage rates at record high levels of interest. There are over 5,000 such households in Kingston and the Islands alone, but not much hope has been offered to them. The Minister of Finance (Mr. MacEachen) has callously dismissed their difficulties. He said that the government will assist only a small percentage of this vast number of householders who have to renegotiate their mortgages. Out of the 350,000, perhaps between 5,000 and 10,000 will be assisted.

What will happen, for instance, to the 5,000 families in Kingston and in all the other Kingstons across this country, communities to which the government has denied assistance? What hope is being offered to those in the small business and farming sectors who are suffering, with no relief offered to them, from the high interest rates? Take, for example, a small businessman and his wife in Kingston. Their 15-year old business has gone bankrupt because of high interest rates. Their life work has been taken from them. Under the Conservative government this business would have qualified for lower interest rates through the small business development bond program. This would have effectively cut in half the

nominal interest rates for small business. It might have saved that small business in Kingston and the Islands. Under the Conservative government taxpayers who employed their spouses in unincorporated businesses or on farms would have been able to deduct their spouses' salaries as taxable expenses. That is something that I personally wanted so much to see put through this House of Commons.

The Conservative government's policies were working toward lower interest rates and a climate of economic stability. This government has offered only the gimmick of floating interest rates. This, plus the statement that there will be no budget before May, not in May, perhaps not in June, perhaps not well into the year or perhaps never, given the statements of the Minister of Finance, means that businesses that do survive are faced with continuing uncertainty. In uncertain times we do not need a government that contributes to uncertainty.

Like the great majority of Canadians, I am deeply concerned about the political events throughout this country, but particularly in the province of Quebec.

[*Translation*]

I have lived the recent history of Quebec very intimately, often within the province itself. I feel involved in the political and cultural evolution of that province through friendship, admiration and belonging. As a woman in politics, as an ordinary Canadian, I feel involved but also worried because I simply cannot see a Canada without Quebec, the cradle of our country which remains an integral part of what we are and what we can become.

I simply cannot believe there are no cogent, lasting and equitable solutions to our national and constitutional problems, to our regional and cultural differences. It strikes me as folly that our quarrels should divide us to the point of there being talk of breaking up, particularly at this point in our history, in the history of the world, when unity and agreement are more important than ever, if not vital. But, Mr. Speaker, I am sure everyone in this House shares my feelings, and I trust that, together with the Canadians we represent throughout the land, we will find a way out of the impasse with greater understanding, will and tolerance. The alternative is simply no alternative at all.

[*English*]

The international scene as well raises the spectre of even greater problems than those we face domestically. In the field of foreign policy the government referred in the throne speech to what will be its new, "active" approach in this field. From what we have seen to date, sir, that active approach would be seen to be more one of retreat than of positive action.

Mr. Baker (Nepean-Carleton): Somnolence.

Miss MacDonald: The first thing which the government did was to reject the public review of foreign policy, a review that was well under way by the former government. Documents which would have served to stimulate discussion and provoke public debate had been prepared and they were ready for reference to the Standing Committee on External Affairs and National Defence. The intent was that that committee would serve as a forum in which many Canadians who are interested in international affairs could make their views known, rather than leave foreign policy as the exclusive domain of a clutch of bureaucrats, academics and politicians.

• (1420)

Not only would this have been the first foreign policy review designed for participation by Canadians already interested in international affairs but, sir, as well, it would have served to heighten the awareness of all Canadians as to the many ways in which international events affect their whole lives.

A public foreign policy review—a public review—would have brought home to Canadians a sense of their inter-dependence on the global community. It would have shown that geography and resources can no longer isolate us from external events, something which Canadians have believed for far too long. It would have stimulated both public suggestion and personal response as to how we meet the challenges of the 1980s in an increasingly unsettled and troubled world.

Yes, these documents were prepared but they now lie unheeded in the Department of External Affairs. These documents which lie there trace the dimensions of change in the world in the last 35 years. They did it in three dimensions. They traced those changes militarily, economically and politically. In each of these fields, whether political, military or economic, the documents recorded the growing instability that characterized the decade of the 1970s, an instability which threatens to escalate in the 1980s. Regional tensions are becoming more acute; east-west relations are deteriorating and the north-south dialogue cries out for a solution. These are the issues we face in the 1980s.

What is Canada's role and responsibility as we enter this troubled decade? That is what those documents asked. That is the question posed to the Canadian public. That is what the parliamentary committee would have invited the Canadian people to debate. An active foreign policy such as this party had envisaged would have sought not only broad public participation but would have stimulated a better understanding, a greater receptivity of the contribution that will be demanded of Canadians to help prevent and defuse growing instability. Defence, trade, aid, international institutions, law of the sea negotiations, human rights, refugees—debate on all these important issues would and could have made foreign policy a much more exciting part of the lives of countless Canadians.

But that open public approach has been rejected by the present government. The Prime Minister (Mr. Trudeau), true to form, reinforced his restrictive and secretive approach to policymaking the other day when, in reply to a question from the hon. member for Dartmouth-Halifax East (Mr. Forrestall), he stated that we did not need defence or foreign policy reviews since such reviews had been carried out in the 1960s. Back in the 1960s! Of course in the 1980s another one is not required!

He did not, of course, state the obvious: first that those reviews back in the 1960s had been carried out in camera with only the elite being permitted to participate. Second, and more important, he did not state that the world has changed dramatically since the 1960s. Now, maybe it has not for the right hon. gentleman opposite; maybe he still sees himself as the style setter of the swinging 1960s. But, Mr. Speaker, for the millions who have had to suffer war and starvation and relocation, who are having to absorb the shock of a largely unheralded energy crisis, or who as new countries are struggling for a footing under the Roman arch of nuclear missiles erected by the super powers, for these peoples and countries the world has indeed changed since the 1960s.

My colleague the hon. member from Victoria (Mr. McKinnon) detailed and analysed many of these changes in his lucid speech of last Thursday, and with these changes has come the need for Canada to play a more dynamic role in the world today. In so doing we will be required to face up to the political realities of the world as they exist, not as we wish they might be. We cannot ignore the growing instability in the world, nor can we fail to respond to it. Our response must address both humanitarian needs and political realities.

As a government, we did that. We greatly increased our humanitarian aid to relieve the suffering in Vietnam, in Kampuchea and in Laos, but at the same time condemned the government of Vietnam for the inhuman atrocities they were perpetrating on defenceless peoples. We pursued new initiatives in disarmament but, knowing the strategic lead of the U.S.S.R. in weapons buildup, we supported a modernization of theatre nuclear forces in Europe so that the NATO alliance could bargain from strength, not weakness.

During the election campaign I attempted to find out where the New Democratic Party stood on that issue. After reading this morning's newspaper I am still trying to find out where they stand, Mr. Speaker.

Only by taking a firm stand which combines compassion with tough-mindedness, only by joining a solid commitment of assistance with a condemnation of any country which seeks to exploit or diminish the integrity of another—only by such a realistic approach can we contribute effectively to a reduction of the rapidly increasing instability we see around the world.

As a government we felt this must be done in a comprehensive and coherent manner, and that is why we had initiated the over-all foreign policy review. And as my leader said the other day, we will carry on with it despite the government's intention to terminate it, to whittle it down, or respond to events only in an ad hoc manner. A task force responsible to the minister rather than to Parliament and on only one aspect of foreign policy is no substitute for a comprehensive, over-all foreign policy review.

Let no one be misled by the fact that political instability around the world is not on the increase. Two of the most blatant examples of this increasing instability have occurred in recent months. First, the breaking of the age-old Vienna Convention on Diplomatic Immunity by the seizure of the United States embassy and staff in Iran was, and continues to be, one of the most reprehensible acts ever committed by one nation against another. Second, the invasion of the neutral country of Afghanistan by Soviet troops has created the greatest potential for global conflict since the second world war. In both these cases, Canada's answer under the Conservative government was swift and straightforward. We advised our friends and allies, and the Canadian people, of the sanctions that we would be prepared to impose as retaliation.

With both these events there were certain actions that Canada took unilaterally and others that we took in concert with our allies and with like-minded countries. Our allies knew where we stood. As the *Wall Street Journal*, in an editorial on February 1 of this year, wrote concerning the Conservative government's foreign policy:

> Its leadership has deliberately sought to put Canada on a new course, staunchly in the western camp and on the side of political humanism, after the long Trudeau regime that at times tended toward ambivalence.

No, sir, it was not our style to be ambivalent. But since the Liberal government has taken office, we have seen a public foreign policy review rejected; we have heard absolutely nothing from the present government about the sanctions against Iran which we had undertaken before the United Nations Security Council last December 30. We do not know whether they endorse them or not; and we have seen them retreat from the sanctions we had imposed against the Soviet Union as a result of its invasion of Afghanistan.

The decision of the previous government to boycott the Olympic Games in Moscow was a clear message to the Kremlin that aggression will not be tolerated. That boycott now includes some 53 countries representing all of the many regions, races and religions of the world. The Prime Minister might smugly continue to rebuff our demands that his government support a boycott, but how long can he remain deaf to the desires of the people of Afghanistan and elsewhere to be free—free from subjugation, free from occupation and free from Moscow's tyranny. How long can he remain deaf to that?

● (1430)

Even if this government eventually does decide to join a boycott of the Moscow games—probably in the wake of Secretary Vance's visit—its indecision and ambivalence will have reduced the impact which Canada could have both in Moscow and with our allies.

In addition, our athletes—those who will be called upon to sacrifice so much for principle—no longer know if this government has pursued the holding of international games of comparable standards. I would say to you, sir, that this morning's replies in question period did nothing to reassure our Canadian athletes that such arrangements were being carried on by this government. Over three months ago Canada was in the lead in organizing such games in the various sites around the world. Now this is not mentioned.

One other international commitment from which this government seems to have retreated is the commitment that Canada made last June in Tokyo, along with other members of the economic summit, to a reduction in the annual rate of

growth of oil consumption and a consequent reduction of oil imports over the next five years. The right hon. gentleman opposite in a speech in Toronto on February 12 charged that my leader had "given in" to the demands of the other summit countries. He then went on to say "probably because he was in a state of euphoria over hobnobbing with the summit leaders".

I would say to the Prime Minister—if he were in his seat at the moment—who misled Canadians on this issue as he did on so many issues during the election campaign, that it was not euphoria but common sense and an understanding of what will be required of us in the future that persuaded the Conservative government to join with its economic summit partners in dealing effectively with the international oil crisis.

But since the Prime Minister believes that we gave in at Tokyo, and since he implies that somehow Canada was sold down the river for having to reduce our rate of growth of oil consumption and our oil imports, how is he going to explain his reneging on this commitment to our economic summit partners? What is his alternative to reducing the rate of growth of oil consumption? Is it an admonition to go out and use more of this rapidly depleting commodity and become ever more reliant on uncertain offshore supplies? But he leaves that unanswered.

I would also like to comment briefly on the reference in the throne speech to disarmament and the dangers of nuclear holocaust. We heartily concur with the appointment of an ambassador for disarmament, but one would hope that the work of such great Canadians as General E. L. M. Burns and Harry Jay, men who perform much the same kind of role over a long period of time, would not go unnoticed or unrecognized.

The throne speech correctly emphasizes that at stake in this issue is human survival on this planet, and I am certain that all members share a deep concern over nuclear proliferation. Yet nuclear proliferation does not occur in a vacuum; nor is it prevented by the appointment of an ambassador for disarmament. I would be far more confident if this government had recommitted itself to the most stringent safeguards possible in the export of nuclear technology, a commitment which we had made, something which certain government members objected to when I raised that issue at the United Nations.

I plead with the Secretary of State for External Affairs (Mr. MacGuigan), because I know his intentions to be well-founded, even if his actions are somewhat circumscribed, to do his utmost to bring greater openness to the policymaking processes of his department as we look at foreign policy in this session. I plead with him to provide the means whereby Canadians will have the opportunity to make their views, their contributions and their concerns known.

I plead with the government not to be afraid to take a stand or to try to play it safe in some backwater of neutrality when international events require more of a response from this government than that which we so frequently hear on the Prime Minister's lips these days when he says: "Oh, we will consider that problem at the next summit meeting in Venice".

Some hon. Members: Hear, hear!

Mr. John Evans (Parliamentary Secretary to Deputy Prime Minister and Minister of Finance): Mr. Speaker, before addressing myself to the Speech from the Throne I should like to congratulate you on being appointed Assistant Deputy Speaker of the House of Commons, and through you I should like to congratulate Madam Speaker on being elected Speaker of this House. At the best of times the position of Speaker is demanding, but I know you have the support and co-operation of all the members in this chamber in the execution of your duties.

In addition, I should like to congratulate the hon. member for Rimouski (Mrs. Côté) and the hon. member for Sudbury (Mr. Frith) for moving and seconding the Address in Reply to the Speech from the Throne.

I should also like to welcome to this House all returning members and to acknowledge our new colleagues who were elected for the first time on February 18. It was barely 11 months ago when I was first elected to this House, and now after two elections in the period of a year I find myself referred to as a veteran.

Most importantly, I would like to thank the people of Ottawa Centre for the renewed and strengthened confidence they demonstrated in me on February 18. I look forward, as before, to serving and representing my constituents on the local and national issues that we face.

I also look forward to my responsibilities as the Parliamentary Secretary to the Deputy Prime Minister and Minister of Finance (Mr. MacEachen), and I want to thank the Prime Minister (Mr. Trudeau) for the confidence he has expressed in me with this appointment.

Some hon. Members: Hear, hear!

Mr. Evans: Today, Mr. Speaker, I would like to address two issues of paramount importance to the future of Canada, two issues which permeated the Speech from the Throne. First, I refer to the necessary renewal of our national institutions, but more important of our national will; and second, to the revitalization of our economy.

Let me turn my attention first to the matter of the economy. The past several years have clearly been a time of serious economic difficulty for all industrialized nations. Inflation and unemployment have risen. Investment and growth have been lacklustre, and generally confidence in the ability of governments to understand and to come to grips with these persistent problems has diminished.

However, I firmly believe that this diminished confidence is unjustified. Governments, especially this government, not only understand the problems that we face but have hardened their resolve and are taking actions to restore stable economic order to the world economies. This is not to say that these actions can or will bring about quick solutions. They will not. We are facing extremely complex problems brought about by fundamentally changed conditions. Foremost among these are the disappearance of cheap energy and the dramatic redistribution of wealth between nations.

Such fundamental changes in our economic order require extensive industrial adaptation and equally extensive revisions in the expectations and behaviour of Canadians. Neither can be accomplished quickly, nor can they be accomplished simply and easily. However, with determined policy and political resolve, they can be accomplished.

● (1440)

In this regard, consider the economic policies of our government. On the fiscal front, there is a clear recognition of the need for sustained restraint in government expenditure and for the reduction of the federal deficit. Our commitment in these areas is clear. However, it must be recognized that changes in the fiscal posture of the federal government can only be brought about with care and caution if major economic dislocations and great individual suffering are to be avoided.

A government simply cannot make a blind assault on the deficit, for example, without precipitating serious economic consequences in the form of higher unemployment and reduced economic growth. Therefore, a program of reasoned transition must be implemented, and this is precisely what the Prime Minister has promised.

The program of restraint in government expenditures begun in 1976 will continue, as will the re-examination and reordering of both direct and tax expenditure priorities. Incentives will be provided to encourage private initiative and to raise the level of Canadian participation in our economic affairs. Our goal is to create an environment in which Canadians are strongly encouraged to commit themselves and their resources to the future of Canada. Yet selective programs of assistance must and will be brought forward to help those who are in greatest need.

These important fiscal commitments are clear in the Speech from the Throne. But, Mr. Speaker, of equal importance are the commitments with regard to monetary policy and the reduction of inflation. Inflation is the number one enemy of economic order and stability. It creates serious uncertainty and social unrest, and sharply curtails investment, growth and job creation. The conquest of this most debilitating economic sickness must be and is being given top priority in the formulation of this government's monetary policy.

But once again, inflationary forces built up over the years cannot be reversed overnight. Public expectations and behaviour patterns are slow to change, and they will not change if government policy is erratic and haphazard. The Bank of Canada has embarked on a long-term policy to restore stability to the price level. I believe it is the correct policy, and that with perseverance and patience it will succeed.

But the road is not easy. We have faced, and are facing, serious external pressures which dramatically increase the prices of imported goods and services such as oil, food and manufactured products. The steady reduction in the growth rate of the money supply, both here and in the United States, has led to rapid increases in interest rates.

Some believe that these effects can be avoided, that inflation can be beaten by imposing limits on wages and prices and that interest rates can be set by decree. I suggest, Mr. Speaker, that such beliefs are misguided and are a product of shallow thinking; both are examples of policies which attack the symptoms and not the causes of our problems. While wage and price controls may temporarily assist in breaking the inflationary psychology, they are not and cannot be a permanent solution. Likewise, interest rate ceilings only lead to a situation where no money is available to be borrowed.

No, Mr. Speaker, quick and simple solutions are inappropriate to problems which are deep and complex. What is required is what is being done—the conduct of sound, balanced policies aimed at the fundamental causes of the problem. In the case of inflation, the cause is excessive monetary expansion and this is precisely what the government's policy is designed to curtail.

In combination, the government's commitments to fiscal and monetary responsibility, implemented in a balanced way, will lead to a stable economic environment in which we enjoy moderate inflation, sound prospects for economic growth and reduced unemployment. As I have said, these results will not be achieved tomorrow or the day after, but with continued resolve and determination they will be achieved to the benefit of all Canadians.

I would now like to turn my attention to the issue of national renewal, an issue which I, as many others, consider to be fundamental to the future of Canada and at least as important as the economic issues previously mentioned.

As we enter the 1980s we, as parliamentarians, face inordinate challenges as the very essence of Canada is under serious stress. As was mentioned in the Speech from the Throne, in every part of Canada there are forces driving us apart rather than bringing us together. Yet I am encouraged by the Prime Minister's strong belief in the "opportunity" available to Canadians despite this domestic turbulence. I am excited by the Prime Minister's vision of Canada as a united whole as opposed to a conglomerate of fractional parts or a "community of communities". This integrative view, this vision of Canada, will be instrumental in restoring confidence among Canadians. It will be instrumental in renewing the national will.

When the Prime Minister stated in his speech on leader's day that the enemy is within, he was so right. The threat to Canada is not the aspirations of people in a province who share common attributes; the threat to Canada is regionalism. It is the divisive parochialism that pits one group of Canadians against others, that causes one group of Canadians to, as the Prime Minister put it, close the doors on other Canadians, to raise barriers to the flow of capital, labour, goods or ideas from one province to another.

From another perspective, the threat to Canada is a growing feeling of inwardness which is leading, as the right hon. Leader of the Opposition (Mr. Clark) stated, to a "growing doubt about our ability to act as one strong nation".

We know the disastrous effects of rampant protectionism on the international scene—all nations are made worse off. Why, we must ask ourselves, is there any reason to expect the result to be different when such foolishness is perpetrated by prov-

inces within a nation? If that doubt transforms itself into reality, it will surely guarantee that we will all be made worse off. Economically, of course, but more importantly, the quality of our lives will be seriously diminished, our culture will lose its richness, our society will lose its diversity.

While the drive for regional power by premiers can be blamed for some of the problem, part of the problem lies here as well. Canadians must not only be free to move and to share the wealth in any part of Canada, but they must clearly perceive that these opportunities exist. It is the federal government's responsibility to ensure that these rights are protected and that this perception is made clear. The federal government must reassume its leadership role, for if we do not move now to put Canada first, we will surely witness the dissolution of the country.

If there is such a thing as alienation in parts of Canada—east or west—it is an alienation from the national interest, an alienation for which we are all responsible. Individually, Canadians do not have a great deal to complain about. Yet the country is deeply divided and our future is unclear. What has also developed in Canada is a "me first" mentality which casts our attention away from the benefits Canada has to offer, and which have traditionally been available to all Canadians, and towards the benefits which can be claimed by groups with special interests.

The survival of Canada as a coherent entity rests on a new appreciation of this national interest and a rekindling of the national will. We, the members of this chamber and the duly elected representatives of all the people of Canada, have the responsibility to ensure that this new appreciation and rekindled will are realized. We together, on both sides of this chamber, must reflect the common will and ensure that it is transformed into a living, dynamic nation. We, the members of this chamber, take a back seat to no appointed or elected representative anywhere in the country. The same people who elect the provincial and local representatives from Newfoundland to British Columbia, elect you and I. There is no truth or logic in the assertion that these other representatives are more clearly attuned to the people or are better able to reflect their needs and aspirations than are we.

● (1450)

The people of Canada have given us the responsibility for protecting, promoting, and fostering the well-being of this nation. They have charged us with the duty to ensure that all views are considered, that all voices are heard. They have granted us the honour and the privilege of leading them into the future. We have been granted these by the people of Canada; but we will fail if we let petty regionalism and self-doubt strip away our ability to rise above the parochial regionalism and to put Canada first.

Mr. Speaker, the future of Canada is matched by few other nations on the face of the earth. But that future will only be realized if we constantly recall our purpose for being here, if we dedicate ourselves to keeping Canada strong and unified as a nation. In the words of Kenneth White, chairman of Royal Trustco Ltd., speaking at the April 17 annual meeting of the Commercial and Industrial Development Corporation of Ottawa-Carleton, stated:

> We can direct our energies towards positive national goals or strive for a more self-centred regionalism where economies and people may be pulling in many different directions, thus nullifying any possibility of forward motion.

I believe that the feeling of uncertainty and self-doubt which is said to be growing in our country is a result of misplaced national vision, a national vision which has become focused on the material, on the territorial. Canadians are searching for their purpose, their vision. You and I, this Parliament, have the obligation and the opportunity to refocus that vision on a strong and unified Canada from one coast to the other. The task is complex and the challenge difficult, but together we can show Canadians their vision; we can rekindle that national will.

I look forward to working in this Thirty-second Parliament to ensure that the vision and the greatness which can be Canada is indeed realized.

Hon. Michael Wilson (Etobicoke Centre): Mr. Speaker, before commencing my remarks in this debate on the Speech from the Throne I should like to congratulate you, Mr. Deputy Speaker, and through you to congratulate Madam Speaker on her election. I have no doubt that she, along with yourself, will exercise her responsibilities in a fair and judicious manner and I wish you both well in the duties you have undertaken.

I should like, also, to put on record the sense of honour I feel at being re-elected to serve the people of Etobicoke Centre in this Thirty-second Parliament. I express my gratitude to them. The last Parliament was far too short for many of us on this side of the House and I am sure hon. members opposite feel the same way, though for somewhat different reasons than my own. I am very grateful to have the opportunity to serve the people of Etobicoke Centre in this Thirty-second Parliament and I look forward to continuing to do so for many years to come.

Finally, may I offer a few words of welcome to the new members of this House. I myself am certainly not an old boy in this chamber; I came here for the first time in 1979. But I do understand very well the feelings of new members since it is so short a time since I came here myself. I am sure they all have the same sense of excitement, of achievement, of responsibility and enthusiasm when they think of the years ahead as I felt at the time I was elected, and still feel having been re-elected. I wish them well during the time they will be serving in this chamber. We may differ over various aspects of policy, but I am sure, as has been quite apparent from this debate, that we all have one thing very much in common and that is a very deep interest in building a strong and united Canada, a free Canada, a Canada where there are opportunities for many of our citizens.

A week ago today, hon. members heard the first Speech from the Throne in the 1980s. I listened to it very carefully and I read it very carefully, feeling that this should be an important document, one which addresses itself to the issues

and indicates the direction the government and the country will take in the 1980s. There are parts of this document with which I can heartily agree. I share with the government the confidence it has in Canada and in Canadians. We are truly a fortunate nation. We have an exciting and challenging period ahead of us, a period in which Canada should achieve real greatness, a period during which we should be the envy of the world.

I share the government's objectives in seeking to bind this country together in a way in which we can fill this promise. I am committed, also, to the strong belief that for this country to stay together it is essential that federalism should enjoy a strong renewal commencing with a No vote in the Quebec referendum on May 20. I will come back to this topic later in my remarks.

Nevertheless, in spite of the innate strength Canada possesses, in spite of the success we have enjoyed in the face of great adversity in the past, we must be careful to ensure that federal government policies do not undermine the very strength which has allowed us to maintain such a favoured position.

It is here that I part company with the philosophy set forth in the Speech from the Throne, for it appears to signal a continuation of some of the disastrous policies which have plagued us in recent years, years when our favoured position in the world suffered a distinct decline.

Let me elaborate on this. The speech states as one of two main principles that Canadians "recognize the need to live within their national means." Right on! But the federal government has not done so. The sense of commitment on the part of the government to living within its means, to reducing the deficit, one of the principal causes of inflation, is diluted by the same qualifications as have been employed during recent years when we experienced such a damaging increase in the deficit and in the level of inflation. They are content to treat the symptoms of inflation, to offer some small help to home owners, pensioners, farmers and small businessmen. These are all welcome steps, but there is no sense of commitment, no program, no discussion of inflation itself or of the fundamental causes of inflation.

As I said, I have read this document very carefully and I have been able to find only two inconsequential references to the word "inflation" throughout the whole speech. Inflation today is swirling around everywhere. Home owners are being forced out of their houses, businesses are going bankrupt, financial markets are being dominated by inflation. Yet the government has chosen practically to ignore the issue completely.

This is one of the main reasons it is essential that a budget should be brought down at the earliest date so that Canadians—individuals, companies and governments—can assess the federal government's programs and, hopefully, gain confidence that something is being done. I say this in my role as spokesman for my party on industry, trade and commerce. It is essential for Canadian industry to expand and build new plants and equipment to meet the challenge of the eighties. High interest rates caused by inflation are sapping the cash and confidence which these people need to do their job. Investment decisions will be postponed and job opportunities will decline unless this confidence is restored.

● (1500)

I listened Tuesday to the right hon. Prime Minister (Mr. Trudeau) speak of the importance of freedom in this country and the freedom of Canadians to enjoy relatively the same standard of living without feeling that they have to move to Alberta or other parts of the country which are moving ahead more quickly than some of the others. I was impressed with these words, but there are much more basic threats than what he was talking about in those remarks. I do not believe that people today have to move to places like Alberta to enjoy the things they want in this country.

The more fundamental threat to our economic freedom today is the threat from inflation. Consider our pensioners, who are forced to sell their homes because the cost of taxes and maintaining a home has become too onerous. Low income Canadians are struggling to move from subsidized housing, and every time they feel they are getting a little bit ahead of it all, they find that their rent has been increased. Home owners renegotiating their mortgages are now completely dependent on the whim of a government to save their homes.

These are much more serious examples of loss of individual freedom. The response of the government to date has been to introduce programs to make this loss of freedom more palatable, while turning its back on the basic problem. This only serves to place these people more and more at the mercy of the state, to the point that many have virtually no economic freedom.

Let me give another example, which is equally as serious but more long-term in nature. Canada is living in an unreal world. We have energy prices which are less than one-half of world prices, and we have been spending at the federal government level for a number of years at least 25 per cent more than we have been earning. This cannot last forever. In spite of what hon. members opposite and hon. members to my left have been preaching to win votes, there is still no such thing as a free lunch. While we are enjoying ourselves today, we are leaving our children such a legacy of government debt that the increase in taxes in future years must be so large as to cut much more deeply into their economic freedom than is the case today. In other words, our children tomorrow will be asked to pay a much greater share of their earnings in taxes to pay for the freeloaders of today, you and me. That was the true wisdom of the budget of the hon. member for St. John's West (Mr. Crosbie) which, I am afraid, was lost on the Liberal-NDP coalition in December.

One way out of this dilemma is for the government to establish a clear priority of industrial development in this country. If we are to maintain the wide variety of social programs which we have been enjoying for many years, we must make a clear commitment to strengthen the apparatus to pay for them. That sense of priority and commitment was

missing in the Speech from the Throne. What we see is not a neutral position but, rather, a tendency toward greater intervention by government, more regulation and, hence, slower economic growth. I had thought that Professor Helmut Schmidt had taught his pupil a good lesson in 1978. Clearly, Professor Galbraith is now in charge, and we are now moving back to the musings of 1975.

The speech says that Canadians want more effective government, not necessarily less government. In view of the record of how successful the previous Liberal government has been in providing effective government, I read into this that the Liberals are now moving solidly toward more government in terms of cost of government and degree of regulation and intervention.

Regardless of the political philosophies of parties in this House, it must be abundantly clear that we are very close to the point where we cannot afford more government. A review of the impact of government regulation on economic efficiency and productivity will clearly lead to the conclusion that increased regulation in many cases reduces job opportunities, which is a particularly critical observation at a time when there are more than one million people unemployed in this country.

On looking at the specifics of the economic proposals, I must say that I was excited by the statement that "Canada's resource base will be used as a basic building block of our industrial policy". However, my excitement stopped there. One of the tragedies of this past election and the period since the election has been the inability of this government to allow its vision to range past the desire for short-term political gain by emphasizing the short-term costs of the energy policy which our government had evolved. It is far more important in the long run to grasp the opportunity given to us of the vast amount of energy development ahead. If Canadians pull together in support of the energy future of this country, I am convinced that the energy potential of Canada can build a major arch between the west and the rest of Canada.

The industrial activity which will be generated in eastern Canada by investment in the energy business throughout Canada will dwarf anything we have yet seen in this country. That is the opportunity, and I strongly believe that the national interest was served by the Conservative government energy policy. To be sure, there was a cost, and there will be a cost which is shared by Canadians; but the opportunity was also to be shared by Canadians from all parts of the country, both in terms of energy security and economic development. Unfortunately, the political myopia of this government has not allowed it to seize upon this opportunity.

I would like just to dwell on a few figures. Canada needs some $300 billion to $400 billion of investment in its energy sector alone during the next decade, and at least double that in the 1990s. That compares with our total national income—our total gross national product—today of some $260 billion. That is a 1979 figure. This represents a tremendous amount of business activity not only by the oil and gas industry, the electrical industry and pipeline companies themselves but also by all the supplier companies of steel and of high technology machinery and equipment.

Today far too much of this is imported. I urge the government to set as a top priority the establishment of policies to win the maximum amount of this business for Canadian companies. This will create jobs, improve our balance of trade, create a strong technological base in Canada and put us in a position in the future to dominate these industries in the world market. All of the ingredients are there for a major Canadian success story. This opportunity will drift into a major problem if the government does not address it.

Let me comment briefly on the proposal to create a national trading company. I welcome this initiative to help small and medium-sized business develop export markets. Earlier this year through the Export Development Corporation the Clark government announced a series of measures designed to make it easier for these companies to enlist the support of the EDC. Other measures were under active discussion. I am concerned, however, that this national trading company should not be launched in such a way that it will drown small business in bureaucracy and red tape. What is needed is an efficient means whereby business can respond quickly to export opportunities with confidence that the trading company will be able to respond in like fashion.

I suggest that the government consider the alternative of tax or other assistance to encourage greater development of smaller, more flexible trading companies. These companies would be privately owned and managed by entrepreneurs, not bureaucrats who have no profit orientation.

I would like to comment briefly on one perspective of the changing environment in the province of Quebec. I have been honoured to participate in this debate and to listen to many hon. members from both sides of the House commenting on the changing nature of things that have been happening in a very dynamic way in Quebec in recent months and years. It has been a privilege for me to listen, particularly to those hon. members opposite who are living with this dynamic situation and who have been put into a position where, in many cases, they are living in a very divisive environment. I congratulate them on the efforts they are making in their own constituencies, and I can only speak as strongly as I can for the people of Etobicoke Centre when I say that I wish them the best of luck in the efforts they are making in their own constituencies.

• (1510)

Going back to my own experience in the business world, in my early years as a businessman I was quite uncomfortable with some of my English colleagues and acquaintances in the Montreal business community. Attitudes on the part of these men toward their French-speaking associates were a real throwback to long-forgotten days in other parts of the world. I was not as perceptive then, but it was quite clear that these attitudes just had to change. I did not know how they were going to change or how quickly they were going to change, but in recent years they have changed quickly and in a very fundamental fashion. The reasons are varied, but the basic fact

is that, to an ever-increasing extent, Quebeckers are wielding more power in *le monde des affaires.*

I am tremendously impressed with the capabilities of companies such as SNC, Lavalin, Bombardier, Provigo, National Bank of Canada, Credit Foncier and Paul Desmarais' Power Corporation. These and others like them are leaders in the Canadian business world. L'École des Hautes Études Comerciales is a respected business school across the continent. Quebec business has made its mark on the rest of Canada and in the world markets. These men have great pride in their achievements, and this is readily apparent in the self-confidence they have in their ability and the successes they have had to date.

What a tragedy it would be if Quebec were to opt for separation. For business to succeed, they must have a large domestic market. The Canadian market is not large enough but it is certainly much larger than the Quebec market, and to reduce the size of one's domestic market by three-quarters would be very damaging to the future success of growing medium-sized Quebec based companies. It is not the companies that I have mentioned that will be hurt; they have made their move, they are established in the world markets. It is the next generation who will suffer.

I realize that economic arguments will not necessarily have much impact on the vote on May 20. I can only view a Yes vote as being a futile and empty gesture in this context since Quebec companies and Quebec businessmen have achieved so much recently. It would be winning the battle of ten to 20 years ago while losing the war of the future.

All parties in the House, as well as all provincial governments, are committed to a renewal of federalism. We do not need a Yes vote to push us forward. Indeed, a Yes vote might well have the perverse effect of making agreement on a renewal of federalism more difficult to achieve. There is some real risk that there will be an adverse emotional reaction to such a vote.

Now, there is concern for the future, a sympathy for the Quebec position, and I believe that all the provinces agree that there must be changes. But a Yes vote, I believe, could well disrupt the negotiating posture of the different parties in future negotiations. The position of the government of Quebec, so long as it is represented by the Péquistes, is unclear. It is unclear what their negotiating posture will be. We cannot forget that they are committed to a breakup of this country, so that their position in any negotiations will certainly not be a constructive one.

As I have said, there has been much change to date. I have tried to illustrate this in the context of the business world to show Quebeckers that change can occur and can occur quickly. It has produced a stronger Quebec and in so doing has made Canada a stronger place. My hope is that Quebeckers will respond favourably to this and other examples to vote no in a strong way on May 20, for without Quebec in Canada it will be considerably harder for us both to reach our potential in the 1980s.

In closing, I urge the government to attach a much higher priority to fostering economic growth in the 1980s. This priority is sadly lacking in the Speech from the Throne. I have tried to approach this in a positive manner in my remarks. We cannot be all things to all people; we must set priorities. I believe it is clearly evident that if we do not establish a clear priority along the lines I have been advocating, it will be impossible to achieve our other broader social goals.

This government with its majority position has a great opportunity to rid Canada of the problems which developed in the 1970s. It is unfortunate that many of the same faces are on the government benches; I can only hope that they have learned that the old policies have not worked and that they will have a sufficient freshness of mind to expand their horizons to the benefit of all of Canada.

[*Translation*]

Mr. Robert Gourd (Argenteuil): Mr. Speaker, it is for me a great honour to address this House as the member for Argenteuil. First I would like to congratulate all hon. members, new and old, for their election and I hope all of us as representatives of the people of Canada will be able to carry out our mandate with dignity. I share without reservation the enthusiasm of this House over the appointment of Madam Speaker, and I am convinced, Mr. Speaker, that you will be able to discharge your responsibilities with wisdom and perseverance.

The history of this country has been strewn with highs and lows but we always have been able to overcome those crises and to better ourselves. But, Mr. Speaker, I think Canada is going through a difficult period, perhaps the most difficult in all our history. Indeed, at a time when the world economic situation is fragile, when the world political situation is under certain constraints, Canada, in addition to having to work hard and without respite to minimize the resulting adverse effects, must also face an internal political crisis. At a time when most governments in various countries can concentrate on strengthening their economies, the Government of Canada must also fight to keep the country united under a federal regime. And in spite of that, Mr. Speaker, I am confident and very optimistic about the future of this country because so far our economic performance—given the present state of the world—is the envy of several industralized countries. Not only our economic performance, Mr. Speaker, but also our political system is the envy of several countries because we forget too often that nowhere in the world can one have as much freedom, whether it be the freedom of association, of movement, of expression and so on. How many foreigners dream about being able one day to set foot on our soil and say: I am going to start a new life here. How many?

● (1520)

Of course, that does not mean in any way that Canada cannot do better but it is in my opinion an undeniable indication of the validity of our federal system, of its strength and its

capacity to protect the well-being of the people of Canada. Personally, I am happy and feel privileged to have been born in this country, and on no account would I want to live elsewhere. Moreover, I hope that to the last gasp I may proudly say that I am a Quebecker but first and foremost a Canadian just as any Ontarian or Albertan.

Unfortunately, a shadow has been cast over that ideal which, I say without hesitation, is undoubtedly shared by most Canadians. This shadow, Mr. Speaker, is the possibility of our country breaking apart. As you all know, the separatist government of Mr. Lévesque feels that Quebec and its people could develop more fully outside of the present federal system. Sovereignty-association, according to them, is the solution to all the evils suffered by Quebec.

In order to better understand the unavowed objective of the separatist Parti Québécois, which is independence, one must wonder if the use of this fraudulent expression of sovereignty-association does not in itself reflect the irreverence of the separatist government in Quebec and also its desire to fool the people. Indeed, the Larousse dictionary appropriately defines the term "sovereignty" as follows: quality of the political power of a state or government body which is not subject to the control of any other state or body. In short, Mr. Speaker, sovereignty is a milder term which soothes and dulls the mind but which actually means nothing short of separation and independence.

Larousse also defines association as follows: a group of persons with a common interest. Of course, those persons must be able to identify their common interest. Now, an analysis of Mr. Lévesque's words seems to indicate that he, unlike any other premier, has identified the common interest which would allow such an association. I actually said, unlike any other premier, because one after the other, they have all dismissed the possibility of associating with a sovereign Quebec. What nonsense! What dangerous nonsense for all Canadians! Moreover, as the Prime Minister (Mr. Trudeau) has so brilliantly demonstrated, such an undertaking can only lead to a dead end.

It is obvious that the separatist government of Mr. Lévesque is dishonest. Unable to bear the consequences of a separation, they want to have the best of both worlds, the political advantages of separation and the economic advantages resulting from an association with Canada. Mr. Speaker, all this comes down to the destruction of a political and economic association which already exists between the provinces, replacing it by a type of association they want to be strictly economic but which, in spite of my willingness to understand, would be built on undertermined bases. As a matter of fact, Mr. Speaker, our federal system is already an association based on a common interest which amounts to the will to live collectively. Provincial governments represent regional interests in their provinces. They are in a better position to understand the problems, the needs of their people because, Mr. Speaker, the geographical, economic and social diversity of the country necessarily brings about regional differences that should not be ignored. But unlike the provincial governments, the Canadian government does not represent any one province in particular, but all of them at the same time. This Canadian government is not a foreign entity to Canadians as Mr. Lévesque would like them to believe, it is the men and women of Canada. It ensures fair sharing among the provinces, the redistribution of wealth which sometimes tends to cater more to the needs of one area, sometimes to those of another. The sharing, the redistribution, are done in the greatest respect for democratic principles and freedom. Federalism, this political and economic association we enjoy, is in my opinion far superior to a strictly economic association as, for instance, the common market. Why? Because we were able to combine economic performance, mutual aid and fraternity. Obviously at times some policies tend to favour one area over another, but in the long run all areas benefit because the economic and political strength of Canada transcends all regional and provincial boundaries.

Before that reality, the separatist government of Mr. Lévesque wants to enjoy every economic benefit offered by Canada, but does not want to assist other needy provinces. It wants to receive but does not want to give. However, I ask you, who would accept an association on such an egoistic and inhuman basis? Moreover, such association gives rise to insuperable problems which Mr. Lévesque is avoiding at any cost. For example let us take the monetary policy. Mr. Lévesque wants his separatist government to be in a position to draft its own legislation, to levy its taxes, in short to be a sovereign state. He adds, however, that Quebec would use the Canadian currency. Now if Quebec incurred debts here and there, the remainder of Canada would be unable to intervene. What would happen in a particularly difficult period if Quebec were unable to keep its promises? Who would then cushion the fall of the Canadian dollar? Who would have been the instigator of that crisis, Quebec or the remainder of Canada? Such are the kinds of unresolved problems which Canadians of all regions should underline so that Quebeckers will realize the merits of federalism and the danger which they are facing.

Under those circumstances, all federal members, putting aside their ideological and political differences, must under their mandate uphold the federal system. How should they defend it? Well, they do not have to make up the advantages of the system but merely to point them out, because up to now, the PQ party has deemed advisable for quite obvious reasons to state only its negative aspects.

I would now like to emphasize that there is no question of hiding the weaknesses of our federal system, because by doing so we would be as much guilty of dishonesty as the present Quebec government, and even worse, we would be going against democracy itself by misleading Canadians.

Mr. Speaker, I believe there is no doubt that our system can and should be improved, to better meet the needs and aspira-

tions of all regions of our country. But if we reflect on the matter, has this not been the case throughout our history? Through free and honest discussions and by taking into account the context in which we were living, have we not improved, amended and even eliminated certain outmoded structures which no longer coincided with the new realities? From what some people say, we might think that Canada has not evolved since the beginnings of confederation in 1867 and, in fact, that we have regressed into pre-history.

Has the separatist government of Mr. Lévesque said that in 1977-78 the federal government transferred $4.4 billion to Quebec? Has it said that $1.3 billion were paid out for equalization purposes? Has it told the citizens of my constituency of Argenteuil about the massive federal investments for the construction of the Mirabel airport which will soon become the major entry port to North America? Has it told them about the economic advantages this represents for my area? Has the present separatist government in Quebec told my fellow citizens that the purchase of the F-18 will bring about economic fallout of $100 million in the Saint-André sector in Lachute? And finally, Mr. Speaker, did Mr. Lévesque and his team tell Quebeckers that English Canadians of all provinces recognize Francophones? That they accept Quebeckers as Canadians on an equal basis? Unfortunately, the answer is no. It is therefore up to us, the members of the Liberal, Progressive Conservative and New Democratic parties in the federal Parliament, to do so, and as the member for Argenteuil, I shall undertake to do so in my constituency, in Quebec and throughout Canada.

● (1530)

[*English*]

To this effect, I am happy to see that the Leader of the Opposition (Mr. Clark) has understood the necessity to fight separatism, that he has realized that this ideal is inapplicable and dangerous, not only for English Canada but also for Quebec. Furthermore, when I mentioned a while back that the English Canadian felt strongly for the French Canadian, and even though I as a Liberal do not share the political beliefs of the Leader of the Opposition, I had him in mind because he is the perfect image of an English Canadian from the west who has felt the necessity for and taken the time to learn the language spoken by six million Canadians. If I may add, he has succeeded extremely well.

[*Translation*]

Some may wonder, Mr. Speaker, why I place so much emphasis on this question and why, in fact, my entire speech is devoted to it. Indeed, many people have told me and told others that our economic problems are more urgent than the issue of separation. I respect this opinion, Mr. Speaker, but I would add that there could be no healthy economic life in an unstable and uncertain political climate.

In closing, Mr. Speaker, may I say this: If we Canadians of any region want to learn an important lesson from all this crisis which we face now, then we should remember that Canada, its structures, its history and its future should never again be taken for granted.

[*English*]

Mr. Lyle S. Kristiansen (Kootenay West): Mr. Speaker, I should first of all like to add my voice to those who have extended their congratulations and their best wishes to Madam Speaker on her historic appointment and also to you, sir, for your appointment. I would also like to extend my regards and my congratulations to both the mover and the seconder of the Address in Reply and, further, to newly elected members who, like myself, have made or will be making their initial address in this House.

My own involvement over some 25 years, starting in my mid-teens, in the political process has led me to believe and often say to my constituents and many others that those who are deeply involved in this business that is called politics, whether in an elective sense, in an organizational sense or in other ways, often tend to have much more in common with each other than they even have from time to time with those who share their allegiances but who are not as active as participants in this sphere.

As this is my maiden speech, I would also like to take an opportunity to say a few words about the nature and history of my riding, a constituency with rather a unique tradition, a constituency—I suppose others would say it—"not quite like the others" and which I am proud and honoured to represent. As the new member for Kootenay West, I must also say that I feel a rather significant degree of humility, having in mind the predecessors who have represented my party and others over the past many years.

For some 30 of the past 35 years, since the late Herbert W. Herridge, "the Squire of Kootenay West" as he was to become known to the nation in his later years, was first elected as the "people's CCF" candidate in the general election of 1945, which is an incident that is rather unique in the political process, Kootenay West has been ably represented by members who have been elected under the banner of both the CCF and the NDP.

Mr. Herridge's combination of dedication to his constituents, his gentlemanly manner, his good humour and sometimes his mischievous charm captivated members on all sides of this House and, indeed, across the land. Upon his retirement in 1968, he was succeeded by Randolph Harding, a 23-year veteran of the B.C. legislature who was known, at least throughout British Columbia, as the "Ombudsman of the Kootenays" and who during his six years in this House was accorded recognition by ministers and members on the other side of this chamber and many others as well as "the most dedicated and most knowledgeable member of this House on matters respecting the environment". The person who said that was the minister responsible for the environment during that time.

Mr. Harding, I would like to say, because I worked with him very closely over a period of time, was also one of the most

honest, sincere, quietly conscientious and self-effacing public representatives whom I have ever had the privilege of knowing. Since his electoral defeat in the federal election of 1974, he has continued to serve both his community and his neighbours in either an elective or an appointed office.

I would also like to mention—hon. members will forgive me if I do so briefly—the brief term of my immediate predecessor, a representative of the Conservative party who was chairman of that party's caucus in the most recent year. Mr. Brisco, within the limits of his party and his philosophy—one would expect me to say that those are pretty serious limits, and indeed, I believe that they were—performed both conscientiously and very effectively on behalf of the constituents that he was elected to serve during that period.

An hon. Member: That's fair.

Some hon. Members: Hear, hear!

Mr. Kristiansen: However, on February 18 Kootenay West came home both to its roots and to its political tradition. I hope that by my efforts over the ensuing years I can persuade the riding to stay in that home and with those roots and to try to build a new tradition, not only there but in the rest of the country as well.

● (1540)

How is it that an area like Kooteny West should so often choose and choose for so long to act independently of their fellow citizens in many other parts of Canada? To begin with, Mr. Speaker, it is a matter of geography. Kootenay West is rather like an island. It is surrounded by rivers, lakes and mountains. The Columbia River winds around the 100 by five-mile span of Kootenay Lake, into the Arrow Lakes, which are a slight widening of the Columbia River. Mind you, Mr. Speaker, they are not as they used to be prior to the intervention of two successive federal governments and one provincial government in British Columbia.

We also have a richly diverse population. We share that privilege with many other provinces. There are British, German, Italian, Portuguese, Scandinavian, Dutch and many other nationalities, but we also have a rather unique blending of successive waves of political refugees. These are political refugees from the right, from areas all over the world, even this continent.

This began in the early 1900s with the large influx of Russian Doukhobors, many leaving their former homes on the prairies. What they had to say about why they came, through Peter (The Lordly) Verigin, who was their spiritual leader at that time, describes, I think, what can be said of many other people in our rather spiritually and geographically isolated corner of this country. I should like to repeat something Mr. Verigin said as quoted by Bert Herridge here in 1946, as follows:

> In British Columbia we will buy our land and own it so it will not be necessary to be subject to the English king, and keep our land. No schools are there. The air is very pure, like Switzerland. So we will live in good health in the Christian way with no government to bother us, no rheumatism and few mosquitoes.

Following the wave of Doukhobor settlers there came another, rather more forced migration, that of the Japanese Canadians. They came as a result of the War Measures Act during World War II and the hysteria that pervaded the land. I am proud to say that this party did not share in that hysteria at that time and neither did the right hon. gentleman, who used to lead the party to my right. Many of the Japanese stayed. Thousands came and many stayed and made their contribution to our society in the West Kootenays.

Next came the Quakers seeking the peaceful life that we seem to offer in our corner of our province. Members of the Society of Friends from all over North America settled there.

In the 1950s came the American refugees from the McCarthy era bringing an extremely rich array of skills and talents that could no longer find outlets for expression in their homeland during the dark age dominated by the senator known as "Joe". The final wave of American political refugees that arrived were driven by a distaste for a war which they sincerely believed was unjust, unwise and unAmerican. They arrived in increasing numbers in our community.

Now we have all of these groups piled one on top of another, mixing and blending their array of talents with many others of more conventional backgrounds who also came to our area attracted by work in the forest industry or the mining industry. The Cominco smelter in Trail is the largest lead-zinc smelter in the world. Many of these workers are industrial workers and some of them find a quieter and what is to them a more satisfying way to live. Now we all mix together and that makes us the rather rich community that we are today.

One event I mentioned earlier forged this community into what is perhaps one of the most active collections of community and volunteer organizations in the country, especially on environmental issues, that I have ever seen. I refer to the boondoggle called the Columbia River treaty. Hon. members from Kootenay West, whether Conservative, CCF or NDP, have fought that treaty and its extension that appears to be on the horizon in the form of an operation called "The Kootenay Diversion".

It is difficult to know who sired the Columbia River treaty. It was a kind of abortion resulting from an incestuous relationship between Conservative federal governments, Liberal federal governments and a Social Credit provincial government. We ended up with a $1 billion bill for something which was not supposed to cost us a nickel. The worst part of it is that our people were dislocated, we lost our valleys and many of our rivers, some of which are now nothing more than sloughs and dust bowls. We have nothing to show for that money, Mr. Speaker. That is something that will never be forgiven, and no matter what it takes to stop something else like it in that part of the country, it will never be allowed to happen again under any circumstances.

One of the things that happened as a result of the treaty is that thousands and thousands of acres of productive forest were wiped out. That leads me, in part, to the topic that I want to spend the rest of my allotted time discussing.

There is no mention of the forest industry in Canada in the Speech from the Throne. In spite of the rather brave and encouraging words of the Minister of the Environment and Minister of State for Science and Technology (Mr. Roberts) a few days prior to the commencement of this sitting, acknowledging the rather dismal record of the formal Liberal administration as regards the deterioration of the Canadian forestry service and the inactivity of that government in that area over many years, there was not a single word relating to Canada's forest industry in the Speech from the Throne. One out of ten people employed in industry in Canada work in that particular industry, yet there was no mention of it. This at a time when seminar after seminar and conference after conference from the east coast to the west and in between have been drawing attention to the neglect of that industry.

Our timber resources are no longer a renewable resource. Mr. Speaker, when a resource is being depleted faster than it is being replenished, then by definition it is no longer renewable. That is a tragedy. It is especially a tragedy in communities like Kootenay West and many others across the land, which contain single resource communities existing only because of one industry.

Interest rates under this government, as under the former government, are driving people out of their homes, virtually turning back the clock in regard to housing construction from one end of the country to another. Even in the so-called boom province of Alberta housing starts have dropped from 7,828 one year ago to 4,429 today. In Saskatchewan the drop is from 11,000 to 6,000, and in Manitoba the percentage fall is even greater. Thousands upon thousands of forest industry workers have been laid off in community after community after community across the country.

I worked in the forest industry before I was elected to this House, Mr. Speaker, and I intend to spend part of the summer recesses when we get them—we may not get one this year—working in that industry. That is where one hears what is going on. That is where it is at in the forest industry and in other industries throughout this land.

This past weekend I attended a meeting of over 100 woodworkers in the ridings of Kootenay West and Kootenay East. They are angry, Mr. Speaker—more than angry, because in the last two weeks they have seen the number of their brothers and sisters in British Columbia's forestry industry who are unemployed increase from slightly in excess of 2,000 to 6,000. At this very moment the statistics for today are being gathered and it is anticipated the figure will be somewhere between 8,000 and 9,000.

On May 2, Manitoba Forest Industry, the key employer in the central northern part of that province, a plant which employs many native people, will shut down. It will take a lot of other businesses in that part of the country down with it.

● (1550)

In northern Ontario we find that about one-third of Lumber and Sawmill union members are now out of work. One sometimes wonders whether the government is intending to solve the problem of reforestation by causing us to build less houses so that we will not cut as many trees, and maybe things will catch up without their having to do anything. That is rather an odd way to go about it. I could think of more lunchroom-like terms to describe it, but perhaps I will not at this point.

I would like to read a resolution passed by the meeting which I just attended this weekend. It was put by representatives of people who work in the sawmills, the plywood plants, and in the shake and shingle mills of this country. I quote:

> Whereas thousands of our brothers and sisters in the western Canadian forest industry are experiencing devastating lay-offs, including hundreds from our own local; and
>
> Whereas these lay-offs are caused almost entirely by the disastrous interest rates imposed by the federal governments of Canada and the U.S.; and
>
> Whereas these interest rates are also responsible for depriving many workers' families of their homes;
>
> Now therefore be it resolved that this local of the International Woodworkers' of America go on record as being absolutely determined to do everything possible to rid our country of governments which inflicts such massive injuries upon ordinary people, and generally to do everything possible to correct this disastrous interest situation;
>
> And be it finally resolved that this resolution be immediately submitted to the Prime Minister, to the Leader of the Opposition, and to the Leader of the NDP.

I have done that on their behalf.

I would like now if I may, Mr. Speaker, to move, seconded by the hon. member for Kamloops-Shuswap (Mr. Riis):

> That the address be amended by adding thereto the following words:
>
> This House, however, regrets to inform Your Excellency that the government has failed to provide a program to deal with the crisis created by massive lay-offs in the lumber industry, and this House condemns the government for its failure to provide such a program.

[*Translation*]

Mr. Marcel Roy (Laval): Mr. Speaker, I should like to join all my colleagues in the House to congratulate the new Speaker for her high position in the House. I am all the happier and prouder that part of the name of her constituency of Laval-des-Rapides was part of mine before and that I cannot feel unconcerned about the town of Laval-des-Rapides as it is the town where I was born and where I chose to live; I wish her satisfaction and good luck in all the responsibilities she will assume during this Parliament.

My dear colleagues, in this Address in Reply to the Speech from the Throne I should have liked today to describe some situations which would perhaps be more relevant to the speech itself. But I think you will not hold it against me if I have made a choice. Most of my speech will deal with the Quebec situation, and I thank in advance members from both sides of this House for the interest they showed and the concern they feel about this situation.

I intend in my speech to review the economic situation, to look into a subject which, I think, the supporters of sovereignty-association do not talk about, namely equalization, the centralization effected at present by the Government of Canada versus provincial governments, which supposes the constitutional status quo. I have been sitting here as member

for Laval for nearly 12 years. During that time, I participated in several debates to improve the quality of life of my fellow citizens in Laval, Quebec and Canada. Today, however, it is again with great interest that I rise to express my views on the holding of a referendum which could mean for 24 million Canadians a change in the structure of Parliament and could also influence the quality of life they are now enjoying.

Indeed, the seventies allowed Canadians to enjoy a high standard of living and social peace, while on every other continent violence was rumbling, democracy was crumbling away and inflation eroded the purchasing power of everyone in the world. In Canada, one only has to think, for example, of the price of oil which in several countries is three times as high as in our country when, paradoxically, the purchasing power of those workers is often three times lower than the purchasing power of Canadian workers.

Canada is one of the most beautiful and most privileged countries in the world, with its income per capita in 1978 exceeding that of the United States, Norway, Denmark and the Federal Republic of Germany. When one considers the question of real purchasing power in Canada, the situation is even more favourable when Canadian tourists had to pay $5 for a cup of coffee in Switzerland this year, or $100 to sleep in a second-rate hotel in Germany, or $150 per person for a supper in Tokyo, those Canadian tourists realized that Canada with its purchasing power is still a paradise; this is a Canadian fact.

Canada is therefore a rich country, but its integrity must be preserved if we want the eighties to be as stimulating for all those men and women who have taken up the challenge in the past. Indeed, we often refer to the renewal of our constitution, but we forget all the fiscal arrangements and amendments which have been made especially during the last 25 years and more particularly since the beginning of the quiet revolution in Quebec, thanks to the Liberal initiative in 1960. The performance of our country which has recently reached its centenary is not too bad and, fully aware of the potential of our natural resources which have yet to be developed, we can still say that everything remains to be done in Canada. If European countries live for their past, Canada lives for its future, provided all Canadians are ready to take up the challenge together. This future is possible, this challenge can be met if all Canadians agree to meet it and if all of us, as shareholders in Canada, can reap the dividends it will produce.

● (1600)

This is why it is important to place in the proper context the referendum debate aimed at setting up a separate or sovereign Quebec. Even though the Canadian government is accused of being responsible for everything that is wrong in Quebec, I believe that history and Canadian policies show on the contrary that Quebec, like all the other provinces, has obviously always been able to develop. Canadians have certain social, economic and political advantages which are still only dreamed about in most countries. This is the Canadian reality for all Quebeckers while sovereignty is an adventure.

It remains a reality for most Quebeckers even if some sociologists, political scientists and other alleged observers pretend that Quebec is the poor relation in Canada and ask Quebeckers to be content with one-seventh of its territory while proposing another system without telling us about its structure or economic advantages, without telling us what will happen when the 135,000 federal public servants in Quebec have to be integrated and without telling us the facts about this new system.

The progression of the separatist movement in the sixties and seventies has followed a plan involving teaching in Quebec schools, its culture and its economy, which ensured that the participation of the Canadian government in all joint programs or those administered by the province with federal funds would be glossed over and that participation by the Canadian government kept silent, preferring to broadcast that federalism was not a viable proposition in Quebec and the money taken out in taxes was not coming back to Quebec. For example, at the official inauguration of the health centre in Ville de Laval on April 10, 1978, the authorities decided to ignore completely the presence of federal MPs for the area. And not only did they ignore it, on that occasion they even forbade the Minister of National Health and Welfare (Miss Bégin) to make a speech on behalf of the Canadian government which had contributed $16 million toward the cost of the building. Through my intervention we succeeded in getting invitations to the ceremony, but the decision remained. The Minister of National Health and Welfare had to agree not to speak. It was strictly forbidden for the representative of the Canadian government to do so on that occasion.

I gave the example of the health centre, but I could name other occasions of nursing home inaugurations whose construction again was financed to the tune of 95 per cent by the Canada Mortgage and Housing Corporation, with 50 per cent of the operating deficits covered by the Canadian government. They took pains to prevent the Canadian participation from being referred to on those occasions.

That PQ propaganda has been very subtle and uses every symbol of sovereignty. The use of the lilied flag, the use of Mr. Vigneault's *Gens du pays* as a national anthem for their proposed nation, the use of the balcony speech—they even prompt France's invitation to Quebec's premier to go up Louis-Philippe's stairways even though France's investments in North America went to other provinces than Quebec. And this is how with all this careful planning it was possible to tell Quebec that it was not being treated fairly within Canada and that moneys levied by the Canadian government were not returned to Quebec. Here again, I could mention many incidences, for example the events organized by the Quebec state to propel the idea of this sovereignty while always applying in these instances and in this planning Doris Lussier's explosive theory or strategy as explained in the *Journal de Montréal* of June 21, 1978. After a survey in which a renewed federalism

had received 44 per cent of the votes against 21 per cent in favour of sovereignty-association, Mr. Lussier, a sociologist, wrote a letter to Mr. Lévesque, leader of the Parti Québécois, saying, and I quote:

—that the Parti Québécois is losing ground, that is certain. Let us not be ostrich-like, let's face the facts.

He was advising Mr. Lévesque of an explosive strategy in several points to be applied before the battle. Here then are some of those points which they called lessons, and I quote:

The fourth factual lesson is to get Quebec nationalism worked up with all the means at our disposal, subtly yet constantly, on a day to day basis and massively.

The sixth lesson mentioned is to serve as propaganda material:

—the best form of defence is attack. Public opinion should be warned of the kind of people federalist Quebeckers really are: timorous, political retards, dead weights—

—and even—

—traitors practically.

I quote from the same letter:

As for the undecided, we must succeed in making them feel guilty of not jumping on the bandwagon to freedom.

And I continue. The letter stated that under that strategy:

—it is absolutely necessary to secure the support of the labour movement.

This was done a couple of weeks ago. Last week, we even saw the labour movement identify with the Yes team. Which does not necessarily mean that the rank and file will follow the stand taken by their leader—

—that the only way for Quebec to achieve independence is never to talk about it. It is stupid, but that is the way it is. A strategy is not built on what we should like things to be but on what they are.

And there is the part on the unions.

There is something else which seems to me to be of paramount importance. We must strive to secure the active participation of the labour movement. The hell with big business: it is against us anyway! As for unionized workers, we cannot afford not to have them on our side on the referendum question. We shall have to keep this notion in mind during the next round of collective bargaining with the public and near-public sectors.

And that is Mr. Doris Lussier's letter which appeared in all the papers on April 21, 1978. We can see how all the points mentioned in this letter are currently being applied according to a planned strategy. Mr. Speaker, it must be realized that the federalists can hardly compete with independentists with respect to propaganda. Contrary to separatism, federalism is a form of government which is essentially human, pluralist and which does not lend itself to great crusades. Federalism cannot hope to compete successfully with separatism in terms of propaganda and demagogy, but we prefer to rely calmly and serenely on the intelligence and good sense of Quebeckers with the greatest respect for the innate qualities of these people.

● (1610)

I heard the president of the committee for a Yes vote, who came back from holidays last week, accuse the federal liberal caucus of being a bunch of cuckolds. That only serves to confirm what I just said, and it is an insult not only to all my colleagues from Quebec but also to the Quebec people, 68 per cent of eligible voters, who elected those members to the House. Mr. Speaker, as a premier who got elected with only 41 per cent of the registered vote, Mr. Lévesque would have been better to study the file on which the trained experts of the three departments involved spent 200,000 hours before deciding on the right fighter plane for Canada. This decision will represent an injection of $1,573 million for Quebec, where 49 per cent of the investment will be made. It would have been much more proper for a premier to study the file before following Mr. Lussier's advice.

—on every decision that comes from Ottawa. It has to be wrong. It must be, and those decisions have to be turned down.

Federalism is nevertheless a noble ideal from many standpoints. It requires of men and women the greatest virtues of heart and spirit: intelligence, respect, tolerance, fairness, sharing and peace. Federalism is a mutual insurance. In a federation, people support each other and share their wealth in order to get stronger while having total respect for one another. We believe that unity can exist in diversity and that harmony can emerge out of variety.

Now as regards equalization. It is true to say that in a federal structure there is mutual support and sharing because the structure is flexible and the same standard of living applies to everyone from coast to coast thanks to an equalization system which was established in 1967 and which is the foundation of our Canadian federalism. For Quebec, this system means a gain of $12 billion, that is $1.3 billion for 1980 only, or 15 per cent of the total revenues of the Quebec government. This represents an amount of $216 for each Quebec citizen. Of course since Quebec has more than 6 million inhabitants, we get close to 50 per cent of the total amount of money distributed under the equalization scheme. In Newfoundland, for example, the per capita amount is about $592 for a total of $340 million, while in Quebec, because there are 6 million people, we got $1,352 millions out of the equalization system. That is a kind of language quite unknown to our sovereignist opponents, the Parti Québécois.

At all levels, the Canadian government has contributed to the prosperity of Quebec and unless you are dealing with a hypocrite who refuses to face reality and prefers to spread feelings of linguistic division and resort to emotional arguments and sentimentality in order to serve objectives tinted with non-objective political partisanry, at the risk of being accused of all sorts of wrongs I say that federal policies have not only respected but even encouraged certain Quebec particularities which constitute a historical and fundamental wealth in the Canadian context. In that respect, let us emphasize that the Canadian government has greatly contributed to the cultural development of Quebec. Without the efforts of the Government of Canada in the field of culture, the French network of the CBC would have never seen the day. I am also thinking about grants to universities. Canada Council, the National Research Council of Canada, the National Film Board which has enabled many Quebec moviemakers to earn a

living and proudly represent us abroad since the NFB has won world recognition.

Mr. Speaker, if Maurice Duplessis gave Quebec a flag, the federal government, through its organizations, supplied it with a tripod mast from which to fly it. Mr. Speaker, with regard to centralization those who would oppose our Canadian federal system accuse the Parliament in Ottawa of being a big centralizing and self-complacent brute. There again, Mr. Speaker, the opponents of our political system manipulate history to the extent where, listening to them, one would think Jacques Cartier came to America to achieve the independence of Quebec, while, two centuries later, Louis-Joseph Papineau advocated a type of sovereignty-association with the United States. No, Mr. Speaker, we cannot accept such shortcuts.

The PQ makes a big to-do over the costs of two levels of government: overlapping jurisdictions, excessive competition, duplication of services. It is true that there is a price to be paid for such dispersal of authority, but that is also the price of greater freedom and better protection and defence of our rights. Thanks of the division of legislative powers, and a judiciary that stands above the intervention of a unitary state, Canadians have been able to build a society founded on individual freedoms. Under the Canadian federal regime, no level of government has enough powers to give in to the temptation of totalitarianism. Decentralization of administrative, legislative and judicial powers is the best guarantee against the erosion of fundamental freedoms.

In fact, since the confederation of 1867, the Canadian government has allowed Quebec to develop and become sovereign in many fields. Is it not that same government which, year after year, in the face of the ever-growing economic dynamism of Canada, has opened a host of various jurisdictions to the provinces and transferred several tax powers to them? The truth is that, 30 years ago, the federal government collected two-thirds of all taxes levied by all governments, and the others, one third. Today, after 30 years, the opposite is true. The provincial governments collect two-thirds of taxes paid while the federal government receives only 30.8 per cent. But nobody talks about that and the federal government is still accused of working towards centralization. Decentralization did not occur only in the fiscal field, but it was also apparent in many other arrangements like pensions.

In 1963, by virtue of an agreement with the Canadian government, Quebec was allowed to implement its own pension scheme while the other nine provinces decided to stick with the Canada Pension Plan. In 1974, another agreement was made with the province of Quebec in the field of family allowances. In 1975, another one in the field of immigration. To put it another way, the federal regime in Canada is one of the most decentralized in the world. It bears comparison with Australia, for instance, where 77 per cent of taxes go to the federal government while 22 per cent go to other governments at the regional and municipal levels. In the United States, 55.8 per cent go to the federal government and 44.2 per cent go to the state and municipal governments. Therefore, we can see that in Canada, with two-thirds of taxes going to provincial and municipal administrations the centralization thesis is unfounded.

I think that the concept of the status quo, of the lack of evolution of the constitution and of the absence of amendments has been exploited by the advocates of sovereignty. I am referring, Mr. Speaker, to the statement made by the right hon. Prime Minister (Mr. Trudeau) in Quebec on January 28. He stated then that there is only one premise in the present constitution, namely respect for the rights of men and women, respect for human rights, respect for the collective aspects of these rights. I am thinking, said the Prime Minister, about language and the rights of regions to exist. From this premise, it is possible to start from scratch if we want to amend the constitution. But since—

The Acting Speaker (Mr. Ethier): Order, please. I regret to interrupt the hon. member, but I must inform him that his allotted time has expired. However, he can continue with the unanimous consent of the House.

Some hon. Members: Agreed.

Mr. Roy: I thank you, Mr. Speaker, as well as all my colleagues. I will conclude by saying that sovereignty-association is the option of all those who do not want to choose, those who want to be dependent and independent, sovereign and associate. It is the option of those who want both to undermine Canadian federalism and to keep all the advantages of currency, postal services and defence.

I will vote No to that option, Mr. Speaker, for the referendum brings us at the crossroads. We have to make a choice between a renewed federalism and the separation of Quebec. A renewed federalism remains the preferred constitutional option for the very large majority of Quebeckers, and the PQ project represents the sole obstacle to the realization of desirable changes. My dear friends, I will vote No on the referendum because I want to remain a red-blooded Lavallois, an optimistic Quebecker and a realistic Canadian.

● (1620)

[*English*]

Mr. Don Blenkarn (Mississauga South): Mr. Speaker, you are to be congratulated on your appointment as Deputy Chairman of Committees of the Whole House, and would you convey on my behalf and on behalf of hon. members of this side of the House congratulations to Madam Speaker on her election as Speaker of this House. I think that was an excellent choice and it bodes well for the Thirty-second Parliament.

When I spoke on October 15 last in reply to the last Speech from the Throne, I outlined three basic principles on which I as a member of Parliament stand.

First, in my view there is only one kind of Canadian. There is no distinction between those who speak French as their principal language and those who speak English as their principal language. There is no distinction by reason of cultur-

al or racial background. There is no distinction among Canadians on the basis of how long they or their ancestors have been in this land.

A Canadian who has recently obtained his citizenship from our citizenship courts and who has chosen to become a Canadian is every bit as much a Canadian and every bit as honoured as a Canadian as those who might trace their ancestry back to the United Empire Loyalists or back to the time of Champlain and Frontenac. We are all Canadians. There is no distinction between Canadians, and efforts by governments to make a distinction, to protect one group of Canadians against another or to favour one group of Canadians over another, are divisive and cause disunity in this country.

Second, it is my view that the least government is the best government. As I said in October, it strikes me that the more we attempt to solve people's problems by legislation, rules, statutes and administrative orders, the more problems we create. The cost of government in most cases more than eats up the advantage of any protection that rules prepared and promulgated by government are intended to provide. There is rarely any cost-benefit advantage to more government. It must be apparent to us all by now, looking at the growth of government over the last decade or so and the growth of disunity in Canada over the last decade or so, that there must be some definite relationship.

Lastly, as a member of Parliament I said that a member has a threefold obligation. The first is as a representative, and I will attempt in this Parliament, as I did in the last parliament, to convey the ideas of Mississauga South to this government and to represent the attitudes of the ministries to the people in my riding. My second obligation is as an ombudsman. Because of the mountains of legislation, regulation, red tape and so forth, every riding in this country needs a pretty active ombudsman. Indeed, if there were not members of Parliament acting as ombudsmen to their constituents, there would have been a bloody revolution because of the red tape we have.

Lastly, as legislators I deem it necessary that we look very closely at the legislation that is produced to make sure that that legislation, in attempting to solve problems, does not add to some of the economic concerns and the disunity we have in this country.

Today I want to expand on these three principles as they relate to my vision of Canada. What I am talking about today is in relation to the referendum in Quebec, because that referendum makes us face up to some of the concerns which runaway big government, refusal to treat Canadians as equals and refusal by government to think seriously about the consequences of how they legislate have created.

The concept of Canada dates back to before confederation. It dates back before the union of Upper Canada and Lower Canada into one legislative unit. Indeed, it dates back to the time when young Canadians of French origin first looked at their country and said: "We belong here, and we are not going to pay attention to the kings of France and their rules; we are going to become coureurs des bois, go out on our own and be Canadians". Two sons of Canada, Radisson and Groseilliers, formed the Company of Adventurers trading into Hudson Bay.

Today we see this Canada, a dominion from sea to sea, being torn apart. This threat demands that we as members of Parliament look at the concept of Canada, the vision of Canada of Sir John Macdonald, Laurier, Borden, King, Bennett, St. Laurent and, above all, the vision of John George Diefenbaker, an honoured son of this Parliament who just recently passed away.

In days past governments of Canada were prepared to lead. They were prepared to build railways, seaways, ports and transcontinental pipelines and airlines. They were prepared to inspire the private development of our farms and forests and to encourage immigrants to settle in this still pioneer country. This government approaches Canada without any vision. It takes a restrictive, bureaucratic, socialist-minded approach. It seeks to divide the pie into smaller and smaller pieces and more evenly rather than build a bigger pie. This government has become an irrelevant colossus approaching various parts of the country with offers of money. Money will never buy people to stay in Canada.

The concept of Canada is an emotional concept. Canada never made much economic sense in the first place. The natural economic divisions of this North American continent are north and south, not east and west. This government approaches Canada with a bookkeeping mentality. It approaches the people of Quebec and says: "Vote No and you will make more money". We Canadians have had bookkeeping long enough. If it was bookkeeping or economic advantage we were talking about and a referendum was held in western Canada, people in western Canada would vote Yes for sure.

I have had the good fortune to be able to travel in a large part of Canada, much of it by canoe. I have paddled the rivers young French Canadians travelled when they were exploring this country in the early days. Some of those young French Canadians settled in Ontario in Essex county and in Penetanguishene in Northern Ontario. They settled in Manitoba, Saskatchewan, British Columbia and Yukon. How can they now be conned into surrendering that heritage? This government has created the climate for the Lévesque con.

Mr. Cousineau: Come off it.

Mr. Blenkarn: It has never talked about the huge realizable potential of Canada. It has never sold Canada to people; on the contrary, it has used all its efforts to speak about what the individual can get out of the system rather than to encourage Canadians to explore and take advantage of the growth of Canada. It has talked about linguistic equality rather than the equality of heritage and opportunity. It has promoted a limited, parochial Canada. It is no wonder the petty provincial future so well sold by Lévesque sounds so good.

An hon. Member: To you, maybe.

Mr. Blenkarn: We have all been told of the potential of the tar sands. Some of us talk about the potential of the Yukon

and the Mackenzie Valley. Here in the province of Ontario we have a great clay belt which runs from New Liskeard to the shores of James Bay, and from deep into Quebec nearly to the Manitoba border. It is a land with minerals of every kind and with an agricultural potential at least equal to the potential of the prairies. I have seen cabbages on Moose Factory Island that are as large as pumpkins. While I was waiting last September for a train at Fauquier, I saw a vegetable garden that made mine at home look sick.

• (1630)

Where are government programs for this frontier? This is a pioneer land in the frontier of the clay belt where French and English-speaking Canadians work shoulder to shoulder. Why are we not stirring up the blood of our young men and women, offering them the opportunity of cheap farm land in the frontier? This government talks about affirmative action programs. Yes, what we need is an affirmative action program, not an affirmative action program which tries to divide existing jobs but an affirmative action program which makes employment for young men and women by giving them an opportunity to open up this vast land of ours, to pioneer it. Where is the vision?

Why have we not relaxed controls on the development of heavy oil? Why have we not given businessmen encouragement instead of regulation? Why have we not given low tax rates to those who want to go into business in the north? Why have we not started some land grant programs? Why have we not continued John Diefenbaker's roads to resources program? Whether they are railroads or roads does not really matter. Why have we not done things such as we proposed in the last budget in December to allow farmers with surplus farm crops and waste forest products to turn those into industrial alcohol for fuel? Why are we not talking about Canada's future? Why are we not selling? Why are we still listening to the old arguments put forward by those who mine our raw resources? They thought that the only economic thing we can do with resources is to export them raw. That was the argument used in Ontario when we were exporting pulp logs, and George Drew stopped that. That was the argument used in Ontario when we were exporting pulp for newsprint, and Les Frost stopped that.

Where was this government when the province of Quebec wanted to force the extractors of raw asbestos to manufacture asbestos products in that province? We are still exporting logs from this country, we are still exporting iron ore by the boat load, and coal and oil seeds. What are we doing about forcing the processing of these resources? Where is our vision? Where is our direction to build the country?

This government has developed a case of "bureaucratitis". It regulates, it controls, it proposes more Crown corporations and it tells Canadians to tighten their belts instead of negotiating positive trade deals with countries such as Taiwan and South Africa, where there are great opportunities. The whole of the southern continent of Africa is controlled through merchandising arrangements in Johannesburg. What have we got there? We have one lonely trade officer attached to our embassy. What are we doing from that market to develop trade in Mozambique, Zimbabwe, Namibia, Lesotho and Trans-kei? We are doing nothing at all. Johannesburg is where these countries go to buy their goods and that is where we should be selling.

No wonder Canadians are discouraged. The other day in this city I spoke to just that kind of discouraged Canadian. Let me say to members on the other side that he was a very strong Liberal supporter.

Mr. Baker (Nepean-Carleton): He has every reason to be discouraged.

Mr. Blenkarn: He said to me: "Don, they are going to vote Yes in Quebec. When they do, I am moving out." I asked him where he was going, and he said: "To the States, of course, because there is no future here in Canada."

An hon. Member: Who said it?

Mr. Blenkarn: I will tell you privately. He is very close to you too.

It hurts me deeply when people from my own constituency say: "I hope they secede and then maybe we will get rid of this government that way." Nobody would have talked that way ten or five years ago. All of us on this side are aware that a Yes vote in the province of Quebec on May 20 will likely stir up such emotion in the rest of Canada that the rest of Canada will say: "We have been rejected. If you want to reject us, go your own way."

This government is greatly responsible for that condition. The Saguenay river belongs to me; the beauty of the Gaspé is mine; the mines of Val D'Or are mine. They belong to me and they belong to my children, not just to the people who live in the province of Quebec. The Churchill river and the fjords of Labrador, the Hibernian oil wells and even the park at Signal Hill are mine. They do not just belong to somebody who calls himself a Newfoundlander.

My wife comes from British Columbia. I obtained the right to practice law in British Columbia. I suppose if we are going to have a great breakup of Canada, I could go to British Columbia and say that I have certain rights and privileges there. But I say to you, sir, that the salmon in the Fraser river belong to me as a Canadian. The towering Douglas firs in the MacMillan park on the road to Alberni belong to me as a Canadian and they belong to my children. They belong to us all as Canadians. Someone spoke about Alberta. Yes, the tar sands are mine, and so is what is left of the oil in Leduc. They do not just belong to those people who because of where they happen to be living today call themselves Albertans. The same thing can be said for the wheat and potash and the beauty of the Interlake region in Manitoba and Saskatchewan.

To those wo do not come from Ontario, I say that the problems we have in our auto plants in Windsor are theirs too. So is the power of Pickering, the Great Lakes waters, the clay belt and all of the resources we have. All this is Canada and it

belongs to all of us as Canadians. I want to say, sir, that no petty provincial politician or individual has the right by referendum or challenge to take away from me or my children or from my constituents in Mississauga our rights in Canada. We are Canadians, and no reconstituted or renegotiated confederation or realignment of the powers of provincial legislatures or this national government can in any way reduce or affect my rights as a Canadian or my children's rights and heritage as Canadians to enjoy all of Canada.

The regionalisms and parochialisms in Canada did not exist 16 or 17 years ago. They have only developed since this government and its predecessor government took office after the 1963 election.

This government has attempted to maintain national unity by inventing a "newspeak". In this newspeak, a No vote means yes, we want to have a renewed confederation, and a Yes vote means no, we do not. Meanwhile, this government has fomented controversy among Canadians. It uses funds from secretary of state grants and other departments to fund particularized interests. In the name of representation, particularly in the last ten years, it has caused a fragmentation of this nation that, I am afraid, is likely to destroy the heritage of my children and my constituents.

This has allowed René Lévesque, whose little vision is limited to the narrow borders of Quebec, to speak to the hearts of Quebeckers in his referendum. Liberals—the hon. member for Laval (Mr. Roy) was here a moment ago speaking in almost the same way—campaigning on the No vote in that province do not speak to the heart. They speak about how much boodle Quebec can get out of confederation and about the economic benefits of being associated with the Anglos. With a $16 billion deficit on fiscal account, there is not much boodle left. If Quebeckers vote Yes on May 20, it will be by reason of the heart; and if they vote No on May 20, also it will have to be by reason of the heart.

● (1640)

Within days of winning the election in February, this government went about creating one controversy after another. It stopped work on a uranium refinery for Eldorado Nuclear in Port Hope, just when the people of Port Hope were suffering from a devastating flood. The Minister of Transport (Mr. Pepin) made the suggestion that maybe he would not bother with the Ridley Island port facility at Prince Rupert, even though that facility is absolutely necessary for expanded grain, coal and sulphur shipments. The Minister of Energy, Mines and Resources (Mr. Lalonde), that wonderful minister—the "minister of national unity" one could call him—immediately started a confrontation with Alberta and Saskatchewan. When it came to the Syncrude matter, he did not even bother to consult his own partners in that agreement but proceeded to cancel it.

We heard the hon. member for Sudbury (Mr. Frith) seconding the Speech from the Throne. He seems to have the disease of this government. In his maiden speech, what did he do? He picked a fight with the hon. Bette Stephenson, the minister of education in the province of Ontario, on a matter which does not affect his riding of Sudbury at all. It is a matter of provincial jurisdiction and in any event affects only the riding of Simcoe North.

I would like members of the House to remember who said, "Why should I sell your wheat?" We must remember who put French language television in Vancouver over the objections of members of his own party, even though there were no French-speaking viewers.

An hon. Member: Not true.

Mr. Blenkarn: Who imposed metrication on all sorts of Canadians without even a "yes" from the House of Commons? Which government forced Ontario into medicare despite the objection that the delivery of health service is clearly a provincial responsibility?

An hon. Member: Rubbish.

Mr. Blenkarn: Remember, this is the government that fomented endless wrangling at one dominion-provincial conference after another, so that in matters of legislative jurisdiction Canadians are faced with duplication and triplication. This is the government that refused to pay attention to the representations of the city of Montreal and the city of Toronto on matters of urban renewal and partially caused the problems we face in the Canada Mortgage and Housing Corporation. This is the government whose former minister of finance, now the Minister of Justice and Minister of State for Social Development (Mr. Chrétien), otherwise known as the "minister of No" in this government, in a budget supposedly to stimulate the economy, jumped in with both feet on provincial sales tax collection.

When western Canadians see a bright future in the value of their resources on international markets, this government thumps them. When Atlantic Canada tries to get ahead by capitalizing on offshore resources, this government tries to welfare it to death. When the province of Quebec legitimately wants to take over cultural activities and communications, this government is not prepared to agree and holds a tight rein on their ambitions. Sometimes this government is not prepared — indeed, always not prepared — to enter into the real problems of confederation. I emphasize that this government is not prepared to step in on the problem of national unity because it will not step in on laws which prevent me as a Canadian from buying a farm in the province of Prince Edward Island or in the province of Saskatchewan. It will not step in and allow me as a Canadian to work as a construction worker in the province of Quebec. It will not do anything for me if I happen to want to export milk, chickens, eggs or what have you from one province to another. It imagines that as long as I am capable of paying a parking fine in English, it has done all it has to do an all that is necessary.

It is desperately necessary that the Government of Canada changes its direction, develops the vision of a Canada for all Canadians, gives Canadians a sense of belonging and a sense of freedom to develop a pioneering attitude, and gives Canadi-

ans a chance to own and create on their own. It is only with such a unifying attitude that the vision which created this dominion from sea to sea, the vision that inspired Laurier to say that the century belongs to Canada, and the vision that inspired Bennett to say that he would blast his way to the markets of the world, can be realized. It is only with vision, hope, the aspirations and the dreams of a great Canada, the vision of John Diefenbaker, that we can really make this country one united Canada.

[*Translation*]

Mr. Jean-Robert Gauthier (Ottawa-Vanier): Mr. Speaker, will you be so kind as to extend my sincere congratulations to Mrs. Sauvé for her appointment to her high position. I am all the prouder that you, the hon. member for Glengarry-Prescott-Russell, are in the chair today. I shall limit the questions I am going to deal with today to two subjects, through a lack of time.

[*English*]

I would love to have the occasion to answer some of the statements made by the hon. member for Mississauga South (Mr. Blenkarn). It appears to me, if I heard him properly, that he would even object to the people of Chicoutimi having television in English. I do not see the argument he is trying to make, except to say, if I repeat what he said correctly, that he said there were no French-speaking people in Vancouver. There are as many French-speaking people in Vancouver as there are English-speaking people in Quebec City, so he can take it from there.

Some hon. Members: Hear, hear!

Mr. Gauthier: The other statement he made, which I thought was a rather low blow, was to blame the seconder of the motion for making a comment on the Penetanguishene school question and picking a fight, as he said, with Mrs. Stephenson. I would like him to address himself as a Canadian to the following question: Is there a local fight in Penetanguishene, or is it a fight for the existence of a people? The issue is French-speaking Ontarians who want a school in Penetanguishene, not Mrs. Stephenson or the hon. member's statements.

[*Translation*]

Mr. Speaker, I could use up almost entirely the 20 minutes allotted to me to refute the remarks made by my colleague, the hon. member for Mississauga South, but I would waste my time in the exercise and probably my patience. First of all, Mr. Speaker, I should like to thank my constituents of Ottawa-Vanier who re-elected me for a fourth mandate in less than seven years.

Four elections in seven years, that means the participation of a great many people, but I have agreed to represent them and I agree, as I have previously done, to represent them to the best of my ability and to present their views as objectively and correctly as I possibly can.

If there is a lot of talk in this debate about the Quebec referendum, it is because all the members of the House and all Canadians are concerned about the referendum process which involves, whether we like it or not, the democratic right to self-determination. Personally, I live in Ontario, and my country is Canada where French and English are the official languages. As I said, I live in Ontario where English is the only official language. I have received from my parents a language and a culture which are not those of the majority in the province of Ontario. Some 500,000 Canadians of French descent in Ontario, people like me and you, Mr. Speaker, have worked very hard to keep their cultural and linguistic heritage. We pursue this Canadian dream of a united Canada. Yet, we are living a constant nightmare, that of assimilation. The frustations, and they are many, of which my Quebec cousins speak, we, of the Francophone minority outside Quebec, have felt them a hundredfold.

How much easier it would be for me to fight for the federalist thesis if the two official languages of my country were also the two official languages of my province! But such is not the case. If I am a federalist, and that I am, right through and through, as are also the million French-speaking Canadians who live outside Quebec, it is strictly because the federal government was the entity, at times the only one, which came to my rescue, supported me and gave me the services I needed to survive.

Earlier, the hon. member for Mississauga South mentioned the Secretary of State who spent money in support of those various groups. I am one of those. The Francophone minorities benefit from federalism, through the financial assistance they get from the Secretary of State in support of their social and cultural projects. The Official Languages Act of the federal government has allowed me, for almost 20 years now, to express myself in my own tongue, to make myself understood by my colleagues in this House of Commons. Outside the House, Canada, the Canadian government, have also agreed to serve the Canadian people in either French or English. In no small measure, the support needed for the education of the minorities was given and at times granted only by the federal government through grants and financial assistance to the education of the two official languages minority groups. The truth of the matter is that those groups receive considerable help from the federal government. I think it is quite normal that my country should help me, in the province where I live, when there is need for it, if we believe and wish that Canada exist as a separate entity, one that differs from the United States or any other state.

Mr. Speaker, it is sometimes despite the provinces that Francophone minorities have survived. This is why it is not unfair to say that had it not been for the role of the federal government you and I, Mr. Speaker, would have been assimilated. Yet we have made some gains, we have acquired

things and in Ontario today, thank God, we can send our children to French schools, as least at the elementary levels.

At the secondary level there are still a few snags and problems. They will be ironed out I guess, some day, and I hope soon in order to enable the people of Penetanguishene, Midland and Lafontaine to send their children to a homogeneous French secondary school. It is at the secondary level that things seem to drag. This is the area in which we have had the main disputes over the last ten to 12 years. It is no fault of the federal government because it is a matter of provincial jurisdiction as has been stated earlier so rightly by the hon. member for Mississauga. But the provinces make up Canada. And if there are two official languages in Canada, how come I am denied the right to exist at the provincial level? This is something I cannot understand. So, let us be logical and say to the provinces: You must at least recognize the simplest argument of all, that of the two founding peoples, and grant to English-speaking Canadians in Quebec and French-speaking Canadians outside Quebec the right to the most basic services, mainly education, health services, and legal services.

I admit there has been some improvement, a lot of improvement because you only have to look at the number of schools in the past ten years which total nearly a hundred in Ontario. With respect to legal services, you can easily argue your case in French in criminal court today, at least since January 1 of this year. But in civil courts English alone is still being used. As for health services, let us be honest, if you do not live in Ottawa, health services in French are nearly non-existent in Ontario. So those are the challenges to be taken up. Those are not basically difficult problems to solve but you need to have the will and the capacity to do it. And the federal government has supported linguistic minorities where it was needed, at the proper time, with its funds and grants.

As I said earlier, Mr. Speaker, it would have been so much easier to talk about federalism if Ontario had gone with the two official languages of this country. But it was premier Bill Davis himself who torpedoed Bill 89 introduced by my provincial counterpart, Albert Roy, a little over a year ago when he opposed it against a unanimous legislature. He said no to Mr. Roy's bill which was to have given French equal status with English in Ontario.

I wonder how Mr. Davis can now substantiate, for the benefit of his own people in Ontario and for the Canadian people as a whole, the position he expressed in February, 1979, when he said he was prepared to see the language rights entrenched in the constitution. There again I am confused. I cannot understand that French should be refused legal status, that I, a French-speaking Canadian living in Ontario, cannot be allowed to make out in French strictly personal documents such as a will. That seemed to me absolutely elementary. But in Ontario, a will must be registered in English. So I ask myself this question: Am I a first-class citizen? That is what I want to be able to say, what I want to become, what I want to be. That is no big thing. It is important that the provinces, this parochial attitude the hon. member for Mississauga South was talking about and which concerns us today—

• (1650)

[*English*]

The parochialism that the hon. member was talking about, that concern with regionalism or the community of communities idea that exists today which was brought forth by some advisers to the former prime minister of this country, presents in my view a very difficult situation because, as a minority in such a situation, I am in conflict. I become the hostage.

[*Translation*]

The hostage in that game between the Francophone majority in Quebec and the Anglophone majority in Canada. I find it difficult to explain that I do not want to be held hostage in the bargainings between Canada's English-speaking majority and Quebec's French-speaking majority. I mentioned it earlier. I do not believe that any Canadian will ever agree to be an hostage in such a debate.

But that is what I am because, as you will recall, when Mr. Lévesque spoke about the right to education two years ago he said to the other premiers: we are going to establish reciprocity. Reciprocity means that if you recognize in your province the right to a French education, we will recognize the right to an English education. And they said: no, this is not Canada. Canada stands for respect, generosity, recognition of the existence of two founding peoples, the French-speaking and the English-speaking peoples. This is the formula. Once again, Mr. Speaker, I wish to make something clear. Let us not kid ourselves. As proposed by the Péquistes, sovereignty-association does not imply negotiation by a long shot. It implies independence.

Where is the linguistic minority in all this? On one hand, I cannot accept the status quo because it would mean assimilation. And as I have already said, this is a real nightmare for me. The one million Francophones outside Quebec are being assimilated at a fantastic speed. In 1971, 27 per cent of Francophones were assimilated. This means that the day will come when there will be no question of separating Canada because it will already have been divided into two groups, a balkanization of Francophones in Quebec and a balkanization of Anglophones in the rest of Canada. Should this happen, there will not be many cultural, social and linguistic ties between the two groups. We would talk about separating the two entities. I do not know. In such a case, I would be the loser, the Francophones outside Quebec would have to pay, and I find this unacceptable. This is what status quo means.

What Mr. Lévesque is proposing, that is independence for Quebec, would have the same results because who knows what would happen to the linguistic minorities both in Quebec and in the rest of Canada once Quebec is divided from the rest of

the country? If we are not willing to be more generous than we are now in Canada in 1980, how can anyone say that the minorities will be treated better in a divided country? I say that things cannot be better and can be much worse. Indeed, in such a case, Canadians like myself who were born in Ontario and have lived all our lives in this province may become the Palestinians of North America, people without a country. This is a threat which haunts, scares and pains us because we want Canada to exist, we want Canada to improve, and most of all, we want a renewal of Canada which would take into account all the cultural, linguistic, social and economic realities. This is also very important, but I must tell my dear colleague from Mississauga South that there is no Quebecker and certainly no Franco-Ontarian who will be impressed by his economic arguments. The decision made on May 20 will be an emotional one. I hope it will be made in full knowledge of all aspects of the issue because no one will convince the population, at least not myself, by talking about money. I have never been convinced by this factor and I shall certainly not be this time. If strength lies in the challenge, the will to act and the will—

● (1700)

[*English*]

I agree; it is exactly what the hon. member said—not in those terms; but I think you understood at least that point in your speech, sir.

Mr. Blenkarn: It is exactly what I said. You cannot talk about money; you have to talk about heart.

Mr. Gauthier: That is exactly what I am doing.

[*Translation*]

If strength lies in the challenge, the will to act imperiously, Franco-Ontarians showed they were capable of overcoming obstacles, of establishing the cultural, economic and social institutions they required and desired. Mr. Speaker, time is lacking today for a complete review, but you will remember the Richelieu Club, l'Union du Canada, the newspaper *Le Droit*, are all institutions created and supported by us and which have defended us. And today, I can state that in that Canadian coexistence experience, we succeeded in building co-operation with our English-speaking colleagues in the country, a federation which in my view compares with any other nation, any other political system around the world. I am proud of it, and I am so much happier with it that I am convinced we can soon sit around a table and negotiate a constitutional renewal that will respect not only the basic rights of the individual, but also linguistic rights across Canada. And the undertaking in February last by five provinces, including my own province of Ontario, New Brunswick, Saskatchewan, Newfoundland and Prince Edward Island to enshrine linguistic rights in the Canadian constitution is a step forward. Of course, there remains to convince Alberta, British Columbia, Manitoba, Nova Scotia and Quebec. Yes, Quebec and why? Probably because the current PQ government did not and will not understand what Canada is all about. I tell them exactly what I suggested in the beginning, they do not want Canada, they are committed to its failure. When they refer to sovereignty-association, the inference to independence is easily visible. We are all involved here in an irreversible movement toward change, a constitutional change for the better, hopefully. We will see about this, Mr. Speaker. It is not easy to speak as I do now, because Quebeckers who will be looking at me will say: of course he is from Ottawa-Vanier, Ontario; this explains his views. Well, here in Canada I am still confident that my children, my family, my friends, my fellow Ontarians and Canadians are ready today, after 113 years, to renegotiate and establish a constitution that will respect my personal expectations and those like me who live in a minority situation.

Mr. Speaker, the position of this government is that everything is negotiable except the federative formula and the enshrinement of fundamental individual and linguistic rights. The federal government is ready to enter into negotiations in order to strengthen the Canadian federation. I feel it is important that we federal members of Parliament ought to expect before the end of this year a constitutional conference where the heads of the provinces making up this country will agree publicly on any trade-off they want, be it on natural resources, on manpower and its mobility, on economic, cultural or linguistic matters; but it is important that there be a federal-provincial conference dealing essentially with the renewal of this country, this Canada of ours, this Canada we want to maintain, this Canada which is ours and which we owe to ourselves to defend with all our energy. There is a real threat, Mr. Speaker, and I am talking about the rampant regionalistic tendencies which lead the parts to think they are more important than the whole. That threat explains why the "I" is more prevalent than the "we". That is because today, when people have problems, they tend to scowl, to withdraw into themselves and to build walls around themselves which is, I imagine, a normal and humanly understandable reaction. It is normal, humanly speaking, that when a man feels insecure, he tries to isolate himself.

● (1710)

But I suggest, Mr. Speaker, that if that reaction is allowed to persist it will cause serious damage to the fabric of this country and that is why I ask so seriously and with such insistence this Parliament to urge the present government to call a federal-provincial conference next fall to ask the most basic question: Are you for or against the thesis of two founding peoples? Yes or no? We would see then how the provinces perceive the whole issue. Then we would go on to constitutional amendments because they are at the roots of the present debate. If I am a second-class citizen in Ontario, I want to know it and I want to know it clearly. I do not think

that the present government can tell me clearly, because it cannot renege its commitments.

[*English*]

Does the hon. member opposite want the floor?

The Acting Speaker (Mr. Ethier): Order, please. If hon. members have anything to say in this House, they must address the Chair.

[*Translation*]

Mr. Gauthier: Mr. Speaker, I would like to continue in the same vein but I think I have made the point I wanted to make, namely that we cannot skip stages. The referendum process skips the stage of honest and real negotiation. The present statu quo skips the stage of negotiation. I seriously think that when a partner skips stages and the other is hesitant, somebody must intervene, somebody must provide real leadership at the Canadian level. The gap is deepening, perhaps it is becoming impassable, I do not know but I certainly hope not. Points of contact are overloaded, fuses may blow. I leave the economic arguments to others. Others will also tell you that Canada has succeeded despite its weaknesses and its mistakes. The only thing I want to do is to invite you, my Quebec cousins, to think seriously before deciding, and to remember those in the forefront, the foot soldiers, your cousins in the rest of Canada. We know that Canada must be greater, that it must be better for all of us, for our children.

Mr. Speaker, I would not want to return to my seat without speaking of another issue. I do not know how much time I have left, but I would like to speak on a subject of great interest to me and which concerns federal civil servants. It is a topic with which my colleague from Nepean-Carleton is familiar, that is the need to implement a development and promotion policy.

[*English*]

I refer to the latest in a series of documents, the more recent one being the Auditor General's report. I see the President of the Treasury Board (Mr. Johnston) is here, and maybe I should address myself to that question very briefly. I believe that it has been possibly a mistake on the part of politicians to single out public servants as being either inefficient or ineffective. The general consensus, from what I have gathered after looking at the subject for about seven or eight years, is that indeed we have some difficulties in the administration of this country. But these are mostly because of a lack of a philosophy of management. In this instance I refer hon. members to the D'Avignon report which makes a good case for that.

There is the lack of a global approach in training and development of our personnel as senior managers, and a need for a policy of management so that these managers know exactly what this House of Commons wants and expects of them. Instead of bashing the heads of the majority of public servants, maybe we should look at creating, discussing, and putting in place a policy of training and development for public servants, addressed to better efficiency and to more effective programs. I would like to discuss this matter at length, but I will keep my remarks for another time. I thank hon. members for their attention.

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

The Acting Speaker (Mr. Ethier): Order, please. It is my duty, pursuant to Standing Order 40, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the hon. member for Winnipeg North Centre (Mr. Knowles)—Veterans Affairs—Prorata pensions for widows of veterans on disability pension; the hon. member for Vancouver-Kingsway (Mr. Waddell)—Energy—Export of natural gas to United States.

ROUTINE PROCEEDINGS

[*English*]

SPEECH FROM THE THRONE

CONTINUATION OF DEBATE ON ADDRESS IN REPLY

The House resumed consideration of the motion of Mrs. Côté for an address to His Excellency the Governor General in reply to his speech at the opening of the session.

Mr. David Kilgour (Edmonton-Strathcona): Mr. Speaker, it is an honour to participate in this throne speech debate, and I am deeply grateful to the electors of Edmonton-Strathcona for the opportunity to do so. Permit me to thank each one of those voters again for electing me for the second time.

[*Translation*]

If I may, I would also like to congratulate Madam Speaker in assuming her new responsibilities in the House. Her qualities, her courage and her common sense in matters related to parliamentary democracy are well known and quite appreciated everywhere in the House.

[*English*]

In my view the throne speech shows why this government clearly needs a whole new set of cliches as Canada enters the 1980s. To illustrate, let me give two representative examples. My first quote reads: "Canadians expect much of this Parliament". This is self-evident sophistry. Approximately seven out of ten Canadians in fully 62 per cent of the land mass of Canada did not elect a single Liberal member of Parliament. Indeed, in parts of Canada there is probably no greater political insult than to call someone a Trudeau Liberal.

My second excerpt reads—and it refers to western members "You also have an extra responsibility in the present circumstances to represent the nation to your constituents".

This last quote is taken from part V of the Speech from the Throne entitled "An Active Foreign Policy". Why is that? One infers that when the government says nation in this context it really means the national government, and is calling upon western members of Parliament to convey its message to our constituents. But it has done nothing since February 18 on interest rates, the Prince Rupert port development, metrification, twinning both the CNR and western members of Parliament, and the Olympic games, all of which has not demonstrated anything other than Mr. Trudeau's fondness for kicking the west in the teeth.

On the very important energy question, the throne speech speaks of security of energy supply while making hostile gestures at everyone in the oil industry, PetroCan excepted, which now employs directly about one in three Albertans. Domestic security and self-sufficiency in energy have been harmed by virtually everything the Minister of Energy, Mines and Resources (Mr. Lalonde) has said or done since his appointment. I include in that, of course, his expressed joy here, the other day that Canadians will pay more than world prices for Mexican oil but no longer will pay world prices for synthetic oil from Fort McMurray.

Does he think that such a policy will encourage the proposed Alsands and Cold Lake plants to proceed? Does he think his policy will help Canada's balance of payments or Canadian jobs in both eastern and western Canada? The answer is no, Mr. Speaker. At the back of western minds, and coming to the forefront, is the conviction that there is no one effective to speak for the west within the cabinet. The people of the west are convinced that the only power lies in central Canada, supported by a government that won its majority—albeit narrowly—in central Canada by campaigning on the backs of western Canadians.

A great many westerners were shocked by the election results and, in my opinion, are becoming increasingly bitter as those results are beginning to bear bitter fruit. They see the federal government once again turning its guns, not its ear, to the west. This is not new. Under successive Liberal governments the western promise has been thwarted, time and time again, by policies that either neglected or exploited the west. The attitude of those opposite has always been regarded as a flaunting of power. During 11 years of government under the present leader, westerners have felt that a highly centralized national policy was promoted which left little room for diversity, and resulted in disparity of social and economic benefits. In my opinion, the inequality of sacrifice, and the policy of inequality, westerners feel have contributed to the unhappiness of French Canadians, maritimers and westerners.

● (1720)

Why is it that the Liberals were unable to command enough support to elect a single member between the Red River valley and the Pacific, the 49th parallel and the Arctic? Westerners voted, quite simply, for their survival. They voted against the Liberal party which is identified with policies favouring only two provinces in this dominion.

Perhaps anyone who is not a westerner can really understand the kind of helpless anger we have felt as we have tried and failed to get a hearing for our unique regional perspective. Perhaps no one has really tried to understand. Perhaps our problems and concerns that seem particularly important do not even seem interesting to the rest of Canada. This seems to be the case. There appears to be a general public ignorance regarding the west's situation. We had better begin educating ourselves immediately.

Since the implementation of Sir John A. Macdonald's national policy in the 1870s, the west has been viewed as a source of raw materials and markets for central Canada. For generations westerners watched wealth move from west to east. The west was not even able to get control of its resources until we seized them from the Mackenzie King government in the 1930s.

The 1947 oil boom, caused by the finding of oil at Leduc, ignited a boom in one province in western Canada. In 1972 the OPEC countries began to increase the price of oil. Those of us in Alberta thought that after 100 years wealth would start to flow in our direction, but central Canada thought otherwise. The Trudeau government slapped an export tax on crude oil in order to subsidize eastern industry which was buying expensive overseas oil. Albertans were furious. I cannot stress too strongly that that fury has not diminished since February 18. Export taxes have never been levied on Ontario manufactured goods, gold production, electricity or anything, in order to subsidize westerners. And so, as every member here knows, the familiar issue of natural resources control, and oil pricing, began.

When we talk about dissatisfaction, it is more than just that issue. It is freight rates, industry, agriculture, banking, and culture. Take one example, the hog industry. I think this is symbolic. Ontario and Quebec import feed grains from the prairies on heavily subsidized freight rates, then create a feeding and packing house industry, pushing the prairie feed into locally raised animals and transferring the lucrative end of the business away from the prairie provinces. In part, because of federal feed freight assistance, figures show that it is cheaper to ship 880 pounds of barley off the prairies than 160 pounds of frozen pork. This is incredible to me. This enables feed-deficient provinces to raise hogs and slaughter them at the expense of the Canadian taxpayer in general and of the western hog industry in particular. This is certainly not the case where market forces set the pattern of production. For example, the state of Iowa, with less than 2 per cent of the American population, grows and slaughters more hogs than any other state simply because it has the best corn supply.

Take grain transportation. Wheat Board officials admit they are losing about $2 million per day in potential wheat sales because they cannot deliver the goods. Canada, once the breadbasket of the world, has slipped to fifth or sixth place as a wheat exporter. The main reason that Canada has lost command of the world wheat trade is that our system of grain

storage and transportation has decayed to the point where it no longer works.

As western farmers and businessmen know, the problem is not just with railway cars. There are the farmers, and the railways, and the grain elevators, and the port terminals, and the ships—and they all have to mesh together.

To relieve the backlog of grain in western Canada, a proposal was put forward by the Clark government to build a terminal and port facilities at Prince Rupert. Since the election, the present government has seemingly hesitated to commit funds for the Prince Rupert project. Does this show concern for one of the west's most pressing problems? I think not.

Last month, when the trade ministers of the four western provinces met in Calgary, the conclusion was unanimously arrived at that the west's trading future lay not in eastern Canada but around the Pacific rim and towards the south. I understand that an American trade negotiator told the ministers that their interests had been neglected in the trade talks between Canada and the U.S. because Canadian federal negotiators put forward eastern trade objectives that fundamentally conflicted with those of the west.

As Canada goes through a period of political uncertainty and economic difficulty, will the west be lured towards ever-closer trading ties with the U.S.? Not if there are positive attitudes in Ottawa and central Canada regarding western concerns like tariffs and freight rates. The key word is "if".

Things, including opinion, are changing very fast in the west. Western oil has even attracted the attention of Canada's five major banks, which traditionally have not stirred to invest heavily in western energy development. Why is this so? The west has what the rest of Canada, and much of the world, want. That, of course, means oil and gas, and eventually more petrochemical derivatives. It means forest products and beef and grains. It includes metals and potash, hydroelectric power, and access to the north and the Pacific rim.

The west wants to use the new value of its commodities to pay the ticket for an old western dream—a more stable, more diversified and prosperous economy, and more say in national policymaking. Much will depend on the tenor of future federal-provincial negotiations. The increasing importance of western Canada in the economy of the nation requires national policies framed to support the growth and diversification of the regional economy. Nowhere is this more true, of course, than in the matter of energy. Energy is not an economic portfolio of government any more. It is a political portfolio. As we all know, it was one of the major issues in the election. As we all have witnessed, central Canada still fields the big political battalions.

If a new Canadian price for oil is to be established, it must be negotiated with the government of Alberta which, over the past six years, has forgone production revenues of about $17 billion by selling its oil and gas to Canadians instead of on the world market.

The chairman of the Canadian Petroleum Association, in a Toronto speech last month, reiterated the industry estimate that $200 billion will be required to attain energy self-sufficiency by 1990. A blended price, meaning a low price for current oil stocks, is not going to help raise that amount of capital. Apparently this government is not very interested in attaining the goal of energy self-sufficiency, judging by the lack of any serious reference to it in the throne speech.

Under the present regime, the gap between Canadian and world prices keeps getting wider. Ottawa will continue to subsidize more and more expensive imported oil. Canada will remain the only industrialized country to use national taxes to subsidize gasoline for automobiles. In fact the government currently pays more per barrel in taxpayer subsidy to multinationals which import oil into Canada than for the full price per barrel we pay for oil produced in Canada. This is absolutely incredible.

The British journal, *The Economist*, notes that Canada has "the most distorted cheap energy policies in the developed world". It labels Canada "internationally immature" in this regard.

The government's energy policy, and the process by which it implements it, poses the greatest test of its claim to being a national government. Let the government stand warned; there is no room in Canada today for confrontation politics and crude majority rule. We must live together by agreement, by consensus, or we will not live together at all.

The west believes it has borne the burden of unity for a long time. This burden will only lighten if the region can secure policies more favourable to itself. If the government refused to accommodate the west's interest, the region may lay claim, on its own behalf, to a broader range of powers and control.

In short, the west today is in a state of latent rebellion. In some ways westerners and Quebeckers have had similar experiences with central Canada. We should note John Calhoun's insight into the weakness of federative states which delegate powers to a central authority, namely, that the regions must then have institutional safeguards against the unfair exercise of the central power. As we are all aware at this particular time in Canada's history, there must be a balancing and compromising of interests, especially regional interests, leading to a conviction in all parts of Canada that the rights of people in each region have been respected.

There is a need in the rest of the country to see western goals in proper perspective. It should be remembered that development of the western provinces will first benefit the people who live there but that this benefit will spread to other parts of the country. Central Canada should take stock of its own resources, expertise, and, most important, its traditional complacency at being the hub of the nation's financial and industrial activity. It should keep in mind—and no one should know this better than hon. members from the maritime provinces—that these laurels were not so much earned as they were an accident of colonization, geography, and proximity to a similar series of historical events and industrialization in the northeastern United States. For their part, westerners should

try to unlearn what generation after generation learned at their fathers' knees—that our political federation has fallen short.

In conclusion, I believe that as Canadians we should strive for a new initiative for national existence. As individuals, we should seek to return to the old ethics of our forebears—to the fundamentals of teaching right and wrong, to preaching responsibilities rather than rights and duty rather than gratification. Thus armed with the moral fortitude of our ancestors and with a renewed will to go on building together, we shall indeed meet and overcome the challenges ahead for the building of this land.

● (1730)

[*Translation*]

In conclusion, Mr. Speaker, I would like to say a few words about the Quebec referendum. I have shown in my speech up to now, I hope, that we should indeed amend our constitution. My region has been, is and will be asking for that. However, I beg my fellow citizens from Quebec to vote No on May 20 next. Should they separate from us, as their present premier would have it, it would be quite sad for the remainder of Canada.

The proposals which have just been disclosed by Mr. Ryan are largely acceptable, I think, to most people in western Canada. For example, I note that almost all premiers who stated their views on the Senate issue are generally in favour of the over-all proposals. The leader of our party, Mr. Clark, and all my colleagues are ready to alter radically our present federalist system. However, on behalf of the 800,000 Canadians who recently delivered a petition to Quebeckers and the thousands of others who would have liked but were unable to do so, I urge you to vote No in the forthcoming referendum.

[*English*]

Mr. John McDermid (Brampton-Georgetown): Mr. Speaker, may I at the outset congratulate Madam Sauvé on her election to the high office of Speaker. I wish her all the best. To you, madam, and to your colleagues who share the responsibilities of the chair, I express my best wishes also.

I represent an urban riding with some rural areas in it. It is the third largest riding in Canada, with a population of some 160,000, and 87,000 eligible voters. To them I should like to say "thank you" for re-electing me to the House. Now that the battle of the election is over I shall try to justify their confidence and represent them all here in this chamber.

Our area is a fast growing one, and before I deal with some of the problems we are experiencing there I should like briefly to mention some of the exciting things which are happening.

The new CN Bramport, where the containers will be shipped and the trains assembled, will be officially opened within the next few days. I am looking forward to taking part in that ceremony. This project will, in itself, attract a great deal of industry to our area. As late as last Friday the Caterpillar Company announced it had purchased 200 acres in our community for the purpose of establishing a manufacturing plant, and we are very pleased.

Some serious problems have arisen in the urban area which I represent. One which I should like to discuss today has to do with the Assisted Home Ownership Program, a program which was brought into being some five years ago by a Liberal government. With a great deal of respect, I cannot believe that sufficient thought was given to it in advance. As to the theory behind the program, I guess one might say it made a lot of sense—a down payment of $99 and two hundred or so dollars a month in payments at an interest rate of 8 per cent, an out and out grant, and monthly cheques coming in which, after five years, would turn into a second mortgage at current interest rates. The theory behind this, of course, was that over a five year period salaries would increase and people would be better able to afford a first and second mortgage at current interest rates.

Well, the five-year term is up. In my community we have 4,000 such units, and there are 16,000 such units in the region of Peel which is covered by four federal ridings. Madam Speaker, four out of ten units are vacant, with people moving out in the middle of the night because they are looking at mortgages at an interest rate of 17 per cent, plus second mortgages at current interest rates which are running at 20 per cent and 21 per cent. They cannot handle it, and right now they find themselves in a bind. We are hearing all kinds of platitudes from the other side of the House, but no answers to the problem.

For whatever reason, CMHC is giving people quit claims, not because they could not handle the financial burden within the first five years but so that they would not upset the political boat. Those people have received the grant. Those people have received the AHOP cheques. Every month they come in from CMHC, but they have vacated their properties. Where have they gone? They have moved down the street and, in some instances, right across the road from the development to private homes. They have not paid the government back the money they owe because the government gave them a quit claim. Do hon. members know what they told me? They told me they took the cheques the government sent them every month and saved that money for down payments!

● (1740)

The ones who are left in the AHOP homes today are the ones who are suffering. They are the ones who have stayed and tried to make it work. They are the ones who have not moved out in the middle of the night. They are the ones who have not asked for quit claims. They have tried to make homes for their families. Are they getting any help? Are they getting any encouragement? No. CMHC has moved in now, and it is selling the units which these people bought for, say, $43,000, $44,000 or $45,000, for $33,000, $34,000 or $35,000.

Automatically these people who were trying to make homes for themselves find their homes devalued by $10,000. They have first mortgages at 17 per cent coming up, and second mortgages of whatever CMHC sets them at, but the agree-

ment says "current rates" which are 20 per cent, and what is the government doing to help? Nothing.

We hear all kinds of statements from the Minister of Public Works (Mr. Cosgrove) that he has four or five proposals before him. He received one from our commissioner of social services in Brampton, which was very, very close to the Progressive Conservative mortgage and property tax credit program. He thought that was an excellent program. It just had a different name on it. He has had three or four others presented to him as well, and he thinks they are grand too. However, then we heard from the Minister of Finance (Mr. MacEachen) that he cannot do anything to help these people. Oh, he has talked about perhaps increasing the amortization period from 25 to 40 or 50 years so that the payments are not quite as high. That is a slight help, but it is not good enough.

Today I am speaking on behalf of those people who have stayed in the AHOP homes, whether they be high rise or townhouse developments, and I am asking the government, through CMHC, to come in and take a look at the situation into which it put these people. I am asking the government to give these people some genuine help. I have met with many of the condominium associations, and one thing which is concerning them greatly is this AHOP second mortgage at current interest rates. I am asking the government today to consider putting the AHOP second mortgage payback on a much longer basis; rather than five years, it should be extended to ten years. I am also asking the government to waive the interest on that second mortgage. I do not believe in giveaways, but the reason I am asking for that is that these people were sucked into this program. They were enticed into this program.

Mr. Munro (Esquimalt-Saanich): They were conned.

Mr. McDermid: They were conned and seduced into this program. They all say that. If anybody picks up a Toronto newspaper over the weekend and takes a look at it, he will find that the government is still at the same game of selling units for $90 down at $245 a month on 8 per cent mortgages. Nothing is said about paying it back in five years. There is nothing about AHOP assistance. It is just a great come-on. Why is the government continuing this program?

The government is going to be leading young families down the road to destruction, and I see it. They are in my office every weekend. I go out to their homes, and they have made beautiful homes out of these places. These places are their homes, and they are trying to raise their families, but they look at going from an 8 per cent first mortgage to a 17 per cent first mortgage and those AHOP loans which they have to pay back at current interest rates. It is frightening, and I am pleading on their behalf that the government take a very long and hard look at this and do something about it quickly. That is all I am asking. I am sorry that the Minister of Public Works is not here today to hear me, but I trust that those who are here will pass that plea on to him on my behalf.

I hate to put in a plug, but I have here the Sunday *Sun* home section. A nice new condominium in my community under AHOP is advertised. The cost is $43,000 for a three-bedroom unit, which is very nice. The story here is that the other three towers are sold out. Well, that is partially true. They have been sold out—

Mr. Munro (Esquimalt-Saanich): So have the people.

Mr. McDermid: —but now they are 50 per cent vacant. CMHC has decided that it is going to sell those units, but it will not sell those units until this last tower is filled. Once this tower is filled, CMHC will sell the other units at about $10,000 less. CMHC is sitting and waiting now until this tower is finished.

The government should admit that AHOP was nothing but a program to sell homes. It was not a program to provide homes for families but a program to sell homes for builders, and the misery and uncertainty which have been caused are now coming home to roost. The five years are just up now, and I plead once again with the government that it take a very long, hard look at this situation. If it does not, there will not be four in ten vacancies; there will be ten in ten vacancies, and the government will cause untold misery for families not only in my community but also in the community of the Minister of Public Works, Scarborough. There will be misery for people in the community of the housing critic, Orillia, and for people in the community of the new hon. member for Mississauga North (Mr. Fisher), who should be speaking up about this.

I will close on this point by saying to the government that I hope it will have an answer in a very short period of time so that we can encourage these people to stay in their homes and to raise their families.

The next thing I would like to talk about for just a moment, if I might, is the referendum which is coming up in Quebec. As an Anglophone from Ontario I cannot speak with much authority on what is going on in Quebec, but I think I can say what I feel in my heart, and that is that I do not want to see Quebec leave confederation because Quebec is as much a part of me, an English-speaking Canadian from Ontario, as is any other province in this country. Quebec is important to me as a Canadian, as is Alberta or B.C., and I do not want to see Quebec separate.

Mr. Nystrom: What about Saskatchewan?

Mr. McDermid: Yes, definitely Saskatchewan. That is where my mother's family is from.

Mr. Nystrom: Hear, hear!

Mr. McDermid: Thank you.

Mr. Knowles: How did you become a Tory?

Mr. McDermid: It was not hard to become a Tory, believe me, and with what is going on today it is not hard to stay a Tory either. I see the parliamentary secretary, the member for Ottawa Centre (Mr. Evans), testing the water here as well.

• (1750)

An hon. Member: He is a real Conservative.

Mr. McDermid: I am concerned about what is going on in the province of Quebec and I appeal to the people in Quebec to think very carefully before they cast their ballots on May 20 because this could shake the very foundation of our country for a long, long time.

We in Ontario, and I as a member from Ontario, are prepared to participate in constitutional change. There is no doubt we need it in this country. I think the premier of our province has made that very clear. He has also made it very clear that he will not, in any way, shape or form, discuss sovereignty-association. My constituents feel the same way. They are not prepared to see Canada break up and they are not prepared to discuss sovereignty-association.

Some hon. Members: Hear, hear!

Mr. McDermid: We can do it within our confederation—there is no question of it. So I plead in my language that those in Quebec vote no, and support all my colleagues in the House of Commons who feel the same way.

I would like, for just a moment, to talk about the economy of this country. I am concerned, as are a great number of people in my constituency from whom I have heard this weekend, that a budget is not being brought down by the Minister of Finance. Obviously he will make a few remarks tonight and I look forward to hearing what he has to say. But I ask him, on behalf of the small businessmen in my area, on behalf of the farmers in my area, and on behalf of those people who invest in Canada and make this country work: will he, for heaven's sake, bring in a budget so that they can do some financial planning and so that they know in which way this government is going to lead the country over the next four or five years?

The Speech from the Throne, if it is any indication, is not good news for the private sector. I am hoping that saner voices will be heard from the cabinet. However, I do have my doubts. I hope they will bring some common sense to the government and bring in a budget that will help the people of Canada. Why will you not bring in a mortgage program to help people with mortgages who are having problems right now? Come on; we promise not to yell flip-flop. Bring in a program to help the small businessman, not to create more Crown corporations. Bring in a program to help the farmer who, I will tell you right now—and I had the pleasure of sitting with the Minister of Agriculture (Mr. Whelan) today and listening to him speak—is in dire straits. The young farmer especially is walking away from his farm, and the banks are selling farms at auctions. So I plead that the Minister of Finance bring us some economic news and some guidelines as to what exactly they will do in the next year or so, because there is an uncertainty in this country within the business community that is frightening.

I should like to close by asking everyone in the House to co-operate by putting petty political judgments aside and thinking carefully of what is happening in Canada. I am concerned about what I am hearing in the west, about what I am hearing from Quebec and what I am hearing in my own province of Ontario. It frightens me greatly because I love my country, as I know everyone here in this chamber does. I ask that we put some of our petty differences aside and come together for the good of the country. This is one of the greatest countries in the world, a country which is respected wherever one goes. That respect must be maintained.

Mr. Speaker, with your permission, may I call it six o'clock?

The Acting Speaker (Mr. Ethier): Is it agreed that we call it six o'clock?

Some hon. Members: Agreed.

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

At 5.55 p.m. the House took recess.

• (2000)

AFTER RECESS

The House resumed at 8 p.m.

Mr. Deputy Speaker: The hon. Minister of Finance (Mr. MacEachen).

Some hon. Members: Hear, hear!

Mr. Crosbie: I rise on a point of order, Mr. Speaker, in connection with the statement planned to be made by the Minister of Finance (Mr. MacEachen). I want to say now that we object to this procedure. I want to reserve the right to bring before the House a question of privilege. We think that is the proper course of action, after the minister finishes his statement, or tomorrow. I want to give notice of that now. It was only on Friday that the minister mentioned casually to me—

Mr. Deputy Speaker: Order, please. If the hon. member wishes to raise a question of privilege, he is at liberty to do so at the appropriate time, and he knows the rules of the House.

Mr. Crosbie: I will make my question of privilege now if Your Honour wants me to do that. My question of privilege is that this is not the correct procedure. The minister is attempting to give, in effect, a budget speech in the debate on the Address in Reply to the Speech from the Throne.

An hon. Member: Smuggling it in.

Mr. Crosbie: Smuggling it in.

Mr. Deputy Speaker: Order. With all due respect, I am not aware of any matter that has been raised by the hon. member so far which falls within the scope of privilege.

An hon. Member: Why don't you let him finish?

Mr. Deputy Speaker: The Minister of Finance.

Mr. Crosbie: A question of privilege, Mr. Speaker.

Mr. Andre: Privilege.

Mr. MacEachen: Mr. Speaker—

Mr. Crosbie: I would like to be heard on my question of privilege.

Mr. Deputy Speaker: The hon. member for St. John's West (Mr. Crosbie) on a question of privilege.

Mr. Crosbie: I would like to have a chance to make a question of privilege before Your Honour rules on it. I am giving notice of it now, and I might want to elaborate on it later. My notice is that this is a budget speech being given here in the guise of a speech in the Address—

An hon. Member: How do you know?

Mr. Deputy Speaker: Order. The hon. member is out of order.

Hon. Allan J. MacEachen (Deputy Prime Minister and Minister of Finance): Mr. Speaker, first of all I should like to take this opportunity to congratulate Your Honour on your selection as the Deputy Speaker and Chairman of our proceedings—

Some hon. Members: Oh, oh!

Mr. Crosbie: It is not in the notes, Allan.

Mr. MacEachen: —and also to express through you to Madam Speaker my compliments on her accession to the post of First Commoner. I certainly wish her well as she takes on these very important duties.

As Mr. Speaker knows, this is the first time that I have had an opportunity to speak to the House in a formal way since I have become the Minister of Finance. I want to take the opportunity of thanking so many members of the House on this side, and on the other side, for extending me congratulations on taking on this work. Some have joined their congratulations with commiserations, but nevertheless, I appreciate the good will which has animated their good wishes. At the same time I should like also to express my real satisfaction that the mover of the address in reply (Mrs. Côté), and the seconder (Mr. Frith), in their speeches have revealed to the House once again that new members come here with idealism and dedication, and in their first appearance are able to stir the House more deeply than members who have been here for many years.

An hon. Member: That is a great introduction.

Mr. MacEachen: I regret, in a way, that the hon. member for St. John's West (Mr. Crosbie) indicated that I am proceeding in an irregular way and, of course, I will debate that allegation with him later on. But my purpose in rising tonight is to clear up some unfinished business extending from the last two Parliaments, and to give the House background information on the fiscal and economic situation which faces us as we consider the new business to which the Speech from the Throne referred.

The unfinished business concerns the status of tax measures which were introduced in the December 11, 1979, budget, and indeed of certain measures that still remain outstanding from the November 16, 1978, budget, measures which have not yet received parliamentary approval.

I would recall that roughly two months after the election of last May the then minister of finance issued a press release setting out his intentions with respect to tax and tariff measures which had been introduced by the former Liberal government. He, and the then president of the treasury board, also reported in some considerable detail on the fiscal and economic outlook at that time.

Mr. Knowles: In the House?

Mr. MacEachen: Had Parliament been in session, they would no doubt have chosen to make this information available directly to members of the House, and that is what I propose to do tonight.

Mr. Stevens: For five years?

Mr. MacEachen: I want to take advantage—

Mr. Clark: Demonstrate contempt for Parliament.

Mr. MacEachen: —of this early opportunity to end the uncertainty with respect to outstanding tax measures and to inform the House of the fiscal situation as I find it on taking over my responsibilities as Minister of Finance. Of course I shall also comment upon the current economic situation.

I shall start with the tax measures. Of course the government will not proceed with the increase of 18 cents a gallon in the excise tax on gasoline—

Some hon. Members: Hear, hear!

An hon. Member: You will tack it on somewhere.

Mr. MacEachen: —nor its extension to other transportation fuels proposed in December, nor will it reintroduce at this time the three measures affecting taxation on capital gains—the common stock investment plan changes in the treatment of capital gains, in Registered Retirement Savings Plans, and the provision for transfer of capital gains on farming assets to RRSPs.

• (2010)

Mr. Stevens: Shame.

Mr. MacEachen: I want to consider these and other measures in more detail, particularly in the light of a wide discussion about the role and importance of taxation on capital

gains. Therefore I will be bringing forward a discussion paper on this subject. As well, I will not be reintroducing the measures to provide special tax incentives for investors in Atlantic fishing vessels. I want to explore with my colleague, the Minister of Fisheries and Oceans (Mr. LeBlanc), the impact of various measures on the structure and ownership of the industry in the context of the ongoing review that is under way.

I am also not making provisions for private corporations to be given tax contracts for investing in particular regions of the country. The Department of Regional Economic Expansion has considerable flexibility under existing legislation to support regional development. These mechanisms will naturally be under review prior to the expiry of the legislation next year.

My colleague, the Minister of Energy, Mines and Resources (Mr. Lalonde), and I have already announced that additional depletion allowances for oil and gas exploration in the frontier and offshore areas will not be continued, but will be replaced by a new incentive program to sustain the effort set in motion by the tax measure. I will, however, be introducing several of the other notices of ways and means motions tabled last December, including the measure providing for the deduction of salaries paid to spouses by persons carrying on an unincorporated business, and the temporary small business development bond provision enabling small businesses to obtain financing at lower interest rates.

Mr. Clark: Another broken promise.

Mr. MacEachen: This particular measure received special commendation from the Leader of the Opposition (Mr. Clark) in his speech, and I had his comments very much in mind as I considered whether I would bring back this particular measure.

To help offset the revenue loss associated with these measures and to help finance the increase in the guaranteed income supplement, I am reintroducing two of the tax measures. The increases in excise tax levies on alcohol and tobacco are to go into effect as of midnight tonight, and the two-year surtax of 5 per cent on federal corporate taxes effective January 1, 1980. I am also reintroducing other tax measures. Many are effective as of the dates originally proposed.

Mr. Clark: Budget measures.

Mr. MacEachen: These include tax relief for volunteer firemen—

Mr. Clark: Another broken promise.

Mr. MacEachen: —for temporary overseas employment—

Mr. Clark: Another broken promise.

Mr. MacEachen: —for employees who use aircraft in their work, and for certain situations where income taxes interact with family law. In addition, there are reduced write-offs for oil and gas properties, changes in the application of sales tax to cosmetics, extension of the sales tax to photo finishing, and tightening measures in the areas of deferred compensation plans and deductions for prepaid expenses. Details and dates of the application of these and other measures are contained in the notice of ways and means motions I am tabling tonight.

Mr. Clark: If you get that far.

Mr. MacEachen: For some measures, there are certain technical changes, often to reflect useful comments received from the business community and tax practitioners. The motions also include the commodity tax measures arising out of the November, 1978, budget. I would pause here to say that these changes are quite extensive. I will not detail them in the House tonight, but they were detailed by the former minister of finance last summer as he gave notice of his intention to reintroduce these measures emanating from the previous budget.

I also want to announce at this time that it is the government's intention to proceed with a number of changes to the income tax regulations as proposed in December. I recognize the difficulties that arise out of delays in enacting tax measures. It is my intention to introduce and proceed with the legislation implementing these tax changes as soon as possible. However, with respect to the changes to the Income Tax Act, I recognize the desirability of publishing draft amendments to the law so that those whose interests are affected can have an opportunity to assess the impact of technical changes and suggest modifications before the final legislation is introduced. It is my intention to proceed with draft law so that the legislation, when finally introduced, will have benefited from a careful analysis by specialists in the tax profession.

In concluding my statement on taxation measures, I would like, under the provisions of Standing Order 60, to table notice of ways and means motions in both official languages to amend the Income Tax Act.

Mr. Crosbie: There isn't unanimous consent.

Mr. MacEachen: Under Standing Order 60, Mr. Speaker, it is possible for a minister of the Crown to table ways and means motions at any time in the House of Commons. In doing that, I would also like to request that an order of the day be designated in the future to consider these ways and means motions.

I wish now to bring Parliament up to date with the preliminary information available to us on the fiscal outcome for 1979-80, along with a summary of the fiscal outlook for 1980-81 as it currently appears. I am thus tabling the standard summary figures on the fiscal position for these two years. The information on the current 1980-81 fiscal outlook will serve as a supplement to the main estimates which are to be tabled tomorrow.

The main estimates are those prepared by the former government and which were ready for printing when we took office. It was judged best not to attempt to revise this massive compilation of expenditure figures, but to table the existing material without delay as a basis on which interim supply

could be sought. The expenditure figures in the fiscal forecast I am tabling are based upon the main estimates but contain, in addition, cost increases that have occurred since December in programs contained within those estimates, together with an allowance for the expanded guaranteed income supplement.

The current forecast of the over-all fiscal position will also provide Parliament with background information for the consideration of new borrowing authority which I shall be seeking shortly. With respect to the outcome for fiscal 1979-80, preliminary information suggests that financial requirements, excluding foreign exchange transactions, were $10.4 billion. That is $500 million lower than in the preceding fiscal year. The total outlays are expected to amount to $53.1 billion called for in the December, 1979, budget, although this estimate could still be subject to significant revision.

Revenues are lower than in the December forecast by some $300 million. The various increases in that budget which were not put into effect would have boosted revenues by close to $600 million. But corporation income tax revenue grew somewhat faster than expected in December and provided a partial offset. The projections for 1980-81 are based on economic assumptions for 1980 to which I shall refer shortly.

● (2020)

Revenues are projected to increase by 13 per cent after taking into account all the tax measures which I have just reintroduced. The expenditure projection includes the $35 per month increase in the guaranteed income supplement to needy old age pensioners.

On the basis of these assumptions, total outlays in 1980-81 are projected to increase by 13.7 per cent to $60.4 billion. This high projected growth in expenditures in 1980-81 is largely accounted for by the very high growth in the cost of two major existing expenditure programs, public debt charges and oil import compensation.

Mr. Andre: Surprise! Startling surprise!

Mr. MacEachen: Since the budget of December 11, 1979, increases in interest rates and the higher deficit now projected have resulted in an upward revision in public debt charges of the order of $500 million. Higher international oil prices have raised the projected level of oil import compensation programs by some $1.5 billion. While the December budget forecast contained some allowances for contingencies, the bulk of these revisions required additions to the forecast expenditure total. This fact, together with the increase in the guaranteed income supplement, basically accounts for the difference between the $60.4 billion total outlays I am now projecting and the $58.4 billion projected in the December budget.

Increases in the debt charges and oil import compensation costs would, of course, also have faced the previous government and almost certainly would have required it to allow expenditure growth to exceed the 10 per cent target it announced in December.

The projected increase in outlays of over 13.5 per cent is a good deal higher than I would like to see. The blended approach to oil pricing, which it is the government's intention to introduce, will allow a reduction in federal oil import compensation payments from the level assumed in deriving the $60.4 billion estimate of total outlays.

Mr. Hnatyshyn: A fraud.

Mr. MacEachen: In addition, we will exercise very tight control over discretionary government spending.

Some hon. Members: Oh, oh!

Mr. MacEachen: Financial requirements, excluding foreign exchange transactions, are projected to be $11.7 billion in 1980-81. This represents an increase of more than $1 billion over 1979-80 and is substantially higher than the $8.2 billion forecast in the December, 1979, budget. By far the largest factor in the difference vis-à-vis the December budget is the absence of the massive increase in the gasoline excise tax.

Some hon. Members: Hear, hear!

An hon. Member: We still pay for it.

Mr. Beatty: Just charge it, Allan.

Miss MacDonald: Borrow Broadbent's credit card.

Mr. MacEachen: Madam Speaker, I would like it well understood that these are projected expenditures—

Mr. Epp: And that will go up.

Mr. MacEachen: —and financial requirements as I assume my responsibilities as Minister of Finance. I have thought it important to provide the House with an early and accurate accounting of the current state of affairs.

Mr. Dick: Give us a budget.

Mr. MacEachen: I would further like it to be understood, however, that these projections do not in any way constitute the expenditure plan or the planned financial requirements of this government for fiscal year 1980-81.

Mr. Stevens: When do we see this?

Mr. MacEachen: Implementing blended oil pricing could alone reduce both expenditures and financial requirements by as much as $1 billion.

Some hon. Members: Hear, hear!

Some hon. Members: Oh, oh!

Mr. MacEachen: I shall consider what further expenditure and revenue changes may be necessary when I put together my budget.

Some hon. Members: Oh, oh!

An hon. Member: That's what you are giving us tonight.

Mr. MacEachen: In framing my budget I shall be concerned to ensure that the rate of growth of government expenditures is tightly controlled.

An hon. Member: Oh, oh!

Mr. MacEachen: I shall be particularly concerned to ensure that government deficits and financial requirements diminish as economic growth resumes.

An hon. Member: Who is going to do it?

An hon. Member: You are blushing.

Mr. MacEachen: This will mean that major new expenditure programs, if any, will be financed from increased revenues or they will not proceed. In coming to a judgment as to the appropriate stance in 1980-81, I shall wish to take into account both the cyclical weakness of the economy and the critical need to ensure a diminishing of inflationary expectations. I will consider measures that will distribute the burdens of both unemployment and inflation more equitably. The budget will recognize that the well-being of Canadians, the creation of jobs, and the easing of inflationary pressures all depend critically upon a continuing and growing strength of private investment.

May I turn to a brief review of the international and domestic economic outlook.

The international environment which we are facing is a very troubled one indeed. Since December, 1978, we have seen oil prices more than double. This has been a shock to the world economy comparable in relative terms, and roughly twice as large in current dollar terms, as that which occurred in 1974. The ability of OPEC to raise prices was enhanced by a high level of demand in world markets as consuming countries built up their stocks and as the world economy moved into its fourth year of cyclical expansion.

Miss MacDonald: Blame the world.

Mr. MacEachen: Strength of demand also contributed to a sharp rise in primary commodity prices. On top of the inflationary impetus from oil and other commodities, there has been a slowdown in productivity growth. These developments led to a renewed acceleration of prices throughout the world, and this in turn has brought about a significant tightening in the stance of policy in most countries. The pace of monetary growth has been slowed down; interest rates have been run up to record levels, and restrictive fiscal policies have been adopted.

The United States, of course, has experienced a stronger cyclical expansion since 1975 than most other countries. The continued strength of the United States economy until recently has puzzled many observers who have been calling for a recession for quite some time. The surprising drop in the savings rate to 3 per cent has maintained the economy's cyclical momentum.

Inflation in the United States has recently taken a large further jump. The persistence of high levels of demand has been a major factor. High oil prices resulting from decontrol and imports, and the upward spiral of housing costs and mortgage rates have also played important roles. Inflation in the United States now appears to be at a higher peak than in previous high inflation years.

• (2030)

I might mention in passing that we Canadians have perhaps been too quick to take comfort from our relatively better inflation performance in recent months. A substantial part of the difference merely reflects the different treatment of mortgage interest rates in the two countries consumer price indices. The faster approach to world oil prices in the United States is also important. The fact is that the underlying rates of inflation in the two countries are not very different. Canada is certainly not in a position where it could afford to let its guard down against inflation.

To counter inflation, the United States government has taken a number of tough policy decisions. Fiscal policy has been tightened, and interest rates have been pushed up to rein in money supply growth. Credit controls have been imposed. It now appears that the recession is under way. Indeed, there would now appear to be some risk that the recession could be deeper than the American authorities would wish. This is, of course, leading to some easing in the demand for funds and thus interest rates. The hope is that it will have an early and substantial impact on the rate of inflation.

It is obvious that Canada is not immune or insulated from these worldwide forces. Slow output growth abroad will translate into weaker demand for our exports. International inflation has been reflected in higher prices for the goods and services we import.

Canadian consumers would have suffered even more from higher import prices if we had not allowed our interest rates to rise and thereby checked the decline in the exchange rate for our dollar. At the same time the Canadian economy has a number of important underlying strengths. Our competitive position has been improved by the substantial discount at which the Canadian dollar has been traded.

Our merchandise trade surplus increased last year to a record $4 billion, and our travel deficit has decreased. Strong business investment is providing us with more productive capacity which will enable us to take full advantage of the market opportunities open to us.

Another element of strength is our energy potential which is unique among industrial nations. We can benefit from the investment and jobs created in exploiting our country's energy resources. Also, our industry will have an advantage in competing on world markets because of its access to relatively low-cost sources of energy. However, in the immediate future we in Canada are going to feel the effects of slow world growth, rapid inflation, and high interest rates. The general view is that there will be little or no growth in Canada in 1980.

Mr. Stevens: Under the Liberals.

Mr. MacEachen: Our latest forecast is that the economy will grow by only one half of one per cent.

Mr. Stevens: Under the Liberals.

Mr. MacEachen: Growth in output is thus expected to be marginally weaker than forecast by my predecessor in office.

Mr. Crosbie: Where is Herb Gray when he is needed?

Mr. MacEachen: This downward adjustment is common to most private sector forecasts and has occurred in spite of the fact that the economy is no longer faced with a massive tax increase.

An hon. Member: Not yet, but it is coming.

Mr. MacEachen: The impact of higher international and domestic interest rates, together with revisions in the United States outlook—

Mr. Deputy Speaker: Order, please. I regret to interrupt the hon. minister but the time allotted to him has expired. He may continue only with the unanimous consent of the House.

Mr. Baker (Nepean-Carleton): Mr. Speaker, I rise on a point of order. I just want to say to you, sir, and to the Minister of Finance (Mr. MacEachen) that what he is doing tonight is an abuse of Parliament and the process by trying to bootleg a budget address into the throne speech.

Mr. Deputy Speaker: With all due respect to the hon. member—

Mr. Baker (Nepean-Carleton): May I finish my point of order, Mr. Speaker?

We are prepared to allow the minister to complete his remarks notwithstanding the contempt which he has shown to Parliament. But I want to serve notice on you now, sir, that I intend tomorrow to raise a question of privilege with respect to what I think is a very questionable parliamentary practice.

Some hon. Members: Hear, hear!

Mr. Deputy Speaker: The hon. member for Nepean-Carleton (Mr. Baker) and the hon. member for St. John's West (Mr. Crosbie) have given notice of their intentions to raise questions of privilege. It seems to me that a question of privilege can only be raised at the appropriate time, that is, after the remarks of the Minister of Finance have been made to the House.

Some hon. Members: Oh, oh!

Mr. Deputy Speaker: The Minister of Finance has asked for unanimous consent to continue his remarks. Do I interpret the comment of the House leader for the opposition to indicate that unanimous consent is granted?

Mr. Baker (Nepean-Carleton): Yes, Mr. Speaker. That is what I said, on that condition.

Mr. Clark: That is what he said.

Mr. Trudeau: Getting tough there, Joe.

Mr. MacEachen: Mr. Speaker, I thank the hon. member for Nepean-Carleton (Mr. Baker) for permitting me to continue my remarks beyond the 30 minute expiry limit, but I would point out, merely to show that I contest his view, that there are ample parliamentary precedents for the course of action which I am following tonight, and that indeed I have to go back no further than the precedent of his colleague in office to justify my course of action tonight.

Some hon. Members: Hear, hear!

Mr. Deputy Speaker: Order, please. I believe there is unanimous consent for the minister to continue his remarks. I am not aware that there is a question of privilege before the House at this stage.

Mr. MacEachen: Mr. Speaker, may I continue my comments on the expected growth in the Canadian economy?

The hon. member for York-Simcoe (Mr. Stevens) has suggested that the slow growth forecast is due to the accession of a Liberal government.

Some hon. Members: Hear, hear!

Mr. MacEachen: The hon. member may have his own view on that, but I would like to remind him that the growth forecast which I am indicating tonight for the economy for 1980 is not much different. It is marginally lower than the forecast which was given to the House of Commons last December by his desk mate.

The impact of higher international and domestic interest rates, together with revisions to the United States outlook, especially in the housing sector on which Canadian exports depend heavily, have been the major factors leading to downward adjustment in most forecasts of the performance of the Canadian economy for 1980.

The unemployment rate is now expected to rise to an average of about 8 per cent. This figure is slightly lower than the forecast in the December budget, reflecting continued strength in employment growth over the past few months.

The consumer price index is projected to rise by 10 per cent. This, of course, is less than the forecast increase in the December budget because we are not subjecting Canadians to the heavy excise on gasoline.

Some hon. Members: Hear, hear!

An hon. Member: Saddle our children with the problem.

Mr. MacEachen: The increase in the price deflator for gross national expenditure is expected to be about 9.5 per cent. Taken together with an increase of one half of one per cent in real gross national expenditure, this will yield an increase in the nominal value of the GNE of around 10 per cent.

During 1980 the main areas of strength in aggregate demand will be in consumer expenditures and investment. The volume of consumer spending is projected to increase 2 per

cent. The cycle of investment expansion which began in 1979 is expected to continue through 1980 with a further increase of more than 7½ per cent in real terms. Other domestic sectors will show no change or will show a decline in 1980.

● (2040)

Government expenditures on goods and services will continue to be affected by policies of expenditure restraint. Residential construction is likely to decline as high interest rates and a large stock of completed but unoccupied new dwellings restrict the number of new starts. A major uncertainty in the outlook for 1980 is the likely pattern of inventories as businessmen shade down their sales expectation in response to lower output growth.

In sum, the world economy is going through a difficult period of adjustment as higher international oil prices are absorbed and as the always painful process of winding down inflation is pursued. As a result of certain important underlying strengths, the Canadian economy should be able to avoid a slowdown as severe as that which appears in store in the United States, but we cannot expect to insulate ourselves fully from that slowdown. This is especially the case given the substantial deficit which already exists on the current account of our balance of payments, and given the size of the federal government deficit which already exists.

Having provided this general overview in an effort to bring the House of Commons up to date on current economic indicators, I would like to say a word or two about the most immediate and visible problem that is confronting the Canadian economy in respect of high interest rates. I refer to the impact of high mortgage interest rates on the estimated 350,000 home owners who will be renegotiating the terms of their mortgage this year. Unquestionably, these people face substantial, unanticipated increases in their monthly mortgage payments.

In assessing the situation, however, it is important to bear a number of facts in mind. It is estimated that less than 10 per cent of these households will confront housing costs in excess of 30 per cent of their incomes upon renewal of their mortgages. This 30 per cent figure is frequently used by lenders and insurers in judging the mortgage payments a household can reasonably be expected to carry.

Given the growth in incomes, the majority of those renegotiating their mortgage will in fact face housing costs that, as a proportion of income, are lower than they were when the terms of the original mortgage were negotiated. Of the less than 10 per cent confronting shelter cost greater than 30 per cent, the majority will be able to rely on a number of means already available or being developed by private lending institutions to ease the transition to higher mortgage costs and help keep their cash outlays within reasonable limits.

I have already indicated in the House of Commons that it was the intention of the government to take steps which would assist those limited number of mortgage holders who are unable to carry the normal proportion of costs to income. My colleague, the minister responsible for CMHC, will be meeting with representatives from the lending institutions to review the general situation. We believe that lending institutions which are involved in this particular sector of the economy are equally concerned in assisting home owners to meet this particular crisis. We know that at the present time certain of these institutions are making special adjustments in order to meet the current situation.

We hope that through a discussion between the minister responsible for CMHC and the lending institutions we may be able to identify further areas in which assistance can be developed. If these discussions demonstrate that new arrangements are required in the limited number of cases to which I have referred, then the government will be able and willing to take action to assist, particularly, to avoid the risk of foreclosure for any of those mortgage holders who are facing this current critical situation.

Some hon. Members: Hear, hear!

Some hon. Members: Oh, oh!

Mr. MacEachen: Members opposite ought to get their economic policy together. They expressed indignation at mention of the deficit as if it ought not to exist at all. When an analysis reveals that maybe a big financial program is not necessary, hon. members also then express their indignation. One is related to the other. At some time they might be able in the course of this Parliament to develop some consistency.

I want to tell hon. members opposite that it is the judgment of this government that any broad measure of assistance aimed at providing relief to what is, in the vast majority of cases, a short-term cash flow problem, would raise serious questions of equity with respect to those Canadians who are hurt in other ways by high interest rates and inflation. If we move with a big expenditure program now which we cannot afford in this housing sector, then in terms of equity we would be obliged to move in other directions as well. It would be a costly undertaking on the part of the government which would result in a more difficult situation, and which would make more difficult the attainment of an over-all reduction in inflation and interest rates. The gradual reduction of inflation and interest rates is the only viable solution to this problem in the long term. In that connection, I am sure hon. members have noticed and have welcomed, just as I have, the increasing evidence of a downturn in general interest rates, both in the United States and Canada.

An hon. Member: A quarter of a point.

Mr. MacEachen: Yes. It is a development. The decrease in the bank rate and the subsequent decrease in the prime rate of the banks is a welcome development. A continuation in that trend is the only viable solution to this particular problem.

I wanted to give the House my assessment tonight very early in my tenure as Minister of Finance of the situation that exists in the world and in Canada. I do not think it escapes any of us that we are facing a difficult situation in Canada and in the world as a whole. I am confident, however, that Canada, as a

united country with Canadians working together, can confront and overcome these difficulties. But obviously our capacity to do so, and the welfare of us all, will be gravely affected if we are unable to meet the immediate challenge to our unity arising from the referendum in Quebec. For myself, I wish to affirm my conviction that only our federal system of government can provide the assurance that the interests of Canadians in Quebec and in all regions of Canada will be served best.

● (2050)

Mr. Baker (Nepean-Carleton): On a point of order, Mr. Speaker, having now heard the complete statement I wish to give notice that I will be raising a question of privilege tomorrow with respect to the statement and the process we have engaged in this evening.

Mr. Crosbie: Mr. Speaker—

Mr. Deputy Speaker: Is the hon. member rising on the same question of privilege? I assumed he was. I was about to recognize the hon. member for Winnipeg-St. James (Mr. Keeper) at this point.

Some hon. Members: Oh!

Mr. Deputy Speaker: I assume the hon. member for St. John's West (Mr. Crosbie) was rising to the same point as the hon. member for Nepean-Carleton (Mr. Baker). Otherwise the Chair will recognize the hon. member for Winnipeg-St. James.

Mr. Crosbie: I am rising on a point of order, Mr. Speaker. The point of order is this: It was agreed among the whips that I would follow the Minister of Finance. That is my point of order, and I should like the Chair to explain why a member on this side has not been called to follow the Minister of Finance.

Mr. Deputy Speaker: With due respect, the Chair has been following the procedure which has been general throughout this debate, that of recognizing members on one side and on the other side in a manner which reflects the numerical proportions of the House, and having heard three speakers from the official opposition the Chair recognizes the hon. member for Winnipeg-St. James.

Mr. Keeper: Thank you, Mr. Speaker—

Mr. Nielsen: On a point of order, I am sure that in a sense of fairness and in accordance with the time honoured practices and traditions of this House hon. members would wish to hear the spokesman for the opposition in response to this mini-budget which has been smuggled in. But if there is a desire to test that matter, I should like to move, seconded by the hon. member for Nepean-Carleton (Mr. Baker):

That the hon. member for St. John's West (Mr. Crosbie) be now heard.

Mr. Deputy Speaker: The House heard the motion. Those in favour of the motion please say yea.

Some hon. Members: Yea.

Mr. Deputy Speaker: Those against will please say nay.

Some hon. Members: Nay.

Mr. Deputy Speaker: In my opinion the nays have it.

And more than five members having risen:

Mr. Deputy Speaker: Call in the members.

The House divided on the motion (Mr. Nielsen) which was agreed to on the following division:

● (2100)

(*Division No. 3*)

YEAS

Messrs.

Alexander
Allmand
Althouse
Andre
Anguish
Axworthy
Bachand
Baker (Nepean-Carleton)
Beatty
Blaikie
Blenkarn
Bloomfield
Bockstael
Bosley
Broadbent
Bujold
Bussières
Caccia
Campbell (Miss) (South West Nova)
Cardiff
Clark (Yellowhead)
Collenette
Comtois
Cook
Cooper
Cosgrove
Cossitt
Cousineau
Crosbie (St. John's West)
Crouse
Cyr
Dantzer
Darling
Deans
De Bané
de Corneille
de Jong
Dick
Dingwall
Dion (Portneuf)
Dionne (Northumberland-Miramichi)
Domm
Duclos
Duquet
Elzinga
Epp
Erola (Mrs.)
Evans
Ferguson
Fleming
Friesen
Gamble
Garant
Gass
Gauthier
Gimaïel
Gingras
Greenaway
Hamilton (Swift Current-Maple Creek)
Harquail
Hawkes
Henderson
Hnatyshyn
Hopkins
Hovdebo
Huntington
Ittinuar
Johnston
Kaplan
Keeper
Kelly
Kempling
King
Knowles
Kristiansen
Kushner
Lang
Lapierre
Lapointe (Charlevoix)
Lapointe (Beauce)
LeBlanc
Leduc
Lewis
Lonsdale
MacBain
MacDonald (Cardigan)
MacDonald (Miss) (Kingston and the Islands)
MacEachen
MacGuigan
Mackasey
MacLellan
Malone
Maltais
Manly
Masters
McDermid
McKenzie
McKinnon
McLean
Miller
Mitchell (Mrs.)
Munro (Esquimalt-Saanich)
Murphy
Nickerson
Nielsen
Nowlan
Nystrom
Ogle
Orlikow
Ostiguy
Parker
Patterson
Pelletier
Penner
Pepin
Pinard
Portelance
Prud'homme
Regan
Reid (St. Catharines)
Reid (Kenora-Rainy River)
Riis
Roberts
Rose
Roy
Sargeant
Schellenberger
Schroder

Messrs.

Scott (Hamilton-Wentworth)	Stevens	Vankoughnet
Scott (Victoria-Haliburton)	Stewart	Waddell
Siddon	Taylor	Watson
Simmons	Tousignant	Weatherhead
Skelly	Towers	Wilson
Speyer	Trudeau	Wright
	Turner	Yurko—148

NAYS

Messrs.

Laniel—1

● (2140)

Madam Speaker: I declare the motion carried.

The hon. member for St. John's West (Mr. Crosbie).

Hon. John C. Crosbie (St. John's West): Thank you, Madam Speaker. I should like to congratulate you upon your elevation. Any movement from the Trudeau cabinet is an elevation!

Some hon. Members: Hear, hear!

Mr. Crosbie: Apart from that, and quite seriously, Madam Speaker, we know you are going to distinguish yourself in the Chair as the first member of your sex to occupy that position.

Mr. Trudeau: Quit talking about sex.

Mr. Crosbie: Madam Speaker, I wish you well. I should also like to congratulate the mover and seconder of the Address in Reply to the Speech from the Throne, and I should like to thank the 148 members who voted for me here tonight, also the one who voted against me. I hope that proportion maintains itself in the coming general election.

The only thing I cannot do, Madam Speaker, is congratulate the Minister of Finance (Mr. MacEachen) on his statement here tonight. I think it was Walpole who said something like this about the world—the world is a comedy to those that think, and a tragedy to those who feel.

Any of us here tonight who both think and feel are in a dilemma as to whether we should cry or laugh at this spavin statement that has been presented to this House tonight, a complete abdication, a complete abnegation of the responsibility of a minister of finance, to bring before this House of Commons in this chamber a half-statement like this. It is a statement that brings in some points and reaffirms some points that were in the budget of December 11 that were right and proper and popular, but ignores his responsibility to this country, to our economic system and our economic structure, to our financial institutions, to deal with the real economic and financial problems that are facing Canada today. Therefore it does not face up to the needs of this country and the needs of this government for more revenue, to the need for economic and financial systems to be given a sign as to what direction this government is going. What is the sign that is presented in this statement tonight to the economic structure of this country? A sign of complete irresponsibility.

Some hon. Members: Hear, hear!

Mr. Crosbie: Mr. Speaker, this is not a mini-budget—it is a Minnie Mouse budget.

There is no relief here for home owners. There is no relief for anyone.

The Minister of Finance is leaving tomorrow—leaving this country tomorrow—fleeing to Germany. Well might he flee to West Germany to his IMF meeting. I hope to God while he is there he learns something from the other finance ministers of the world who are going to be there. Perhaps he will learn from the IMF to cut oil use with a tax. That is what they advised all the countries who belong, on February 24, 1980.

A new study by the IMF states:

> Canada, the United States and other industrial countries should try to reduce consumption of imported oil by imposing sharply higher taxes on gasoline—

Perhaps he will listen to what they advise over there in the IMF as to what should be done in this day and age of vanishing oil supplies and increasing risks for every country that wants some security for its oil supplies. Perhaps he will learn some responsibility from them.

What has he done? He has violated the promise and the commitment he made in February or January in Toronto, the financial capital of Canada still. The Prime Minister (Mr. Trudeau) spoke there and gave his five solemn economic and financial pledges, one of which was that on no account would he increase government spending beyond the real increase in the gross national product each year. Now the Minister of Finance comes in and says in his statement tonight that there is going to be a .5 per cent real growth in the gross national product in Canada this year, or no growth. That indicates that there should be no increase in government spending this year. But what is the increase? Not the 10 per cent limit that we had imposed—the $58.4 billion the total outlays would have been had we been kept in office—but the spending is going to go so far up by another $2 billion to $60.4 billion. This is a 13.7 per cent increase.

● (2150)

Some hon. Members: Shame!

Mr. Crosbie: When we take off the 10 per cent increase in the cost of living expected this year, that is a 3.7 per cent real increase while the economy itself is going to have no growth. So the Prime Minister in no time at all—as was to be expected by anyone who looked at the flip-flops and the distortions of his career in the eight or ten years or whatever it was that he was in power before from 1968 to 1978—of course, has no right to be surprised by this new confirmation that he never means what he says and never cares what he says as long as he gets himself back into power and thinks he has another four years to go for people to forget.

Some hon. Members: Hear, hear!

Mr. Crosbie: Not only is there an increase of 13.7 per cent in the total outlays, but the budgetary expenditures are up from $57.3 billion in our estimates of December 11 to $59.8 billion. This is a $2.5 billion increase in government spending,

not in the total outlays, but in government spending. There is some unexplained decrease in government loans and so on that will have to be explained by the hon. gentleman if he wants to be believed that that brings total outlays up only $2 billion.

The minister tells us that debt charges are up $500 million to $10.7 billion, which is what it is going to cost the people of Canada in interest this year on the debt. On what debt? It is on the debt incurred in the last six or seven years by the hon. gentlemen opposite, who are no sooner back in office than they start out in the magnificent way on the old route to bankruptcy that they were taking us on before we interrupted them for a few brief months last year.

What is their deficit going to be this year? It is not the $10.4 billion that we had planned and estimated, but $14.1 billion.

Some hon. Members: Shame!

Mr. Crosbie: The United States of America is reducing its deficit in the next financial year to zero. The Americans are convinced that this is the way to go to try to overcome the endemic inflation in their system and in ours. But the deficit that we are going to have under the new Minister of Finance is going up to $14.1 billion. The United States is ten times as large as Canada and the comparable debt in the United States would be $140 billion. The government is going to put the deficit up $3.7 billion according to this statement.

Mr. MacEachen: No way!

Mr. Crosbie: No way, the minister says. If it is no way, where are his revenue increases? Why did he not have the courage and the guts to come in here tonight and say it?

Some hon. Members: Hear, hear!

Mr. Crosbie: What about borrowing? If we had stayed in office, the borrowing requirements would have totalled $8.2 billion this year. Under this Minister of Finance's irresponsible statement it is going to $11.7 billion of borrowing; up $3.5 billion. This is the Minister of Finance who, when he was out of power, had a surrogate finance critic who is now the Minister of Industry, Trade and Commerce (Mr. Gray). He was against interest rate increases and said that things could be done, that there are other alternatives. But now these people are back in power, he is shoved aside, and there is a new man involved, the new Minister of Finance who says he is following the Bouey policy—the Bank of Canada policy. He says that that is the right policy. He says that there is no alternative to the Bouey Bank of Canada interest rate policy. There is no alternative, he says, to governor Bouey's policies or to the policy that we had followed. In answer to a question a few days ago he said that he was following the same policy that I was following. Well, he was not following it very well when he was in opposition and we were in office.

But what does the governor of the Bank of Canada say in the annual report filed here today? The Minister of Finance has studied it with great care I am sure. I quote from *The Globe and Mail* of March 20:

> The Bank of Canada has warned the federal government that its large fiscal deficit is discouraging business investments and holding back productivity gains in Canada.
>
> "The fiscal deficits absorb savings that could otherwise be channelled by financial markets into financing the expansion of plant and equipment."

Also, if Canada wants to reduce its current account deficit and its reliance on foreign investment (savings), the governor in the annual report said this:

> —we shall have to pay careful attention to the rate at which domestic savings are being absorbed by the fiscal deficits of our governments".

That is the warning from the governor of the Bank of Canada. That is what has been ignored by this new Minister of Finance who does not have the courage to raise taxes as he should to keep this fiscal deficit down. This fiscal deficit is going to use up domestic savings. That is going to compete with those in the private sector who want money in equity and loans to expand their productive capacity which they now cannot do because of this giant government deficit that has to be financed this year.

This is a year when Canada Savings Bonds are already being turned in at an ever-increasing rate because the 12 per cent interest rate is too low compared to where other interest rates have gone in this country since this government took office just at the beginning of March.

They are going to ignore all the advice of the governor of the Bank of Canada that is politically unpopular. They could not ignore the interest rate increases because, as the minister said himself in an interview several days ago, as reported by the *Toronto Star*—the "Bible"—for April 18, 1980:

> MacEachen said the lower rate was "welcome news" but "it's worth pointing out that the high interest rates we have had and the very rapid increases in these rates recently have been the direct result of action taken in the United States."

Here is the Minister of Finance of Canada admitting that he is powerless, that he cannot do anything, that he is in the hands of the United States and high interest rates in the United States. That is not what we heard when "tattle-tale Gray" was across the aisle as the financial critic. But now we are told that this mighty Samson from Cape Breton is bound hand and foot by interest rates in the United States.

Some hon. Members: Oh, oh!

An hon. Member: The recycled minister.

Mr. Crosbie: What is the way for the minister to reduce this huge deficit? Why, the President of the Treasury Board (Mr. Johnston) has disappeared. He has vanished in the night like a vampire.

Some hon. Members: Oh, oh!

Mr. Crosbie: Increased revenues are the only way to reduce the deficit, said Johnston in an interview on CTV. He was asked whether he thought it true that a deficit could only be overcome by increasing revenues. He replied, "I would judge that to be correct". Well, the message has not reached the

Minister of Finance. If he wants to reduce that deficit, then he is going to have to increase revenues because that is the only way to reduce that deficit. The minister of Finance, when he was appointed, said this; "he is concerned but not consumed by the size of the government's $11.8 billion deficit." He is certainly not consumed by it because he has allowed it to balloon by $3.7 billion.

At the same time he said:

The best way to bring about lower interest rates is, of course, to reduce, generally, inflationary pressures in the country.

How is the gentleman going to reduce the inflationary pressures in the country when he is ballooning up the deficit in excess of $3 billion, when he is allowing the borrowing of the government to go up $3.7 billion? How is he going to control inflation? What is his program? What is the lead that this government gives the rest of the country? What lead do ministers give our corporations? What lead do they give our citizens? Their lead is spend, spend, spend; and borrow, borrow, borrow. Do not give a darn. That is their lead. That is the advice they are giving the country.

Some hon. Members: Hear, hear!

Mr. Crosbie: You cannot always be Dr. Jekyll, sometimes you have to be Mr. Hyde, Madam Speaker.

An hon. Member: That is what he is.

Mr. Crosbie: This honourable gentleman is going to be Mr. Hyde before his term of office is over because he is going to have to raise billions of dollars in additional revenue. Now he thinks that perhaps somehow in the oil negotiations with Alberta, after they have come to a standoff and there is a breakdown, that he and his government—the muscle men of confederation, those who so love this country and are trying to hold it together—are going to put the blocks to poor old Alberta and they think they are going to get $2 billion, $3 billion or $4 billion in oil and gas revenues from the oil and gas industry. That is not in the cards. There can be no united Canada. There can be no Canada whole and undivided with any government in office here in Ottawa which thinks it can crush the life out of Alberta or the west and redeem this huge increase in the budget deficit.

Some hon. Members: Hear, hear!

Mr. Crosbie: Nor can it bully around the provinces on the east coast, the provinces that should have control of the oil and gas resources. There is going to be very little oil and gas developed in that area unless this government comes to its senses and reaches an accommodation and a *modus vivendi* with Nova Scotia, Newfoundland, and the other eastern provinces.

● (2200)

They better put that in their pipe and think about it because the next four years or five years will be their last. They are not going to see the government side of these halls again for the rest of the twentieth century, I can assure them of that. Where is the made in Canada interest rates we were promised?

Madam Speaker: Order, please.

Mr. Crosbie: I call it ten o'clock.

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

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

PRORATA PENSIONS FOR WIDOWS OF VETERANS ON DISABILITY PENSION

Hon. Stanley Knowles (Winnipeg North Centre): Madam Speaker, I rise to direct the attention of this House to a very important matter. I thank the Minister of Veterans Affairs (Mr. MacDonald) for being here at this time of night to deal with it. The matter is one of great concern to the widows of many of our veterans. It is also of concern to a great many of our veterans who are anxious as to what may happen to their wives if they, the veterans, die first. I put this matter to the Minister of Veterans Affairs on Wednesday, April 16, as reported at page 68, when I asked this question:

In view of widespread support for the proposition that prorata pensions should be paid to widows of disabled veterans where the veteran's disability pension was below 48 per cent, and in view of the statement made to the media by the minister a couple of weeks ago that he was planning to bring in such legislation, can he tell us if it will be introduced in the House at an early date?

The minister in his reply indicated that he was conscious of the importance of this legislation, that he was also conscious of Bill C-28 that was introduced in the last Parliament by the previous minister of veterans affairs. We also indicated that he would be making further recommendations. I rise now to express the hope that in his response to my question tonight he will make it clear and unequivocal that legislation on this matter will be brought in at this session.

I join with others in commending the former minister of veterans affairs, the hon. member for Victoria (Mr. McKinnon), for having brought in a bill last December 6 that would have breached the 48 per cent rule. Unfortunately, there was no time between that date and the end of the session for the bill to be called for second reading.

I say quite frankly to my hon. friend from Victoria that I thought there were certain deficiencies in that bill. In my view, it did not provide a sufficient level of pensions for widows where the veteran's disability rate was below 48 per cent. I thought also that it was a shame that in that bill there was a provision that it would not come fully into effect until six years had gone by.

I hope that any bill that is introduced in this session will provide a better level of pensions for widows of veterans where the veteran's disability rate was below 48 per cent, and I hope it will be made effective right away, not year by year over a period of five or six years.

As we all know, this is a matter that has been the subject of many studies and reports. Perhaps the most outstanding are the Woods report of a number of years ago and more recently the Hermann report, both of which recommended that there should be pensions for widows where the veteran's disability rate was below 48 per cent.

This matter has also been recommended to the House by veterans affairs committees on two or three occasions. In fact I believe the Deputy Speaker, who is now in the chair, was a member of the veterans affairs committee when we made such a recommendation. It just does not make sense that there is a cutoff at the 48 per cent point, which means in one case the widow of a veteran has a full widow's pension but where the veteran's pension rate was only 47 per cent there is nothing there at all for the widow if her husband goes first.

• (2205)

I know the Minister of Veterans Affairs feels as all of us do with regard to this matter. The statements he made to the media before the House resumed seemed to confirm it—he indicated he had been planning a bill along the lines of the very legislation the hon. member for Victoria brought in last December. I am not asking the minister to tell us the details of what will be in the bill; that would be contrary to the rules around here. But surely he can tell us, as he told the media before this House sat, that he will be bringing in a bill to provide pensions for these widows.

In my supplementary question the other day I asked whether the minister would look at a few other matters such as the long-promised review of the War Veterans Allowance Act so that it might be brought up to date. There is also the question of certain improvements which need to be made in the amounts payable under the Compensation for Former Prisoners of War Act. These are on the minister's desk in detailed form.

I assert quite readily that we have made a great deal of progress in terms of veterans' legislation in the last eight or ten years, but there are still these few matters which are as yet unresolved, and I think most of the veterans in this country would agree with me that at the top of the list is the need to protect the position of the widows of disabled veterans. I hope, tonight, that the minister, whose presence I welcome at this hour of the evening, will have a favourable statement to make to this House.

Hon. Daniel J. MacDonald (Minister of Veterans Affairs): Mr. Speaker, I thank the hon. member for his question as it gives me the opportunity to comment on the matter of pensions for widows of veterans who were in receipt of disability pensions at a rate less than 48 per cent, and to inform members as to the status of the war veterans allowance legislative review.

As hon. members know, the previous government had introduced in the House suggested changes to the Pension Act to enable widows to receive pension benefits upon the death of a veteran who had a pensioned disability assessed at less than 48 per cent. I expect to present my cabinet colleagues with proposals which will provide pension benefits to widows of disability pensioners who are not now eligible for such benefits. The proposals which were contained in Bill C-28 will be carefully considered to determine whether or not they can be improved upon.

The main criterion of the war veterans allowance legislative review has been that there will be continuing compensation paid to veterans under the WVA Act in recognition of their wartime contribution to this nation. Within this criterion, numerous proposals have been developed by the department, and I am pleased to report that the review has produced some very significant recommendations directed toward improving the lot of veterans and their dependants. Further, a continuing joint study has been undertaken with the Department of National Health and Welfare in order to achieve a greater level of harmony in the administration of income security policy and to identify opportunities for streamlining the administration of the MVA Program, both issues of major concern to the legislative review.

Mr. Speaker, in my view, we can never fully compensate those Canadians who have suffered the effects of war, but we can continue to ensure that their special status is fully recognized and that veterans and their dependants will continue to receive the assistance they require to meet their basic needs and to live in dignity. I know this view is shared by all members of this House.

While I am very anxious to introduce changes to the War Veterans Allowance Act as quickly as possible, it is necessary that they be examined in relation to other social policy initiatives. However, in the coming months I hope to be able to make a definitive statement on this subject.

• (2210)

ENERGY—EXPORT OF NATURAL GAS TO UNITED STATES

Mr. Ian Waddell (Vancouver-Kingsway): Mr. Speaker, I would like to speak tonight on the topic of exports of natural gas and the pre-building of the Alaska Highway natural gas pipeline. My topic arises from a question I put to the Minister of Energy, Mines and Resources (Mr. Lalonde) in this House on April 17.

Before I go into that in detail I want to say, as an aside, that when I listened to this surprise mini-budget tonight in the House, I noted that the minister had to say that it had cost the Canadian taxpayer a $1.5 billion increase in the last little while to pay for imported oil under the oil import compensation program, and I thought back to the time of Joe Greene who used to be minister of energy in a Liberal government, who said "We have energy for hundreds of years in Canada".

Then he proceeded to okay the export of oil. Today we are paying for that because we do not have oil for hundreds of years. We have a shortage of oil, and I cannot understand how a country like Canada can make the same mistake twice.

I think we are about to make the same mistake twice when we deal with exports of natural gas, because now there is greater pressure on this government to open up the flood gates and to export more of our natural gas, the cheap stuff, the good stuff, the stuff that is available now, to the United States, and then later on we are going to have to deal with the expensive stuff, just like oil.

My question was directed to the minister. I raised the point that one way to achieve energy self-sufficiency was to keep our natural gas for our own use, and I asked the minister to comment on the ironclad guarantee, or the iron clad commitment which Canada should have, regarding the building of the whole Alaska natural gas pipeline before any pre-building of the southern portions of the pipeline should take place, because the words "ironclad guarantee" were the words of the minister when he was the Liberal energy critic. However, I did not get an answer to that question. Instead, I got comments that the minister was going to meet with the American secretary of energy and so forth.

Then I asked a supplementary question. I asked the minister to assure the House that if there was going to be any change in the Northern Pipeline Act the minister would come back to the House of Commons and seek permission to make changes in that act. The minister answered that, yes, he would come back to the House if there was going to be a change in the act. He slipped out of the question. He knew very well what I was asking, and that was whether there is to be a change in the act or the regulations under the act. The regulations under the act permit the Governor General to issue an order in council to allow certain minor changes—not major changes—in the act. The minister did not indicate to me—and I would ask that the parliamentary secretary do so—that ironclad guarantee and that ironclad commitment that there will be no order in council to allow the pre-building of the Alaska pipeline.

Let me explain. The original condition in the act was that all segments of the pipeline would have to be built at the same time, and financing would have to be guaranteed for the whole pipeline. It did not provide for building southern portions of the pipeline. Parliament did that for good, cautious, and sensible reasons, the reasons being that if we allowed pre-building of the southern line, we may never get the northern portion built. We would get what would amount to a natural gas pipeline sucking out—

Mr. Nickerson: Mr. Speaker, I rise on a point of order.

Mr. Deputy Speaker: One moment.

Mr. Nickerson: A point of order—

Mr. Knowles: No.

Mr. Deputy Speaker: There is no point of order at this time of the debate.

Mr. Nickerson: It does not matter that there is not order?

Mr. Knowles: No.

Mr. Deputy Speaker: The hon. member is out of order. The hon. member for Vancouver-Kinsway (Mr. Waddell) will please continue his remarks.

An hon. Member: Read Beauchesne.

Mr. Waddell: Perhaps the hon. member should get his teddy bear and put it on his desk as he did in the last House.

What I was saying, as I was in full flight à la the hon. member from St. John's, was that if we allow the pre-building of that southern portion of the pipeline, it will suck out all the cheap Canadian gas to American markets right now, and we will never get the full pipeline built. That is why I want the parliamentary secretary to give us an answer today. Will there be an order in council permitting the pre-build portions against the intent of the Northern Pipeline Act, or will the government come back to Parliament if it is going to do that?

There is some hanky-panky going on with the National Energy Board. The National Energy Board wants to allow pre-building. It has issued an order to that effect, and the minister in this case, Senator Olson, has said, "Hold the hearing first on that and then come back to us". I think they are going to issue it. They are going to issue permission. They are going to issue an order in council. We in the NDP oppose that for all kinds of good reasons, specifically because of the intent of Parliament in the Northern Pipeline Act.

• (2215)

The fact that it is proving exceedingly difficult to obtain financing for the Alaska sections of the Alaska highway pipeline, indicates the dubious rationality—even from the Americans' viewpoint—of a gigantic project to bring frontier gas onstream at exorbitant prices. Canada's specific energy interest, in what is essentially an American project to bring Alaskan gas to the continental United States, has never been convincingly demonstrated or even addressed, either by the government or by the National Energy Board.

It was always assumed, both by the government and by the NEB, that the Canadian need for frontier gas was self-evident. Largely because of that assumption, which in turn reflected the fact that the government had neither a coherent energy policy nor a comprehensive industrial strategy into which frontier gas could be made to fit, the government allowed itself to drift into a pipeline treaty with the U.S., which may be of long-term benefit to that country but which makes a marginal contribution to our energy needs and at the price of considerable distortion of our economy.

We are now committed by the international treaty to permit the building across our territory of what is essentially a U.S. project, and the government is attempting to justify it on the grounds of job creation and as an insurance policy for the time when our own conventional energy reserves run out. Mean-

while, the government continues to increase our exports of conventional reserves, thereby making the need for frontier gas a self-fulfilling prophecy.

What constitutes a surplus in a non-renewable resource? The government cannot answer that question, but that has not prevented it from muddling its way into *de facto* continentalism in energy policy—

Mr. Deputy Speaker: Order, please. I regret to interrupt the hon. member but the time allotted to him has expired.

Mr. Waddell: May I conclude, Mr. Speaker, since I was interrupted? I can conclude in one sentence.

Mr. Deputy Speaker: Is there consent of the House?

Some hon. Members: Agreed.

Mr. Waddell: It can be reported that it was the full House that said that.

I will conclude by asking the parliamentary secretary whether he can give me now an ironclad commitment—he knows what I mean—that there will be no order in council allowing the National Energy Board to renege on this promise of ironclad guarantees so that the pipeline will not go ahead and suck out all the Canadian gas to the United States without ironclad guarantees of a complete pipeline being built.

Mr. Roy MacLaren (Parliamentary Secretary to Minister of Energy, Mines and Resources): Mr. Speaker, I am pleased to respond further to the question raised by the hon. member for Vancouver-Kingsway (Mr. Waddell) on April 17 concerning the relationship between gas export approval and commitments on construction of the Alaska highway natural gas pipeline.

The Northern Pipeline Act, and specifically condition 12, requires that construction of the Alaska highway pipeline, or any part thereof, including pre-build, not proceed until the whole pipeline has been financed. Financing of the Alaska section and the northern sections of the pipeline in Canada will not be in place for at least a year. Construction of pre-build, on the other hand, could get under way this summer. It therefore follows that if pre-build is to be approved this year, condition 12 would have to be amended, but this will not happen unless all necessary preconditions have been met.

Condition 12 is one of the many terms and conditions imposed upon the pipeline by the Northern Pipeline Act. The act provides that these terms and conditions can be amended by the NEB, but such amendments do not become effective until approved by the governor in council. Approval in Parliament on a change in condition 12 is not required, although it would be if the act were to be changed. The NEB has amended condition 12. The amendment allows the government to approve pre-build this year, provided it is assured that financing can be obtained for the northern sections of the line.

• (2220)

Mr. Waddell: Can be obtained? Should be obtained!

Mr. MacLaren: However, the amendment is not yet effective. Governor in council approval is required, and this has not yet been obtained because all the pre-conditions have not been satisfied. Cabinet will not consider the amendment until further information on the financing of the Alaska section has been obtained from the United States, and until further information on the financing of the northern sections in Canada has been obtained. The hearing of the NEB commencing April 29 on pipeline financing should elicit the desired information on the financing of the pipeline in Canada. Therefore the hearing does not imply government approval of pre-build. To the contrary, it indicates that the government is seeking further information.

Pre-build will require approval of additional gas exports. The stated view of the government is that such exports will not be considered until domestic gas market expansion is assured and the government is satisfied that the northern sections of the Alaska highway pipeline will definitely proceed in a timely manner.

[*Translation*]

Mr. Deputy Speaker: The motion to adjourn the House is now deemed to have been adopted. Accordingly, this House stands adjourned until tomorrow at 11 a.m.

Motion agreed to and the House adjourned at 10.23 p.m.

HOUSE OF COMMONS

Tuesday, April 22, 1980

The House met at 11 a.m.

• (1105)

ROUTINE PROCEEDINGS

[*English*]

AIRPORTS

GROUND TRANSPORTATION AT TORONTO INTERNATIONAL—MOTION UNDER S.O. 43

Mr. John Bosley (Don Valley West): Madam Speaker, I rise on a matter of urgent and pressing necessity pursuant to Standing Order 43. I move, seconded by the hon. member for Etobicoke Centre (Mr. Wilson):

That whereas a lawsuit by one airport limousine driver against his employer for wrongful dismissal has brought to light the common practice of owners requiring drivers to pay for the right to drive, at fees up to $55,000, and to pay for the car and all associated costs; and whereas the drivers are led to believe they have bought the airport plate thereby, in contravention of the terms of issuance, and failure to pay results in imposed radio silence and death threats; therefore this House directs the minister to commence a full-scale inquiry into all aspects of ground transportation at Toronto international airport in order to properly protect the public interest and well-being and safety of the drivers.

Madam Speaker: Such a motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

METRIC CONVERSION

REQUEST FOR DEBATE ON METRIC CONVERSION—MOTION UNDER S.O. 43

Mr. Bill Domm (Peterborough): Madam Speaker, I rise, under the provisions of Standing Order 43, on a matter of urgent and pressing necessity.

Considering that the forced implementation of metrication in the county of Peterborough last summer had a negative effect on consumers and store owners, because of the difficulty tourists had in adapting to the new system, and due to the fact that the subject of metric conversion has never been introduced in the House of Commons in the form of a bill so that the views of the people of Canada may be heard, and considering that metrication in Canada is already seven to nine years ahead of metric conversion in the United States, I move, seconded by the hon. member for Crowfoot (Mr. Malone):

That no further implementation take place in the retail sector in Canada until full parliamentary debate on the issue occurs and until all Canadian citizens have been given an opportunity to make their feelings on metrication known to the government.

Madam Speaker: Such a motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

ENVIRONMENTAL AFFAIRS

GARRISON DIVERSION—U.S. COMMITMENT UNDER BOUNDARY WATERS TREATY—MOTION UNDER S.O. 43

Mr. Terry Sargeant (Selkirk-Interlake): Madam Speaker, I rise, under the provisions of Standing Order 43, on a matter of urgent and pressing necessity.

In light of the evidence that conclusively shows the implementation of the Garrison diversion unit in North Dakota in its present form will cause an estimated $6 million worth of damage annually to the Manitoba commercial fishing industry, and that it will force Manitoba municipalities to pay tens of thousands of dollars each year for the chemical treatment of their water supplies, and in light of the mounting pressure on United States President Jimmy Carter to approve this project, despite the proven harmful environmental effects on Canada, I move, seconded by the hon. member for Winnipeg-Birds Hill (Mr. Blaikie):

That this House instruct the Secretary of State for External Affairs that he should firmly and forcefully remind his American counterpart, during their discussions tomorrow, that the Canadian government expects the United States to honour its commitment under the Boundary Waters Treaty not to pollute to the injury of Canadian health or property and, further, the minister should advise Mr. Vance that the Canadian government is not prepared to accept a Garrison diversion project that permits damaging interbasin biological transfers.

Madam Speaker: The presentation of such a motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

S.O. 43

GOVERNMENT EXPENDITURES

SALARY OF MICHAEL PITFIELD—MOTION UNDER S.O. 43

Mr. Tom Cossitt (Leeds-Grenville): Madam Speaker, I rise, under the provisions of Standing Order 43, concerning the fact that two years' salary, amounting in total to approximately $150,000, was paid to Michael Pitfield when his position terminated as Secretary to the Cabinet following the May 22, 1979, election and he is now back in that position. I would move, seconded by the hon. member for Mississauga South (Mr. Blenkarn):

That the Prime Minister clarify forthwith to the House whether or not Mr. Pitfield, on his return to the position of Secretary to the Cabinet and Clerk of the Privy Council after only nine months absence therefrom, refunded to the public treasury, as one would expect, the unused portion of the two years' salary payment; and, finally, the Prime Minister also clarify whether or not Mr. Pitfield, as required by conflict of interest guidelines, declared the existence of a consulting firm known as N. Michael Pitfield Investments Limited, or at least the fact whether he has or is in the process of divesting himself of any interest in such a company.

Madam Speaker: Such a motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

● (1110)

AIRPORTS

INSTALLATION OF RADAR AT VICTORIA INTERNATIONAL—MOTION UNDER S.O. 43

Mr. Donald W. Munro (Esquimalt-Saanich): Madam Speaker, I rise on a matter of continuing and urgent, pressing necessity in virtue of the provisions of Standing Order 43.

It being statistically established that traffic at Victoria international airport by both jet-powered and propeller-driven aircraft has increased considerably over the past decade—in fact, nearly doubling in that period of time—and recognizing that the growing mix of propeller and jet-driven aircraft heightens the risk of accident, I move, seconded by the hon. member for Victoria (Mr. McKinnon):

That this House urge the government to proceed without further delay in securing Treasury Board approval for the proposals of the previous government to instal radar, as a matter of top priority, at Victoria international airport.

Madam Speaker: Such a motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

POLITICAL PARTIES

SUGGESTED NAME CHANGE FOR NDP—MOTION UNDER S.O. 43

Mr. Chas. L. Caccia (Davenport): Madam Speaker, I rise under the provisions of Standing Order 43. In view of the fact that on Sunday the Ontario New Democratic Party passed a resolution censuring the federal NDP on its foreign policy during the 1980 election, thus creating a split on the NDP commitment to withdraw from NATO and the North American Air Defence Command, I move, seconded by the hon. member for Manicouagan (Mr. Maltais):

That the NDP change its name to the "Newly Divided Party" and that the Minister of Labour immediately appoint a conciliator to prevent the lamentable suicide of this party.

Some hon. Members: Hear, hear!

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SOCIAL SECURITY

REQUEST TASK FORCE REPORT BE REFERRED TO STANDING COMMITTEE—MOTION UNDER S.O. 43

Hon. James A. McGrath (St. John's East): Madam Speaker, under the provisions of Standing Order 43 I would like to move a motion. In view of the fact there was a disposition in the last Parliament to have the report of the task force on retirement income policy referred to a special committee of this House, and in view of the interest in this matter, I move, seconded by the hon. member for Rosedale (Mr. Crombie):

That the report of the task force on retirement income policy be referred to the Standing Committee on Health, Welfare and Social Affairs.

Madam Speaker: Such a motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

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FINANCE

INTEREST PAID ON CANADA SAVINGS BONDS—MOTION UNDER S.O. 43

Mr. Don Blenkarn (Mississauga South): Madam Speaker, I rise on a matter of urgent and pressing necessity. Last evening, the Minister of Finance presented a budget indicating the greatest amount of borrowing in the history of Canada, $11.73 billion.

In view of the fact that interest rates presently being paid on Canada Savings Bonds are significantly less than the 15¾ per cent paid to the "big boys" on treasury bills, and in view of the fact that there is already a run on Canada Savings Bonds by people who have more sense than to lend their money at 12 per cent or less, I move, seconded by the hon. member for Leeds-Grenville (Mr. Cossitt):

That the government do forthwith increase the interest paid on Canada Savings Bonds to 13 per cent on all bond issues outstanding, to the maturity of those bond issues.

Madam Speaker: Such a motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

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INQUIRY OF THE MINISTRY

HIRING OF UNSUCCESSFUL LIBERAL CANDIDATES IN WESTERN CANADA—MOTION UNDER S.O. 43

Mr. Rod Murphy (Churchill): Madam Speaker, I rise under the provisions of Standing Order 43. In light of the fact that the Minister of Employment and Immigration two weeks ago announced the appointment of an unsuccessful Liberal federal candidate for Calgary West as his special adviser for western Canada, and that the same minister last week appointed three unsuccessful Liberal candidates in Manitoba to comprise a task force studying native employment and assistance programs, and that there are currently native people in Manitoba with knowledge and experience in these programs who were not appointed, I move, seconded by the hon. member for Winnipeg-Birds Hill (Mr. Blaikie):

That this House condemns the blatant abuse of ministerial powers by the Minister of Employment and Immigration in an attempt to revitalize the western Liberal party at the expense of the taxpayers of Canada.

Madam Speaker: Such a motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

• (1115)

ORAL QUESTION PERIOD

[*English*]

FINANCE

TREASURY BOARD APPROVAL OF FINANCIAL STATEMENT OF MINISTER OF FINANCE

Hon. Sinclair Stevens (York-Peel): Madam Speaker, in the wake of the debacle last night, I should like to direct my question to the President of the Treasury Board. As that minister knows, under the Financial Administration Act the Treasury Board has clear responsibility for all government financial management, including expenditures.

Would the hon. gentleman tell the House whether the Treasury Board was fully familiarized with the statement made by the Minister of Finance prior to its delivery last night, including the expenditure jump of $7.9 billion, the greatest one-year jump in Canadian history; and, if so, did they approve it?

Hon. Donald J. Johnston (President of the Treasury Board): Madam Speaker, it seems to me the statement made last night speaks for itself, and it is fully supported by Treasury Board.

Mr. Stevens: Again to the President of the Treasury Board, who has indicated that, indeed, he is only a token President of the Treasury Board. Would he tell the House whether he agrees that the deficit announced last night—which amounts to more than $500 for every man, woman and child in this country—will, in fact, be most inflationary and will crowd out financing in other fields, including the private and public sectors?

Mr. Johnston: It appears to me that that question would be more appropriately directed to the Minister of Finance, who is responsible for fiscal policy and for the over-all expenditure plan of the government. As he indicated in his comments last night, the expenditure plan is being fleshed out and will be available within a reasonable time.

Mr. Stevens: I can only take it from that comment that the minister has not read section 5, in particular, of the Financial Administration Act, and that he does not know his responsibilities to this House.

Some hon. Members: Hear, hear!

Mr. Stevens: The Treasury Board is responsible for financial management and expenditure. Does the minister not agree that unless he gets some clout in cabinet and starts trimming the expenditure of these big spenders, the only recourse open to the Minister of Finance is going to be to increase taxation in the country which will place a needless load on the citizens of Canada?

Mr. Johnston: Let me assure the House that I am fully aware of my responsibilities as President of the Treasury Board. Unlike my predecessor, I have no intention of trying to usurp the position which is so ably handled by the Minister of Finance.

Some hon. Members: Hear, hear!

Mr. Johnston: As a matter of fact, I shall be making a full statement during the debate on the throne speech concerning my own, personal philosophy toward my role as Treasury Board president, perhaps later this afternoon.

INCREASE IN DEFICIT—PROGRAMS TO BE CUT

Hon. Perrin Beatty (Wellington-Dufferin-Simcoe): Madam Speaker, my question is directed to the President of the Treasury Board. Last night's half-budget increases the federal deficit by fully $2.5 billion. Before he meekly agreed to that increase in the deficit, what specific programs did the minister insist be cut by the federal government?

An hon. Member: It was $3.7 billion.

Hon. Donald J. Johnston (President of the Treasury Board): Madam Speaker, if I understand the question correctly, the hon. member is asking me what programs are to be cut in terms of the projected deficit which the numbers given last night suggested to the House.

● (1120)

First, I point out that last night's statement with respect to the deficit, as indicated in the information put forward by the Minister of Finance, does not take account of what other measures may be introduced subsequently this year, and does not take account of the negotiations which will be carried on by my colleague, the Minister of Energy, Mines and Resources. It was clearly indicated last night by the Minister of Finance that that number, at this point, represents a maximum number. I can assure the hon. member that I am continuing with the responsible restraint measures which were begun by this government in 1975 and will continue—

Some hon. Members: Hear, hear!

Some hon. Members: Oh, oh!

Mr. Beatty: Madam Speaker, the President of the Treasury Board now indicates that he insisted that no cuts be made prior to the statement being tabled last night. I would like to ask him about the statement by the Prime Minister on January 12, in Toronto, in which he outlined a five-point Liberal economic platform which included a firm commitment to hold down the growth in expenditures to less than the growth in the gross national product, and to reduce the federal deficit in a phased and orderly way.

Why did the President of the Treasury Board agree to allow these firm commitments to the Canadian people to be broken?

Mr. Johnston: Madam Speaker, I reject any suggestion that I have allowed any commitment to the Canadian people to be broken. It has been, and remains, the intention of this government to reduce the deficit in an orderly way.

EFFECT OF FISCAL MEASURES ON ECONOMIC GROWTH AND JOB CREATION

Mr. Edward Broadbent (Oshawa): Madam Speaker, I have a question for the Minister of Finance. On December 12 last, when in opposition, the Minister of Finance said that the Conservative budget "last night painted a picture of double-digit inflation, increased unemployment, higher taxes and slower economic growth".

Considering that his statement last night as Minister of Finance painted a virtually identical picture, and considering that the Liberals voted on December 13 on a motion calling for economic growth and job creation, why did the minister last night betray completely his party's commitment which led to the defeat of the Conservative government and to a general election?

Hon. Allan J. MacEachen (Deputy Prime Minister and Minister of Finance): Madam Speaker, I have no hesitation in replying to the hon. member's question as to why we joined with the New Democratic Party in defeating the Conservative government on that night. We did so because we opposed basically the inequitable tax system which was implied in the excise tax on gasoline, and because we opposed the use of that particular tax to finance what we considered to be an inequitable mortgage assistance program.

Some hon. Members: Hear, hear!

Mr. MacEachen: That is the reason we defeated the government. There were other elements in the budget presented by the hon. member for St. John's West which were not pronounced upon and which I have looked at, and some of them I found worth while in the present circumstances and brought back. I am happy that I was able to rescue the hon. member for St. John's West from oblivion.

Some hon. Members: Hear, hear!

Mr. Broadbent: Given last night's statement, I am sure the people of Canada will hope that the present Minister of Finance will soon join him in oblivion.

Some hon. Members: Hear, hear!

Mr. Broadbent: I remind the minister that what he voted on, as opposed to what he says now, was a motion calling for a reduction in taxes, a reduction in interest rates, and economic stimulation. That is what his party voted for, not for what he just said.

● (1125)

I would like to say, in asking my second question, that considering that in the campaign and in the throne speech the Liberals have committed themselves to regional development programs, and considering that the minister of finance from Nova Scotia has pointed out in the past 24 hours that the statement of the Liberal Minister of Finance last night contains not a thing for regional development, when is this government going to start delivering on its commitments to all those parts of Canada which have not shared in the economic benefits of this land, which the Liberals have been promising for more than a decade?

Mr. MacEachen: Madam Speaker, the hon. member's question gives me an opportunity to explain why I dropped from my statement last night the provision calling for a special tax contract with firms which might decide to locate in regions of underdevelopment. The reason it was dropped is that I concluded that the present DREE program had sufficient flexibility and because, indeed, I could not find out from the material which the hon. member tabled in the House of Commons what was involved in that particular program.

I indicated in my statement last night the continuing concern of the government in regional development, and that presently there is an ongoing review of techniques that might

be developed in order to accelerate the process of regional economic development.

PROMISES MADE DURING ELECTION CAMPAIGN

Mr. Edward Broadbent (Oshawa): The ongoing review and flexibility to which the minister referred has been going on for a decade. Meanwhile, unemployment in Cape Breton remains at about 25 per cent and is unacceptably high throughout Atlantic Canada.

I should like to address my final supplementary question to the Prime Minister. In view of the failure to deliver on promises, not only by the Minister of Finance when he was in the opposition but by the Minister of Employment and Immigration, by the Minister of Industry, Trade and Commerce, and a series of others—including promises made by the Prime Minister himself—would the Prime Minister tell the House what he will say to the people of Canada, who will view his colleagues' and his own statements made before the election as totally unacceptable cynicism, simply guaranteed to win them office instead of producing action for the people of Canada?

Some hon. Members: Hear, hear!

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, I think the hon. gentleman's comments are quite unfair. If he looks at the Speech from the Throne which was read to this Parliament less than ten days ago, he will see that, on the contrary, the Speech from the Throne is a composite of the promises that this party made during the last election. That is the program for this session which we intend to carry out.

Some hon. Members: Hear, hear!

* * *

PUBLIC SERVICE

CRITICISM IN REPORT OF AUDITOR GENERAL

Mr. John Gamble (York North): Madam Speaker, my question is for the President of the Treasury Board. In light of the Auditor General's report, tabled in this House last week, referring to deplorable public service inefficiency, and in view of the mini non-budget of last evening of the Minister of Finance, forecasting an additional $3.7 billion in deficit for this year, will the President of the Treasury Board, in pursuing a policy of restraint, explain to the House what specific steps he proposes to take so that the oppressed taxpayers of Canada can receive a fair day's work from their public servants?

Hon. Donald J. Johnston (President of the Treasury Board): Madam Speaker, first of all, the report of the Auditor General will be in front of the Standing Committee on Public Accounts, and the hon. gentleman, who I hope will be an active member of that committee, will have ample opportunity to question the representatives of the Auditor General who can explain how the efficiency studies in question were conducted, and he can make his own evaluation with respect to them.

At the same time, the comments of the Auditor General must be placed in context, and the context is one of over-all management of human resources by the Government of Canada. The hon. member is aware of the existence of the D'Avignon report. We are looking very carefully at the steps we will be taking to improve human resource management, including job retaining, and so on, with specific reference to the D'Avignon report. I hope that in that manner we will be able to improve remarkably the efficiency, or correct some of the inefficiencies that we see. It is a mistake, however, to place the inefficiencies, as the hon. member suggests, on the backs of hardworking public servants themselves.

Some hon. Members: Hear, hear!

Mr. Johnston: The problem must be placed in the greater context of human resource management, and that is what we intend to do.

• (1130)

Mr. Gamble: Madam Speaker, we now know what "action, and action now," referred to in the Speech from the Throne, means.

An hon. Member: Question.

Mr. Gamble: Given that the Auditor General stated that a possible 85,000 public servants could be eliminated from the public payroll without reducing service in the public service, has the minister established targets and target dates for public service reductions and, if so, what are they?

Mr. Johnston: Madam Speaker, let it be noted in this House that I have no intention of being known as the happy slasher or a closet slasher. I think it is a mistake—

Mr. Kempling: Do you know how to subtract?

Mr. Johnston: —to set targets, particularly those extrapolated from one study, as the hon. member has done. I think this is unfair both to the public service and to the report of the Auditor General.

Some hon. Members: Hear, hear!

* * *

GOVERNMENT EXPENDITURES

LAMBERT REPORT—FIVE-YEAR PROJECTION OF FEDERAL GOVERNMENT SPENDING

Mr. Thomas Siddon (Richmond-South Delta): Madam Speaker, my question is also addressed to the President of the Treasury Board. Does the President of the Treasury Board have at his disposal a five-year projection of federal government spending which is an important expenditure control mechanism as recommended in the Lambert report?

Hon. Donald J. Johnston (President of the Treasury Board): Madam Speaker, of course long-term planning is essential to the management of government resources.

Some hon. Members: Oh, oh!

Mr. Siddon: Madam Speaker, I take it that the President of the Treasury Board has answered "Yes".

An hon. Member: He said "No".

Mr. Siddon: If that is the case, and recognizing his responsibility to control expenditures, will the President of the Treasury Board table here and now his five-year projections so that Canadians can judge the degree of restraint which he hopes to achieve in government spending over the next five years?

Mr. Johnston: Statements will be made at a later date—

Some hon. Members: Oh, oh!

Mr. Johnston: —with respect to projections and the government's intention with respect thereto.

Some hon. Members: Hear, hear!

* * *

FINANCE

INTEREST RATES ON FARM LOANS

Mr. Vic Althouse (Humboldt-Lake Centre): Madam Speaker, I have a question for the Minister of Finance. The non-budget, budget announcements last night avoided taking action on the question of interest rates on farm operating credit, which is in part what the demonstration outside is all about.

What is the minister proposing to do with regard to interest rates on farm operating credit, in light of the emergency situation which producers face in all parts of the country, but most dramatically in the potato producing areas of the maritimes as seeding time approaches?

Hon. Allan J. MacEachen (Deputy Prime Minister and Minister of Finance): Madam Speaker, I believe that the questioning today underlines the dilemma which a minister of finance faces in these current circumstances. I have already been berated by members of the official opposition because of what they describe as increased government spending, and I have the hon. member proposing another expenditure program which, if applied to farmers—however deserving they may be at the present time—would necessitate the application of a similar program to other groups affected in the economy.

My purpose, as I have indicated with respect to home owners, is to attempt to develop techniques which will assist affected groups with a minimum of public expenditure, but with a maximum consideration of the hardships that individuals may face at the present time.

Some hon. Members: Hear, hear!

Mr. Althouse: Madam Speaker, my supplementary question is directed to the Minister of Finance. In light of what he has just said, would the minister then provide a moratorium on all farm debts until such time as the Farm Credit Corporation could be upgraded to include, as well, the administration of the Farm Improvement Loans Act and the granting of operating credits at fixed rates under the Farm Credit Corporation?

Mr. MacEachen: Madam Speaker, for reasons which I have already indicated, it would be impossible to accept the suggestion of the hon. member at the present time.

An hon. Member: Just pass a law.

* * *

GOVERNMENT EXPENDITURES

REDUCTION IN PROGRAMS TO ACHIEVE RESTRAINT ON SPENDING

Mr. Lloyd R. Crouse (South Shore): Madam Speaker, I wish to direct my question to the President of the Treasury Board. He came to my riding during the election and I would have been glad to see him if he had had the time.

An hon. Member: Question.

Mr. Crouse: Since rises in interest rates and oil import costs will increase spending by something like $2 billion more than was forecast in the December 11 budget for 1980-81, an over-all increase of 13.5 per cent—

An hon. Member: Question.

Mr. Crouse: Hon. gentlemen keep asking for the question. It is not my fault that they have made a mess of the economy. I will get to the question in a minute, if they will just be patient.

Some hon. Members: Hear, hear!

Mr. Crouse: Would the minister indicate what departments or programs he plans to cancel in order to remain within his government's stated restraint program of keeping spending restraints below 10 per cent?

[*Translation*]

Hon. Donald J. Johnston (President of the Treasury Board): Madam Speaker, I am most flattered by the attention given me today. Frankly, Madam Speaker, I think it would be premature on my part to answer such a question.

* * *

[*English*]

FINANCE

PLANS TO REDUCE DEFICIT

Mr. Lloyd R. Crouse (South Shore): Madam Speaker, I have a brief supplementary question. I am not certain whether I should direct it to the President of the Treasury Board or to

the Minister of Finance. Since there is no long-term forecast in the mini-budget presented last evening by the Minister of Finance, I should like to ask him, what yardstick can businessmen in Atlantic Canada or, in fact, what yardstick can businessmen in all of Canada use as a guarantee that he is serious about his plans to reduce progressively the deficit?

Hon. Allan J. MacEachen (Deputy Prime Minister and Minister of Finance): Madam Speaker, I appreciate the hon. member's raising this question, because it gives me an opportunity to reiterate a point which I made in my statement last night and which has been almost totally ignored by comment; namely, that I would like it understood that the projections I outlined last night do not in any way constitute the expenditure plan or the planned financial requirements of this government for the fiscal year 1980-81.

An hon. Member: They are meaningless.

Mr. MacEachen: I thought it was important to give the House and the country—

An hon. Member: What do they mean, then?

Mr. MacEachen: —an up-to-date accounting of the situation as I found it when I assumed my responsibilities as Minister of Finance, and that I did.

An hon. Member: Normally, that is done in a budget.

Mr. MacEachen: These are projections, and I have indicated to the House that I propose to maintain a very tight control on expenditures—

Some hon. Members: Oh, oh!

Mr. MacEachen: —that through the introduction of a blended price on oil, we will be able to reduce both financial requirements—

Mr. Clark: And the size of the country.

Mr. MacEachen: —and the deficit by $1 billion over the projection mentioned last night; and that I will be considering, when I frame my budget, revenue measures which undoubtedly would have an effect on any deficit for the fiscal year 1980-81.

An hon. Member: More taxes.

Mr. MacEachen: I want to assure my hon. friend that that is the situation as I defined it last night. He ought not to regard these projections as firm figures which I have accepted as a basis for planning.

Some hon. Members: Oh, oh!

Some hon. Members: Hear, hear!

INCREASE IN GOVERNMENT BORROWING—EFFECT ON PROGRAMS

Hon. John C. Crosbie (St. John's West): Madam Speaker, my question is for the Deputy Prime Minister and Minister of Finance, who last night showed that in tackling our economic problems he has all the courage, determination and ferocity of Robert Burns' little mousie.

In view of the fact that the minister's forecasts show an increase in government borrowing of $3.5 billion and an increase in government spending of $3.7 billion for the present fiscal year, I want to know whether the Minister of Finance has consulted with the Minister of National Health and Welfare, who advised the country on March 23 that she had "done a lot of work in the income tax system" and discovered a hidden tax budget of about $30 billion, including tax breaks which she thinks should be killed and which could be directed into special programs.

With this hidden tax system, with $30 billion in savings in tax expenditures which the Minister of National Health and Welfare has found, has the minister inquired of her where they are? Will he promise us he will bring some of them in so that he can reduce his spending or his budget deficit as a result?

• (1140)

Hon. Allan J. MacEachen (Deputy Prime Minister and Minister of Finance): Madam Speaker, the hon. member has a real fascination for mice.

Some hon. Members: Oh, oh!

Mr. MacEachen: I would describe him as the mouse which roared on the night of December 11, and whose roar turned into a whimper on the night of December 13.

I just want to tell my hon. friend that I am aware of the proposals, or the ideas that have been put forward by the Minister of National Health and Welfare. Obviously, they would be considered as we seek ways of not only controlling expenditures but, if necessary—and, indeed, if I followed the advice of the hon. member last night, it would be necessary—of levying additional taxes when I bring forward a budget. I appreciate his advance support for any possible increase in taxation.

Some hon. Members: Hear, hear!

Mr. Crosbie: There is nothing less intimidating than a fangless mouse.

Some hon. Members: Oh, oh!

Mr. Crosbie: The old bite has gone. The Minister of National Health and Welfare has said she wants to have re-examined and, by implication, eliminate exemptions for the aged, the married and for children, as well as those offered corporations.

Is the Deputy Prime Minister and Minister of Finance seriously considering doing away with the income tax exemptions for the aged, the senior citizen, married persons and children? Is that now under contemplation? Would he enlight-

en the House and enlighten the people in the country who might want to think about these proposals more seriously?

Mr. MacEachen: Madam Speaker, I would like to tell the hon. member something which he already knows, that all these matters are constantly under consideration by any government.

Some hon. Members: Oh, oh!

Mr. MacEachen: But I want to assure the hon. member he should not hold his breath in respect of the implementation of any of these proposals which he is putting before me at the present time.

* * *

EMPLOYMENT

JOB CREATION PROGRAMS TO REDUCE UNEMPLOYMENT

Mr. David Orlikow (Winnipeg North): Madam Speaker, I should like to direct a question to the Minister of Employment and Immigration. Given the steady increase in unemployment in recent months—made worse by massive lay-offs in the auto and forest industries—and given the fact that the Deputy Prime Minister and Minister of Finance last night gave no indication of measures to expand the economy and, indeed, predicted an increase in the rate of unemployment in the coming year, will the Minister of Employment and Immigration tell the House whether he is planning any new job-creation strategies, especially those which would help meet the very substantial rate of unemployment of women, young people and natives whose rate of unemployment is reaching alarming proportions?

Hon. Lloyd Axworthy (Minister of Employment and Immigration): Madam Speaker, in response to the hon. member for Winnipeg North, I would be pleased to point out to him that the question he asked was a simple repetition of a statement we made in the throne speech a week ago Monday, indicating that in fact measures would be taken to develop job programs, particularly those helping women, young people and those with disadvantages in the job market.

I would say, Madam Speaker, that I am very pleased to note the interest of the hon. member for Winnipeg North, and look forward to his support and encouragement when we bring forward legislation and measures into this House to provide those job programs.

Mr. Orlikow: Madam Speaker, given the fact that the minister's government is committed to reducing the number of people working for the government, and given the fact that women and native people who work for the government—in too few numbers—were the last hired and, therefore, in any program of reducing the number of public servants will be the first to be let go, would the minister indicate some of the concrete steps he proposes to take in the near future to meet the needs of those people, rather than just giving us more rhetoric, as he usually does?

Mr. Axworthy: Madam Speaker, it is not rhetoric. It was stated in the throne speech very clearly that we intend to introduce affirmative action programs to make sure that the full working rights of all people, both in the public service and in the public sector, are provided, and to ensure that where there are inequities or inequalities in the work place, the affirmative action programs would aid and assist to overcome those inequalities.

Again, I welcome the hon. member's support when we bring those measures in, because we will need it, compared to the attitude taken by members directly opposite me.

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NORTHERN AFFAIRS

SETTLEMENT OF ABORIGINAL CLAIMS IN MACKENZIE DELTA

Hon. Warren Allmand (Notre-Dame-de-Grâce): Madam Speaker, I have a question for the Minister of Indian Affairs and Northern Development. As the minister knows, the former Liberal government had signed an agreement in principle with the COPE organization regarding the settlement of their aboriginal claims in the Mackenzie Delta, which agreement the Conservative government had attempted to unilaterally change or rescind.

Would the minister confirm that he intends to respect the COPE agreement in principle; and when does he intend to proceed with the final agreement and the legislation to implement it?

Hon. John C. Munro (Minister of Indian Affairs and Northern Development): Yes, Madam Speaker, we do intend as a government to honour the agreement in principle. I have met on a few occasions now—the last time as late as last Friday, I believe—with leaders of COPE, and we discussed the personalities to be considered in terms of a special negotiator to get on with the discussions for implementation. I believe we will be in a position to appoint that special negotiator some time, perhaps, within the next two weeks.

* * *

FINANCE

PROPOSALS CONCERNING CAPITAL GAINS TAX

Mr. Gordon Taylor (Bow River): Madam Speaker, my question is directed to the Deputy Prime Minister and Minister of Finance. I understood the minister last night to indicate that the capital gains taxes as proposed by the former minister of finance, the hon. member for St. John's West, would not be proceeded with. Since this may well ruin the retirement of many of our farmers, and will kill initiative, is the minister prepared to reconsider this decision?

Hon. Allan J. MacEachen (Deputy Prime Minister and Minister of Finance): Madam Speaker, I did say that it was not my intention to proceed with several items dealing with the

treatment of capital gains. As the hon. member may recall, the former finance minister indicated that he would be bringing forward a discussion paper on the question of capital gains.

This is a very serious matter that often times is not fully understood. I thought it would be better to have the discussion paper produced first, and then to proceed in making any changes that might be justified as a result of public discussion of that paper.

Mr. Taylor: Madam Speaker, I have a supplementary question for the minister. Will the minister, then, assure the House that the discussion paper will include consideration of the once-in-a-lifetime exemption for those who finally have to sell outside the family and who often face ruination and have to borrow to pay the capital gains.

The once-in-a-lifetime exemption is a very important item when it accumulates at the end of the lineage. Will the hon. minister assure us that that item is one that will be discussed under the discussion paper?

Mr. MacEachen: Madam Speaker, I would like to discuss the matter with the hon. member to get a broader understanding of his concerns, so that when the discussion paper is produced his concerns may be addressed.

* * *

EXTERNAL AFFAIRS

BOYCOTTING OF OLYMPIC GAMES IN MOSCOW—FINANCIAL COMPENSATION FOR ATHLETES

Mr. Bob Wenman (Fraser Valley West): Madam Speaker, my question is for the Prime Minister. In view of the fact that, should Canada proceed with an Olympic boycott, those called upon to make the greatest sacrifice would be our athletes, and recognizing that most athletes have already given up many months of employment income, have incurred loans and expenses to a considerable extent, will the government—should it proceed with the boycott—make an assessment of those losses to our athletes and provide financial compensation?

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, you recognize, of course, that the question is, in its very terms, hypothetical.

• (1150)

Mr. Wenman: A supplementary question, Madam Speaker. In order to end that period of time in which a decision is being made, to reduce those expenses and to allow athletes who are becoming discouraged and are not, perhaps, putting forth all their efforts in anticipation of the boycott, will the Prime Minister make that decision forthwith, in order that the athletes may end their indecision?

[*Translation*]

Right Hon. P. E. Trudeau (Prime Minister): Yes, Madam Speaker.

[*English*]

PENITENTIARIES

SHOWING OF SEX FILM TO INMATES

Mr. Benno Friesen (Surrey-White Rock-North Delta): Madam Speaker, my question is for the Solicitor General. Last fall, the administration of the B.C. pen showed a film to the inmates and the general population. The film was entitled "The Night of the Voyeur"—explicit sex,—and the commissioner of corrections, in justifying this, said that it was shown as part of the policy to provide an environment that, within the limits necessarily dictated by incarceration, emulates the normal.

I should like to ask the Solicitor General if it is the policy of his department to show sex films such as "The Night of the Voyeur", supposedly emulating the normal.

Hon. Bob Kaplan (Solicitor General): Madam Speaker, let me assure the hon. member that I shall look into that matter and be prepared to make a statement about it. In the meanwhile, he will be glad to know that we have decided on, and are planning and have under way, the closing of the B.C. pen.

* * *

ROYAL CANADIAN MOUNTED POLICE

ALLEGED ILLEGALITIES COMMITTED BY MEMBERS OF FORCE

Mr. Svend J. Robinson (Burnaby): Madam Speaker, my question is for the Solicitor General. Yesterday, in this House, the Prime Minister stated that evidence of illegal RCMP activities—so-called disruptive measures—would be turned over forthwith to the provinces involved: Quebec, British Columbia, Alberta and Ontario.

In view of the fact that only heavily edited transcripts of evidence were, in fact, turned over to the provinces, and in view of the fact that the attorney general of Ontario has stated that he is being denied the evidence that he needs in order to prosecute, will the Solicitor General now assure this House that he will, in fact, turn over all evidence—not just edited evidence, but all evidence—of RCMP wrongdoing, to enable such prosecutions to take place?

Hon. Bob Kaplan (Solicitor General): Madam Speaker, I have communicated with the attorneys general and have told them that I would be prepared to discuss with them the evidence that was made available to them last week, following our policy of making the information that they require for the discharge of their responsibilities available to them. I am looking forward to those discussions, and I am prepared to share with them at that time all the evidence I have that I can legally share.

I should point out to the House, however, that the evidence relating to Checkmate—which I understand is the subject of the question—is mostly based on oral reconstruction, and not documents. In connection with that evidence, not very many names are available. Whatever I can make available to them

legally, however, I will; and then it will be their decision what to do about it—whether to take action, and when to take action. That is their responsibility, and I want to support them in their discharge of it.

Mr. Robinson (Burnaby): Madam Speaker, of course, the reason that the evidence is largely oral reconstruction is that the files were in fact destroyed. My supplementary is to the Minister of Justice. Yesterday, the Prime Minister told this House that evidence of breaches of federal statutes by the RCMP would be turned over to provincial attorneys general for possible prosecution.

Will the Minister of Justice now confirm that, in fact, the responsibility for prosecutions under the Post Office Act and the Income Tax Act lies with himself, the federal attorney general, and not with the provincial attorneys general, as the Prime Minister suggested yesterday. In view of this, will the Minister of Justice tell this House what action he intends to take to ensure that there will be prosecution where there has been evidence of criminal wrongdoing by the RCMP?

[*Translation*]

Hon. Jean Chrétien (Minister of Justice and Minister of State for Social Development): Madam Speaker, I do not think that the Prime Minister indicated yesterday that any violation should be turned over to provincial attorneys general. As Attorney General of Canada, I will take my responsibilities if it is necessary to prosecute under my mandate. However, under criminal law, it rests with provincial attorneys general to lodge proceedings and we will provide the necessary information. At this time, Madam Speaker, no decision has been taken. We are studying the records and it will be probably advisable to wait until the McDonald commission winds up.

* * *

[*English*]

CULTURAL AFFAIRS

FUNDING OF VANCOUVER ART GALLERY

Miss Pat Carney (Vancouver Centre): Madam Speaker, I have a question for the Secretary of State concerning the Vancouver art gallery. Since provincial government commitments and private pledges totalling almost $4.5 million are dependent on federal funding, is it the minister's intention to honour the commitment made by his predecessor to provide $4 million toward the conversion of the old court house into Vancouver's art gallery?

Hon. Francis Fox (Secretary of State and Minister of Communications): Madam Speaker, I thank the hon. member for her question. I should like to add my congratulations on her appointment as official opposition critic on matters concerning the Secretary of State.

I should like to point out that there were a number of campaign promises—I really mean campaign promises—made by my immediate predecessor during the election campaign. I do not believe they were really commitments made by the previous government; I think, in fact, they were campaign promises, and in that sense I am reviewing all of them.

The hon. member has mentioned one, but if I looked at the whole series of campaign promises made by my immediate predecessor in the months of January and February, 1980, there would not be any revenue left in my department to honour any other intentions of funding in the arts and cultural communities.

I should also like to point out to the hon. member that there would be a great deal more money available to the cultural and artistic communities had not the previous government entered that sweetheart deal with the provinces by which they reduced, by a number of millions of dollars, the moneys available to those communities in Canada.

* * *

INDUSTRY

FINANCIAL SUPPORT TO CHRYSLER OF CANADA

Hon. Michael Wilson (Etobicoke Centre): Madam Speaker, my question is directed to the Minister of Industry, Trade and Commerce. A number of estimates have been given about the size of the possible support to Chrysler (Canada) Limited—$250 million, $500 million, $750 million. I ask the minister if he could give some indication to the House today of the level the government is considering for this support. Also, could he advise the House under what authority the aid would be provided?

Hon. Herb Gray (Minister of Industry, Trade and Commerce): Madam Speaker, the matter is still under negotiation and is being considered by ministers, so I do not think it would be appropriate to indicate a figure. As to the program in question, if it involves—as it may primarily, or perhaps even totally—loan guarantees, then there would be the provision whereby Parliament approves the loan guarantee activity by the government.

Mr. Stevens: When?

Mr. Wilson: A supplementary question, Madam Speaker. Last week, a motion was made by the hon. member for Halton asking that the government place this matter before a standing committee of the House for consideration. Is it the intention of the minister to follow through on that motion, or will a decision be taken prior to any consideration of the matter by the House?

Mr. Gray: Madam Speaker, the matter of committee consideration of the operations of the auto industry and the auto pact is something I certainly want to discuss with the House leaders.

Mr. Wilson: Prior to a decision?

Mr. Gray: But it may well be necessary for a decision to be reached on this by the government before the kind of consideration can take place that my hon. friend and his colleagues have in mind.

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REGIONAL ECONOMIC EXPANSION

AID FOR MICHELIN TIRE—DISCUSSIONS WITH PREMIER OF NOVA SCOTIA

Mr. J. P. Nowlan (Annapolis Valley-Hants): Madam Speaker, in view of the fact that the hon. member for Hamilton Mountain has, unfortunately, confused the problems of the car industry with problems of development in other parts of Canada, I wish to put a question to the Minister of Regional Economic Expansion.

As this question involves joint expenditures of the federal and provincial governments, however, I know that the Minister of Finance is fully aware of the problem. Could he assure this House that the Michelin application under DREE, a national policy of both governments, will be considered on its merits, and will not become involved in any other confusion and/or problems of other industries in other parts of the country? Has he recently had discussions with the Premier of Nova Scotia, and when can we except an announcement?

Hon. Allan J. MacEachen (Deputy Prime Minister and Minister of Finance): Madam Speaker, I had discussions with Premier Buchanan last weekend by telephone and the earlier weekend, in person—at his request—on a number of development matters affecting Nova Scotia. One of the items we talked about was Michelin.

● (1200)

I want to assure the hon. member that the government proposes to consider that application in the usual way and to consider the important income and employment results it would bring to the province of Nova Scotia. It is our hope that we can conclude the discussion very early and have the matter decided.

* * *

CULTURAL AFFAIRS

FINANCIAL ASSISTANCE—LIST OF COMMITMENTS OF GOVERNMENT

Right Hon. Joe Clark (Leader of the Opposition): Madam Speaker, I have a supplementary question for the Secretary of State. Would the Secretary of State place upon the table of the House of Commons a list of all the commitments by the Government of Canada to the advancement of culture and arts in the country which he is contemplating breaking?

Hon. Francis Fox (Secretary of State and Minister of Communications): Madam Speaker, I would be delighted to table with the House a list of all the campaign promises made by my predecessor during the course of the election campaign. I would be delighted to do that, indeed. I would also be interested in seeing whether they were commitments made by the previous government, whether these campaign promises have gone through the process of Treasury Board and cabinet approval, and whether they were indeed campaign promises, as I believe they are.

[*Translation*]

Mr. Clark: Madam Speaker, I am afraid the Secretary of State did not understand the question I put to him.

[*English*]

The question I put was whether he will put upon the table a list of those clear commitments by the Government of Canada which his government is now considering breaking.

Mr. Fox: Madam Speaker, at the moment I am reviewing all of the requests that have been made to us by the cultural community throughout the country.

An hon. Member: Answer the question.

Mr. Andre: The question was fairly simple.

[*Translation*]

Mr. Fox: Madam Speaker, here is my reply to the question of the hon. member. I am now going over all requests addressed to me in that field, which come from all parts of the country. I should like to indicate to the former prime minister, the present Leader of the Opposition, that we would be in a far better position to meet those requests if his government had not reduced by, I believe, some seven or eight million dollars, the funds his immediate predecessor, the present Prime Minister of Canada, had made available to help those who labour in the arts. Indeed, the amounts now available to give assistance in the fields of arts and culture have been reduced as a result of the steps taken by his government.

* * *

[*English*]

PRIVILEGE

MR. BAKER (NEPEAN-CARLETON)—ECONOMIC REMARKS OF MINISTER OF FINANCE

Hon. Walter Baker (Nepean-Carleton): Madam Speaker, I gave you notice last night, and again today, of a matter which my colleagues and I believe is a very real question of privilege and which is a substantial invasion of the rights of members of Parliament.

I believe that what we saw last night was not, as the Minister of Finance (Mr. MacEachen) tried to pretend, a mere summary of the economic situation in Canada or a list of measures which did not go as far as a budget would go. His presentation had the essential ingredients which this House should be able to debate, amend, approve or disapprove within

the procedures that have been established for a budgetary matter in this House. That is why I described what happened last evening as an attempt to sneak a budget matter into the throne speech debate without the usual protection and privileges given to members of Parliament and, indeed, to the public with respect to budgetary presentation.

I want to make it clear at the outset that I have studied the applicable precedents. I know that ways and means motions have been introduced without a budget presentation. That is a practice that has been accepted in the past, even though objections have been raised. I know that economic statements have been brought into debate at the resolution stage or at Committee of the Whole stage on income tax measures. We all remember the statement made to the House on October 20, 1977, during the throne speech by the present Minister of Justice (Mr. Chrétien) when he was minister of finance.

I contend, Madam Speaker, that the minister has leaped beyond all of these precedents and has presented a mini-budget to this House while denying to members of Parliament their right to debate and to amend a motion of approval which he would be putting to this House. That is the fundamental difference between the practice that we saw yesterday and what has occurred in the past. No doubt, Madam Speaker, you will have the occasion to examine Beauchesne, but if I could refer you to Beauchesne's fifth edition, citation 515, we find the following statement:

> There is no necessity to have a budget presentation before the introduction of ways and means legislation.

I agree with that statement. It makes sense to give the minister freedom to introduce some changes without a six-day debate. The citation is derived from a point of order raised by my friend, the hon. member for Edmonton West (Mr. Lambert), on March 20, 1972. On that occasion, the Speaker ruled that there was nothing wrong with bringing forward income tax measures from a previous budget without a new presentation. In turn, he was partially relying on a ruling made on October 22, 1962, at which time the then minister of finance had made a detailed economic statement at the resolution stage of an income tax ways and means motion.

There were objections to the procedure in 1962. But we should remember that there have been changes in the rules since 1962. We should remember that the House was able to debate a ways and means motion under the then existing rules. On that occasion, unanimous consent was given to allow the debate to be of a general economic one—quite different from the case last evening. At that time, the House was debating only one type of ways and means motion, and that was to amend the Income Tax Act.

In 1972, the House was again debating one type of change, again an Income Tax Act amendment. This was still a limited curtailment of the rights of the House because, by this time, the six-day budget debate had replaced the right to debate ways and means motions and the House debated only the bill. As everyone knows, the then government went further during the throne speech on October 20, 1977—just another step in the process of erosion. The then government made an economic statement and gave notice of ways and means motions regarding the Income Tax Act and the income tax application rules.

It is noteworthy that these measures were dependent on future administrative action or future amendments to the Income Tax Act and did not take effect immediately. There were no increases, only reductions. There were no amendments outlined to statutes other than the Income Tax Act.

Last night, despite the press statement, there were amendments; there were increases. Last night's case was completely different from the statement in 1977, which my friend no doubt would rely upon as some kind of precedent. Last night, we saw the full machinery of budgetary presentations and a full range of economic measures. The minister's only defence is that he lacked the courage to face all our economic problems and promised us another budget some time in the future. That is an apology, not a procedural argument, Madam Speaker.

Let us go over what happened last night. There were lock-ups for the press representatives because there was an opportunity to profit outside this House from advance knowledge. The minister spoke from a carefully prepared budget text. He even began his remarks at 8 p.m. on Monday, which is a traditional budget hour. He gave us a forecast of Canada's economic prospects and the projected deficit. More important, he tabled ways and means motions on all of the usual budgetary statutes. There are amendments to the Income Tax Act, the income tax application rules, the Excise Tax Act, and the Customs Act. Some of these provisions took effect at midnight last night. This is what happens when a budget is presented.

This was no statement. This was no summary that the minister was giving us. This was a real budget which today—as of midnight last night—is taking money out the pockets of Canadians. It is quite a different situation from that which occurred in 1977. These measures were drawn from a budget that was specifically rejected by this House and put forward by a government which was defeated largely on the terms of that budget.

The minister has no right whatsoever to pick and choose and say that the House and the electorate liked this, or did not like this or that tax. He must submit the statement of budgetary policy to this House and receive the general approval of the House in the terms of the usual motion. As great a parliamentarian as the hon. gentleman may be, he has no right to draw some sort of mystical mandate from the House and set a budgetary course for Canada by executive decree. That is precisely what he tried to do last night.

● (1210)

Some hon. Members: Hear, hear!

Mr. Baker (Nepean-Carleton): There have been previous mini-budgets that have followed the proper procedures, and this should have been done last night. It is silly to point to the speech that my colleague from St. John's West (Mr. Crosbie) made last summer and say that he is doing the same thing. The former minister of finance, the hon. member for St. John's

West, is here and is prepared to deny that, and I deny that to the House. My colleague said he would proceed with measures contained in a budget that had been approved by the House and which did not take immediate effect, as some of the minister's measures did last night. That is quite a significant difference.

I believe, Madam Speaker, that this is the first procedural point of substance of which you have had to hear argument. I say to you, with the greatest respect, that I think we have travelled too far down the road to submit this House of Commons to ministerial convenience. Because the normal procedures were not followed in this case, our rights as members of Parliament, and the rights of the people we represent here, have been abrogated by the process that we saw last night. That is why the question of privilege was raised last night.

We received no formal notice of the budget speech that we would have under the proper rules. We have no automatic right of debate and reply: Mr. Deputy Speaker confirmed that for us last night. We cannot move an amendment. All of those rights are vested in us as MPs, under the budget process, for the protection of the people of the country, and those rights were abrogated by the process that was used by the Minister of Finance last night.

Some hon. Members: Hear, hear!

Mr. Baker (Nepean-Carleton): Last night, an economic direction was established for this country without the approval of the House of Commons. That is an abrogation of the right of Parliament and the right of the people. The fact that the minister was afraid to face all of the country's problems in this budget does not mean that a new direction has not been established. It has been established.

If we allow this, Madam Speaker, what next? What else are we going to have? What other kinds of attempts are we going to have to abrogate the rights of members and the public? We will end up hearing a full-scale budgetary address after the House leader moves a motion "that this House notes with interest the economic remarks of the Minister of Finance", if this keeps on. The necessity of following the provisions of Standing Order 60 at any time is on the verge of being annihilated by the processes that we saw last night. I do not think it is an auspicious beginning for the government House leader to have given that kind of advice to the Minister of Finance.

The House is piling precedent upon precedent to remove from its members the right to vote general approval of budgetary policy. Last night, the precedent—if it is a precedent, and I hope it is not—the attempt at establishing a precedent was a giant leap forward in the abrogation of the rights of members of Parliament in terms of the budgetary process.

I think this is a very serious question. I have argued it at some length. I do not want it to end there; I do not think it should end there. I am, therefore, proposing the following motion:

Privilege—Mr. W. Baker

That the matter of the erosion of the rights of the House of Commons to approve the general budgetary policy of the government, particularly as revealed in the procedure followed by the Minister of Finance in his presentation to the House on Monday, April 21, 1980, during the debate on the Address in Reply to the Speech from the Throne, be referred to the Standing Committee on Privileges and Elections.

That motion is seconded by the hon. member for Yukon (Mr. Nielsen). This is a question and a matter that should be stopped, and it should be stopped now. There are budgetary processes that could have been observed by the Minister of Finance. If the Minister of Finance had been doing his job in terms of the economic problems facing this country, we would not have had this pirating of the process: we would have had a budget, a real budget, with real protection, with all of the rights and privileges of hon. members observed, and the public protected with all of the statements that were made long before now.

At this point we have this trampling on the procedures of this House, which are there for good reason, for the sake of allowing the minister to avoid his responsibilities to the public of Canada. I do not think this could be allowed to happen in this House of Commons. Therefore, I move my motion for the consideration of the House.

Some hon. Members: Hear, hear!

Hon. Allan J. MacEachen (Deputy Prime Minister and Minister of Finance): Madam Speaker, I conclude that the hon. member for Nepean-Carleton (Mr. Baker) is describing my statement last night as a budget. The hon. member for St. John's West (Mr. Crosbie), over television, said it was not a budget last night. He said it was not a mini-budget.

Mr. Crosbie: Minnie Mouse.

Mr. MacEachen: He said it was a Minnie Mouse statement. The two frontbenchers are sitting so close together I will not repeat the description of unity which the hon. member for St. John's West described during the campaign that existed between his leader and himself; but surely these two frontbenchers, sitting so close together, should decide what it was. The hon. member for Nepean-Carleton says it is a budget, and the finance critic says it is not. I agree with the finance critic on that matter. I want in a sense to review with the House the situation which I faced in becoming Minister of Finance.

Mr. Crosbie: This is a sob story.

Mr. MacEachen: It is not a sob story unless one would weep at the deficiencies of the former minister.

Some hon. Members: Hear, hear!

Mr. Crosbie: Which one?

Mr. MacEachen: The situation that I faced was that there were ways and means motions which had been tabled in the House by the former minister of finance that had not yet received parliamentary approval.

Mr. Nielsen: They died.

Mr. MacEachen: I faced the additional fact that there were ways and means motions which had been tabled by the hon. member for St. John's West that were still there.

Mr. Blenkarn: They died.

Mr. MacEachen: The hon. member ought to remember that there were many people out in the country in the business community who were calling the department and writing to me asking what disposition I intended to make of the unfinished business arising from the budget of the present Minister of Justice (Mr. Chrétien) and the ways and means motions arising from the budget of the hon. member for St. John's West.

Mr. Clark: They are separate matters.

Mr. MacEachen: They wanted answers. I wanted to deal with that as quickly as possible in order to clear up the uncertainty. It is very surprising to me that the hon. member for Nepean-Carleton should overlook recent history. What made the statement last night a budget if it was a budget? What is a budget? Is the tabling of ways and means motions the essence of a budget? I argue that the tabling of ways and means motions is not, in itself, the essence of a budget. If that were the case, the hon. member for St. John's West would have presented two budgets in the only session of the last Parliament.

● (1220)

Standing Order 61(1) reads:

A notice of a ways and means motion may be laid upon the Table of the House at any time during a sitting day by a minister of the Crown but such a motion may not be proposed in the same sitting.

In other words, it is possible to table the motion but it is not possible to ask for concurrence. That practice has been followed by other ministers of finance. It was followed by my predecessor when on October 25 last he laid upon the Table notices of ways and means motions. In fact, on October 25 he moved that those ways and means motions be concurred in, both a ways and means motion to amend the Income Tax Act laid upon the Table on Tuesday, October 23—two days earlier—and a motion to amend the income tax application rules laid upon the table Tuesday, October 23, 1979.

These were not insignificant measures which were reintroduced by the hon. member for St. John's West. The tabling of the ways and means motions for the Income Tax Act and Customs Tariff amendments were contained in the budget of November 16, 1978. The new income tax motion—I draw this to the attention of the hon. member for Nepean-Carleton—significantly altered one of the measures, namely, the application of the small business tax rate to professionals. That income tax ways and means motion relieved and tightened.

In addition, there was a tabling of a ways and means motion for sales and excise tax changes from the November 16, 1978, budget. Was it a minuscule event? It certainly had broader implications than any step I took, because it contained $1 billion in tax reductions, and some tax increases. These were motions laid upon the Table by the former minister of finance last October.

I draw to your attention, Madam Speaker, that in the summer the minister issued a press release in which he gave notice that he would be tabling these ways and means motions. One hon. member made a point about the fact that the general motion relating to the budget had been defeated, and that therefore, for some reason, these motions should not be revived in any way.

An hon. Member: They are not ways and means motions.

Mr. MacEachen: Of course they are ways and means motions. The ways and means motions which I tabled last night were never dealt with by the former Parliament. They were never called. They were never concurred in. They were never defeated, and they were not approved. Neither thing happened to these particular ways and means motions. It is a travesty to suggest that the defeat or the carrying of the particular general motion on the budget presentation predetermined the result of the ways and means motions.

Let me explain to the Leader of the Opposition (Mr. Clark): his minister of finance brought in ways and means motions which had been presented by a defeated government and which had been voted against by his party on the main budget resolution. So you cannot have it both ways. The former minister of finance brought in these ways and means motions because he thought they were good, even though his party had voted against his predecessor's budget and even though the government which had introduced these ways and means motions had been defeated in the campaign.

Mr. Clark: But not in the House.

Mr. MacEachen: Not in the House, but which is the more important—the House or the people of Canada?

Some hon. Members: Hear, hear!

Mr. MacEachen: That is a red herring which has been drawn by the hon. member for Nepean-Carleton. His argument is a red herring. What I did was to revive motions which were tabled by the former minister of finance, and what he did was to revive motions which had been tabled by his predecessor, the present Minister of Justice. If I had to go through the formality of a budget presentation to accomplish that, I ask the hon. member why he did not do that himself.

An hon. Member: The circumstances were different.

Mr. MacEachen: What else did I do after I had revived some of these motions? I thought hon. members opposite would welcome the fact that I had accepted and brought back into the House certain measures which they thought were important. I did not bring in any new measures, not a single new tax measure. Except for some technical modifications, they are exactly the same motions. I thought hon. members would welcome them. I thought the Leader of the Opposition would welcome the fact that I had brought in the small

business development bond, which was the only item in the budget to which he referred in his speech on leaders' day. But here they are raising questions about the actions I took.

In addition to tabling these ways and means motions, I gave information on the expenditure situation. This was done by the former president of the treasury board, and the minister of finance, in a most voluminous way before Parliament was called. Never given to Parliament. Is that a budget? I cannot understand why on this occasion, when motions are tabled and when, openly, they are tabled in the context of a speech which explains all the tax changes which are being reintroduced, a speech which gives information on the expenditure situation, the opposition should complain about an abrogation of the rights of Parliament. Why should they describe it as an abrogation of the rights of Parliament?

I carefully considered the precedents, Madam Speaker. I want to assure you that I considered very carefully whether I was in any way departing from a practice which had already been accepted by this House. Also, I wanted to make sure that nobody was caught by surprise. I wanted to make sure that I was making a statement in the context of the debate on the Speech from the Throne so that hon. members opposite would be alerted and so that if they wished to comment, criticize or condemn, they would have three or four additional days in which to do so. I was not concerned about the procedural ground, which I found very solid; I was concerned about the broad parliamentary character, namely, whether members opposite would have a fair chance to comment on anything I had done.

● (1230)

Last week, I called up the hon. member for St. John's West and told him I was going to make a speech last night. I tried to reach the financial critic of the New Democratic Party last week to tell him, but instead I conveyed the information to the hon. member for Winnipeg North Centre (Mr. Knowles) last week, alerting him that I was to make a speech on Monday night in which they ought to be interested, and to reserve their opportunity to speak after I did.

Mr. Clark: So you misled them too.

Mr. MacEachen: I indicated in general terms what I intended to do. Yesterday, if hon. members were alert, they would have noticed that I walked across the floor and sat with the hon. member for St. John's West and expanded upon my intentions, and I did the same thing with the hon. member for Winnipeg North Centre. So I cannot understand why there is indignation at the procedure.

Mr. Clark: Because it is wrong, Allan.

Mr. MacEachen: I hope the indignation is not very serious.

Mr. Clark: It is profound.

Mr. MacEachen: I hope it is a vigilance which oppositions normally show, and that it is not an attempt to reflect upon a practice which has been followed by the former minister and other ministers of finance.

Mr. Clark: That is not true, Allan, and you know it.

Mr. MacEachen: If I had brought in new tax measures—

Mr. Clark: Which you have.

Mr. MacEachen: —and if I had established a firm expenditure and revenue plan for 1980-81, then hon. members might conclude that it was a budget. I ask them to go to Erskine May and get a definition of a budget. I ask them to go to Beauchesne and get the definition of a budget and, if that is not sufficiently clear and lucid to indicate that what I did last night was not a formal budget presentation, I ask them to go to the Oxford dictionary. All three of them will illustrate very vividly that what happened last night was obviously a speech relating to the finances of the country and to the economy, and the tabling of ways and means motions.

Mr. Nielsen: And imposing taxes.

Mr. MacEachen: But it certainly was not a budget. The hon. member for Yukon (Mr. Nielsen) says it was a budget because I imposed taxes.

Mr. Nielsen: Without debate.

Mr. MacEachen: The hon. member for St. John's West did the very same thing.

Mr. Nielsen: Not without notice.

Mr. MacEachen: His motions, if the hon. member for Yukon had read them—which he tabled—raised taxes by several hundred million dollars.

Mr. Nielsen: That is specious.

Mr. MacEachen: If they had been called, those motions would have been debated in the normal way.

Miss MacDonald: "If".

Mr. MacEachen: The hon. lady for Kingston and the Islands (Miss MacDonald) says "If". It is not my fault if her party has the capacity to self-destruct at critical times. I do not want to add any acrimony to the debate, but I stand by the statement I have made and say that the hon. member for St. John's West and hon. members of the New Democratic Party have plenty of opportunity to comment on what I did. No rights have been taken away in that sense. In fact, I think I have gone to good lengths to give them an opportunity to comment, because I could have tabled all these ways and means motions just by standing in the House and saying, "I table these ways and means motions, every one of them", and I would have done exactly what the hon. member for St. John's West did. I could have done that, and I am being attacked—

Mr. Clark: Poor Allan.

Mr. MacEachen: —because I took the additional step of providing additional information to the House of Commons in an effort to demonstrate that this is an open government and ready to tell the House of Commons all the facts.

Some hon. Members: Hear, hear!

Hon. Stanley Knowles (Winnipeg North Centre): Madam Speaker, I doubt if anyone would contend that last night was one of Parliament's finest hours.

Mr. Nowlan: We wasted an hour.

Mr. Knowles: As a matter of fact, I believe what happened is a matter of serious concern. We may be able to argue from both sides on the basis of the rules and the citations, but in my view what happened goes deeper than that. I shall come to what I have in mind in a moment, but first I should like to comment on one or two points of detail.

I was deeply disturbed last evening when I heard the hon. member for St. John's West (Mr. Crosbie), who at that time was trying to get the floor, say that there had been an agreement among the whips that he would follow the Minister of Finance (Mr. MacEachen). I take it that the phrase "the whips" is an all-inclusive one which can include whips and House leaders; but I say on my behalf and on behalf of the whip of this party, the hon. member for Yorkton-Melville (Mr. Nystrom), that we had not been consulted on that point at all. We had not been told a word about the possibility of the hon. member for St. John's West following the Minister of Finance.

Mr. Nystrom: Shame on John.

Mr. Knowles: The Parliamentary Secretary to the President of the Privy Council (Mr. Collenette) came over and talked to me during the latter part of the afternoon about the arrangements which were being made so that the Minister of Finance would get on at eight o'clock. That arrangement involved having two Conservative speakers in a row just before six o'clock. Did I object? Not at all. But there was no suggestion at all as to what would happen after the Minister of Finance spoke.

I went to the Chair several times to make sure that the name of the hon. member for Winnipeg-St. James (Mr. Keeper) was in the place which had been assigned to him, and it was. There was no question at all about the order of speakers. Therefore, although I was not surprised at the hon. member for St. John's West trying to get the floor, I am surprised, shocked and disturbed to learn that there was some kind of consultation with people who may have had authority but perhaps did not have authority, but in which we were not involved. The President of the Privy Council (Mr. Pinard) came over to me last night and said that he did not know about it, but the word "hanky-panky" is not too strong to use about this kind of thing.

An hon. Member: I can think of some better ones.

Mr. Knowles: I just remind the two older parties in this House that there are three parties here, and that the work of this House will proceed much better if we are all consulted on matters of this kind.

Before I get to what I think is the most serious part of this whole matter, may I say that I am not as greatly impressed by the indignation of my friends to the right as they might expect me to be. I had a feeling last night, and I have it again today, that they cannot attack the budget—budget or non-budget, whatever it was—brought in last night by the Minister of Finance because it was the same as the budget they brought in.

An hon. Member: No.

Mr. Knowles: Oh, just about the same. So instead they are attacking the Minister of Finance on the procedure that he used. However, this kind of procedure has been tried one way and another across the years. The Minister of Finance referred to the press release last summer by the former minister of finance. I remember long ago, before some of my hon. colleagues were born, that Mr. Abbott brought in taxation by announcing it over the radio.

● (1240)

If you want to read the debate on procedure, which was dramatic and went on for a long time, go back to about 1948 when we contended that taxes should be announced in the House of Commons, not over the radio. That was before the days of television. I also remember the last time we had a Conservative government before the one of last year, the one headed by the late Right Hon. John G. Diefenbaker. We had a minister of finance by the name of Donald Fleming at that time. He was like the present Minister of Finance. He did not want to bring in a budget; he wanted to find some way of getting around it. So when in December, 1957, we were discussing estimates— in those days we dealt with estimates on the floor of the House, instead of shipping them off to committees—Mr. Fleming rose during the course of a debate on estimates and gave us what in effect was a budget speech.

All of the arguments that we have heard today, that it is a mini-budget, a non-budget, a "mousey" budget—we heard all of that at that time, and the debate went on for hours. In the end, the Tories won the day and Mr. Fleming was allowed to present his resolutions and to make budget proposals. But what annoyed us was that he was a minister of finance who did not want to bring in a budget, yet he had to tell the House how things were going and he had to propose certain taxes, so he chose an unusual way of doing what the House prefers to be done according to the practices surrounding a budget presentation.

So, Madam Speaker, there is a lot of work for you and those at the table to do in reading the precedents before you make a ruling as to whether the hon. member for Nepean-Carleton has a point of privilege in precise procedural terms. But, as I said earlier, despite the fact that I have taken a crack or two at my friends to the right who have raised this issue, I think it is

very important that we get this sorted out. The Minister of Finance can argue until he is blue in the face—Tory blue, in fact—

Some hon. Members: Oh, oh!

Mr. Knowles: —that in the debate on the Address in Reply to the Speech from the Throne a member can speak about anything, so that includes him and he can make a speech about anything he wants.

An hon. Member: Or about nothing.

Mr. Knowles: He can also argue that under Standing Order 66(1) he can give notice of a ways and means motion any time in the House of Commons. He can argue that there have been times when we have avoided a general budget debate. But this is an unusual Parliament. It was elected after the previous government was here for just a short time. I will not go into the motives of the last two elections, except to say that most of us realize that both of them were elections in which people were voting against something. But this government has been elected with a majority although many people in the country do not have confidence in it. They have the majority of seats and they can stay here, if they hold their numbers, for four or five years. But it is terribly important for this government to establish the feeling that it is trying to be fair and that it has lost its old arrogance.

Some hon. Members: Hear, hear!

Mr. Knowles: Just before this session started, Madam Speaker, I became involved in one of those radio programs that abound around here, and I was asked how I thought the Liberals would perform. Being a generous soul who gives people the benefit of the doubt, I said, "Well, maybe they were chastised by those few months out of office and maybe they will not have their old arrogance."

Some hon. Members: Oh, oh!

Mr. Knowles: I am sorry I said it, Madam Speaker, because that is what we are faced with now. It is a government which feels that because it has a majority, because it has the power, it can do things any way it wants to. As I said, the minister can argue from now until doomsday that he has the procedural right. But I do not think he had the moral or the parliamentary right to do something that went beyond what the House felt was the way to deal with budget measures.

Some hon. Members: Hear, hear!

Mr. Knowles: The very fact that we are having this discussion today means that there was some question about the way this government is going to run Parliament. I think that the Leader of the Opposition (Mr. Clark), when he was prime minister, made a mistake when he said—as he did so often—he and his colleagues intended to govern as if they had a majority, which they did not have. I think that was part of the reason for his downfall. But, Madam Speaker, I think, what we have now is even worse. We have a government which, of course, has a majority but it is acting as though it owned the whole store, as though there were nobody else here and it could do what it wanted to do.

The Minister of Finance says that he made known to the Conservatives and to us—through me, in this case—what was planned. It is true that he spoke to me last week about his intention to speak last night. I asked him quite openly whether it was going to be a budget speech. He answered, "No, it is going to be a statement setting out what we are going to do with these two left-over budgets and what our general plans are". It was more of a procedural matter than it was a budget speech.

Some hon. Members: Shame.

Mr. Knowles: Yesterday, when it got around because of a press notice that it looked more like a budget speech, we had another conversation and I asked him again, "Will it be a mini-budget or will it just be a procedural matter?" I was even called by the CBC and asked my opinion, because apparently they were wrestling with the proposition that they might put the minister's speech on live last night. I said, "I think you are making a mistake, because the minister tells me it is not a mini-budget." Well, this is a matter of definition, and the minister still says it is not. I took his word for it, and I even argued with some of my colleagues and some of the press, saying, "Let us not get hot and bothered about this." But when I saw the document at seven o'clock and heard the minister read it at eight o'clock, I felt it went beyond the simple procedural explanation which the minister had indicated was going to be the nub of that budget.

I feel that that being the case, he should have had much more discussion with the representatives of the two parties on this side to see how to handle the matter. He did not want to bring in a budget—sometimes, I think, just like Donald Fleming in 1957 who did not want to bring in a budget—so he dragged it in this way. This minister is not ready to bring in a budget, but he felt there were certain financial matters he had to bring forward, and he brought them in this way. As I said, he can quote Standing Order 60, he can quote the rules and the precedents regarding the throne speech debate, and we will have a hard time persuading Your Honour that you have to rule that what he did is out of order. But it is not good for the life of this Parliament and for the confidence of the people of this country—

Some hon. Members: Hear, hear!

Mr. Knowles: —if we get the feeling that the government is just going to run things the way it wants. I contend, Madam Speaker, that this government, with its majority, should be more careful and more sensitive about the opposition than the minority government had to be last time. They took their life in their hands, and we know what happened. But we are here now for three, four or five years and it is terribly important for the country to get the impression that this Parliament is

working together well. I do not think that what happened last night would give that impression.

The Minister of Finance says that he has leaned over backwards, he has done this on day five of the throne speech debate and there are three days left. This is the argument every time. It was the argument in the Donald Fleming case in 1957 and it has been the argument, in all those instances where budgets were bootlegged in in some other way, that members can still speak. But in the throne speech debate, especially in the first session of a new Parliament, there are many new members wanting to speak. There are a dozen or more in our party who would like to speak and do not have a chance. We cannot replace them by our leader and have him speak again. We had planned that our finance critic would not speak in the throne speech debate, but that he would wait for the budget debate. The chance of our members taking part in the debate on the budget in these three remaining days—and we will lose half of today on this question of privilege—is very small.

The minister might have chosen the vehicle of a statement on what we call motions, but it is really on statements by ministers, with the opposition parties having the right to respond or ask questions. But no, he feels he did the fair thing; he told us about it. However, when I saw the statement it seemed to me to go much further than I had thought from what he had said. I think the suggestion that the opportunity is there to comment is really meaningless.

• (1250)

It is in Madam Speaker's hands to study the precedents and decide what to do with the motion put forward by the hon. member for Nepean-Carleton (Mr. Baker). I think perhaps better than a committee study of that kind of thing would be a real heart-to-heart session among House leaders.

Mr. Clark: No, let's have it public.

Mr. Knowles: Perhaps even some other ministers and other members could be there as well to face up to the fact that the success of this Parliament two years, three years, or four years down the road depends on this government realizing that it does not own this place, that it has a majority but that we are here too. Just the bare fact that we had this hassle last night and that we are having this session today proves that members are not satisfied, that there was not sufficient consultation. I hope that the government will take these things to heart.

As I say, I leave it to Your Honour whether you rule that there is a question of privilege of the procedural or parliamentary kind that the hon. member for Nepean-Carleton is claiming, but I feel very strongly that before we go any further we should consider how we are going to run this Parliament. We have obligations too. We on this side of the House have to be responsible. We have to do our job. We must not obstruct and all that kind of thing, but the government must come to the realization that the country does not trust it as much as that majority seems to suggest.

We went through this some years ago. We had the 1972-1974 minority experience. We think that it was a pretty good Parliament; we got several things out of the government. Then the 1974 election gave them the majority and some members on the Liberal side of the House said to me then, "I hope we do not revert to the pre-1972 stance; I hope we learned a lesson in the 1972-1974 period". No, within a couple of weeks they were right back. From 1974 to 1979 it was the God-given Liberals running the show.

An hon. Member: So what's new?

Mr. Knowles: Then we had a few months last year when we had a respite from the Liberals. They are back now, and even I said on the radio before the session started that they might take a different attitude. They are not, in doing it this way and I plead for them to reconsider their attitude.

I thank the minister for having told me last week that he would be making his speech last night. If there is a misunderstanding between us as to what he meant by saying that it would not be a budget, which some of us think it is, I am sorry there is that misunderstanding. But to me this whole incident should lead to some pretty serious conversations among us, and it should lead the Liberal government of this country to the realization that just because it has 147 members does not mean that it owns the place. It has to operate in a way of complete consultation with the opposition parties. It has to make the people out there feel that it is helping to lead Parliament to constructive things, not just running Parliament the way it wants.

Some hon. Members: Hear, hear!

Hon. John C. Crosbie (St. John's West): Madam Speaker, I want to address myself to some of the remarks which the Minister of Finance (Mr. MacEachen) has made. In considering this matter, it is very clear that there is no correspondence at all and no similarity to the statement I made on July 26, 1979, on tax and tariff measures. There were two statements, and I have both of them here. One was on the fiscal and economic situation, and the other was on the tax and tariff measures that were made on July 26 which had to be made for good reason.

On November 16 or 18—I think it was on November 16, 1978, that a budget was brought into this House. That budget was not defeated. The House did not repudiate the budget, but some of the measures in that budget were not passed, were not put forward to this House for passage. The then Liberal government, in its usual way, did not care whether it got these measures passed or not. They had announced that they would all go into effect on budget night whether or not the House passed any legislation. So the then House leader was not able to get amendments to the Customs Act, the Income Tax Act and the Excise Tax Act passed through the House by March.

In March, the then prime minister finally dissolved the House, or asked the Governor General for a dissolution. Of course, he was into his fifth year and that is probably a predecent for what will happen this time. He will be in his fifth

year before he makes a decision as to whether the House should carry on or what will happen this time. But that was the position. The House was dissolved and they went to the electorate. All of those measures were put into effect by order in council and administrative measures taken by that government. So when I made a statement on July 26, it was not to say whether or not some taxes were going to go into effect on the night of July 26; it was to say what our attitude was going to be with respect to these measures that had been in effect since November 16, 1978—

Mr. Baker (Nepean-Carleton): Quite a difference.

Mr. Crosbie: —and that people were paying taxes based on the fact that it was taken that these things would be enacted by Parliament. So people were doing their income tax returns based on the income tax changes. They had stopped paying sales tax. The sales tax was reduced from 12 per cent to 9 per cent—the general federal sales tax. There is still not a thing passed by this House of Commons. This Parliament has not yet passed legislation that approves the reduction in that sales tax rate from 12 per cent to 9 per cent, and it had not passed it between November, 1978, and July, 1979. But people had stopped paying. People were not longer paying 12 per cent; they were paying 9 per cent based on orders in council, jiggery-pokery and hocus-pocus that had been enacted by the previous government.

There is some question as to whether the whole kit and caboodle was legal, as to whether they could really be doing what they were doing. In any event, the public thought they could do what they were doing; the public was acting on the basis that they could do what they were doing. So there was a tax reduction that had been in effect. That is why I had to make a statement on July 26, 1979, on whether or not we were going to go along with these measures then in effect, what we were going to do about them when Parliament resumed, or what we were going to ask Parliament to do.

If Your Honour looks at those two releases, you will see that I deal with the situation in them. I said in the fourth paragraph that most of the measures that will be included in the legislation are measures that we have no choice but to continue, since the Canadian people have been conducting their affairs since November 16 on the basis that the budget provisions brought down that evening were effective at that date. We did exactly the opposite. After our defeat, which I think was on the night of December 13, the lucky 13, is it; or the unlucky 13—

Mr. Baker (Nepean-Carleton): December 13.

Mr. Crosbie: After our defeat on December 13 we had a cabinet meeting the next day, I believe it was. Based on the advice of myself and my department, and the advice of the Privy Council, we decided that we were not going to pretend that the measures in the budget of December 11 were in effect. We issued a statement saying that they were not in effect, that they were not going to go into effect, that they were all to be postponed until after the election and then we would have to decide what would happen.

We announced our intention to reintroduce them. We were not going to go to the country and weasel and try to pretend that we were not going to do some of the things which were unpopular. We were not going to say one thing to the electorate and do the other when we got in, as hon. members opposite have done, and have done before. So we announced that these measures were not in effect and we passed no orders in council to make them effective. We took no legal steps that would make these provisions effective. So there is a vast difference. Now the hon. Minister of Finance, a gentleman who has been in this House for donkey's years—

Mr. Nielsen: The Prime Minister calls them donkeys.

Mr. Crosbie: He has been in the House for donkey's years, and he is as slippery as a cod tongue in a barrel of cod livers. He tries to say that what he is doing is similar to what I did last July 26. Well, look at the background notes to the notices of ways and means motions, Madam Speaker, and you will see what he was doing last night. He reduced the write-off for oil and gas properties and he made it retroactive to December 11, 1979. That was never in effect before: it is a new tax measure. He imposed a temporary corporate surtax; he made it retroactive to January 1, 1980. It indicates 1979 in his release, but that is obviously a mistake: it is 1980. That is the new corporate surtax. That was not in effect before. That did not come into effect on December 11. We deliberately said it was not going to go into effect because we had been defeated in the House. So he introduced a new tax. He was not announcing that he was going to continue a tax already in effect—not at all. He was introducing a new tax. He increased the levies on tobacco.

• (1300)

Madam Speaker: Order. I am sorry to interrupt the hon. member but, it being one o'clock, I do now leave the chair until two o'clock.

At one o'clock the House took recess.

• (1400)

AFTER RECESS

The House resumed at 2 p.m.

ROUTINE PROCEEDINGS

[*English*]

OFFICIAL LANGUAGES COMMISSIONER

TABLING OF NINTH ANNUAL REPORT

Madam Speaker: If the House will give me a few minutes, please, I have the honour of tabling in this House the ninth annual report of the Commissioner of Official Languages.

* * *

PRIVILEGE

MR. BAKER (NEPEAN-CARLETON)—ECONOMIC REMARKS OF MINISTER OF FINANCE

The House resumed consideration of the question of privilege of Mr. Baker (Nepean-Carleton).

Hon. John C. Crosbie (St. John's West): Madam Speaker, as we adjourned at one o'clock I was outlining the difference between the situation last night and what the Minister of Finance (Mr. MacEachen) was doing and the action that was taken on July 26, 1979, by myself, to which he referred in an attempt to justify his extraordinary conduct of last night.

I was pointing out, Madam Speaker, that the measures I had to address myself to last July 26 had been brought down in the budget of November 16, 1978, and stated to be effective as of that date. The tax and tariff measures contained in it were already implemented by order in council and other legal measures although legislation had never passed the House. That is why we had to take some steps to advise people whether we were going to carry on on that basis or not.

To show you the difference, Madam Speaker, I might just make one other reference to the statement I made on July 26. I pointed out in that statement that the legislation involved in these bills should be passed as soon as possible. Because of the returns from 5,000 taxpayers who had filed on the basis of proposed changes for the 1978 taxation year before their returns could be processed, this situation had to be clarified and legislation passed. In other words, they were told in the November 16 budget that they had an option as to how they conducted their affairs. Some 5,000 taxpayers had filed returns for 1978 based on the changes in that budget, although there had never been legislation passed by the House. So we had an entirely different situation.

I am referring now, Madam Speaker, to the ways and means motion of which notice was given last night and on which the minister spoke. We have a whole set of new taxes, never before implemented in Canada, never advanced on. I shall also find for Your Honour—or Your Honour's staff, I am sure can get for you—a press release issued on December 13 or 14, 1979, in which the government, through the Department of Finance, pointed out that none of the tax measures in the budget speech of December 11 would go forward.

Last night, Madam Speaker, there was given to the people of Canada and to this House through a mere speech in the address in reply—and I was just reciting some of the tax changes—reduced write-off for oil and gas properties from 30 per cent to 10 per cent per year, made retroactive to December 11; a new temporary corporate surtax made retroactive to January 1, 1980—never in effect before; increased levies on tobacco and alcohol beverages, all of which went into effect at midnight last night—increases never in effect before in this country. We have an exemption for volunteer firemen. These are all good things. I am glad to see the Minister of Finance is following some of the things that had been indicated in my budget.

We have a new application of sales tax on cosmetics that will raise $25 million; we have the sales tax extended to photofinishing—never before in effect in this country and it is going to take in $10 million immediately; we have changes in sales tax exemptions for containers and coverings and so on—I will not go into it all. We have a different method of collecting the sales tax on gasoline and diesel fuel. Madam Speaker, this is a very significant change. Because the change there is from a tax of so many cents per litre or gallon to a tax of 9 per cent on the selling price of gasoline and diesel fuels, it means that the tax will go up each time there is an increase in gasoline and diesel fuel prices. That is to go into effect immediately, Madam Speaker.

Mr. Baker (Nepean Carleton): That is a sneaky one.

Mr. Crosbie: There is a whole series of other changes with effective dates given between December 11 and January 1 in this notice. So we have very, very many changes in the tax system of Canada imposed last night never before in legal effect in Canada, and in fact made clear by the administration that first suggested them on December 11 that they were not in effect and would not be going into effect unless our government was re-elected. We were not re-elected. The people of Canada had no reason to expect that this government was going to reintroduce them. This government had decried these tax increases. The Minister of Industry, Trade and Commerce (Mr. Gray) practically bit through his lips, gnashing his teeth at the horrific tax increases contained in the budget. He said that if you smoked or if you drank in Canada, you could not get any relief from this government. Now his Minister of Finance and the government bring in exactly the same tax changes that were proposed for tobacco and alcohol on December 11.

If that is not the height of hypocricy, it is certainly a new budget measure. It is semantics, Madam Speaker, as to whether it is a budget, or a mini-budget, or a Minnie Mouse budget. It is a travesty of justice, whatever it is. Nevertheless, it is a major change in the taxation system of this country. It is a major change in the revenue system. It is a major change in the tax system of the country and the hon. minister opposite brings it in without any adequate notice.

The hon. member for Winnipeg North Centre (Mr. Knowles) mentioned that the Minister of Finance called him.

The Minister of Finance called me last Friday, Madam Speaker, and I, being the trusty, innocent Newfoundlander that I am, picked up the phone. I was astounded to have a gentleman so high in dignity and power in this government call me. It certainly never happened between 1976 and 1979. They would not give me the time of day then. Anyway here was the minister calling. I picked up the phone, my hand trembling with excitement that the Minister of Finance was calling. He told me that on Monday night—you know what soft, dulcet tones he has and how he can persuade a rock that it is not a rock, it is a stone—and said that he was going to be making a speech Monday night in the Address in Reply to the Speech from the Throne, that he was going to deal with some questions affecting ways and means motions from the last two budgets, and that he was going to deal with some questions of revenues and expenditures, how they were last year and what he expected this year.

● (1410)

I was not even suspicious enough to ask any other questions of him. I thought that we would have a statement about revenues and expenditures and what was to happen with ways and means motions from the budget presented by the former minister of finance and so on. The minister never said to me that he was going to bring in a mini-budget or that he was going to deal with a number of tax questions or new taxation. He may not have meant to mislead me. It may be that I was just so reasonable and sweet on the other end that he forgot to enlighten me as to the full iniquity of what he was proposing.

Then in this House on Monday he came over and sat by me. I nearly dropped off my chair at the honour. He told me in essence the same thing and that I would get a copy of his speech an hour ahead of delivery. I was very grateful that these pearls of wisdom would come my way an hour before the actual delivery of his speech. When I saw the speech a minute after seven last night, I discovered a whole new world. It was like that afternoon serial called "Another World". It was not what I had been led to expect by the Minister of Finance. I am sure that he would not deliberately mislead anyone—such a sweet picture of Cape Breton innocence!

Not only were we not expecting this, and it would not have been palatable even if we were, but the press were locked up, though not just until the minister started his speech at eight o'clock. Oh! no, he was too cute for that; he thought that I might scuttle out to address the press while he was making his speech. So they were locked up until his speech was concluded, and if I had wanted to speak to the press, I would have had to give up my speech in the chamber. Not only had that been arranged, but by God I did not get my speech in the chamber until 9.45 last night.

This is a concatenation of events not to be encouraged. The hon. member for Winnipeg North Centre certainly put his foot on it, whether or not it is technically—and I do not think it is even technically—within the rules. It is certainly outside any sense of propriety or decency, and I know that the Minister of Finance is a man who has a high sense of both.

I will now address myself to the question of the whips. I had been told by our whip that it was arranged for me to speak after the Minister of Finance. I would have thought that the Minister of Finance would have wanted to arrange not only for myself to speak, but also for the NDP finance critic to speak following his address on such an important matter as this. The fact that this is out of good order at all, Madam Speaker, was shown by the fact that tonight the debate on the Address in Reply to the Speech from the Throne is being adjourned by order of the government. The government wants it to end tonight although we have two more days remaining. The government is going to suspend it because it wants to bring on other business.

It is not for us to consent or not to consent to that; they have the power to arrange these things themselves. We have members on all sides of this House who want to speak in the debate on the Address in Reply to the Speech from the Throne. These members are being prevented from that privilege and honour because of the argument that is now going forward and because of the minister's statements last night.

For all of these reasons, Madam Speaker, there is no justification for the minister to attempt this procedure. What he is doing is avoiding a debate on this major economic and financial statement that he made last night.

He cannot say he is just adopting part of our budget. Our budget took an over-all approach to the economic and financial problems of Canada. Its thrust was to reduce budget deficits. It was to reduce government borrowing, and over a period of three or four years would get inflation and all of these other serious problems under control. The thrust of the minister's actions last night, the actions that he indicated in his speech, was exactly the opposite. It was to throw out all restraint. It was to allow government borrowing to increase $3.7 billion and allow the deficit to go up $3.5 billion. Perhaps I have the figures transposed. In each case it is an addition of $3 billion more. This is completely opposite to the thrust of the fiscal policy that we set for this country. It is completely opposite to the thrust of the fiscal policy recommended by the governor of the Bank of Canada, whose interest rate policy the minister has endorsed.

So this was a financial statement, a budget or a mini-budget last night 180 degrees reversed. It reversed 180 degrees the fiscal course that we had set for this country in the last budget that was brought before this House. For the minister to suggest that such an important reversal of financial and fiscal policy should be done by means of a speech in the debate on the address in reply, where our leader has spoken and cannot speak again, where so many members of our party have done the same, and where the Leader of the New Democratic Party has already spoken—

Mr. MacEachen: They can speak again.

Mr. Crosbie: I am saying that on the address in reply they cannot speak. If there is another amendment, perhaps they can.

Mr. Baker (Nepean-Carleton): It will be voted on tonight.

Mr. Crosbie: The point is that these members have been blocked out from this consideration. There is another vote tonight on a non-confidence motion of the government. The minister, who has been in this House longer than many of us, far too long for any good it is doing the people of Canada and who has adopted this technique, knows that it will boomerang. Rather than making this kind of a statement, if the minister is going to do more in the fiscal line, if he is going to indicate a different direction and that the deficit is not going to go up, that he is going to reduce the deficit, or that borrowing is not going to go up as it appears, surely to God he should have waited until he was ready with his whole package.

Now what he has done is shown that it does not matter. He is going to spend more. He is going to borrow more. That is his direction. That is his message to this country. That is his message to the investor. That is his message to the foreign investor. That is his message to the IMF. That is his message to the world. That is his message to the ordinary people of Canada—that he is going to be a spendthrift; that he does not care about what direction the United States is going or others. He is going to do the exact opposite to what everybody else who has studied this seriously thinks ought to be done.

If that is the role this government is now set on fiscally and financially, surely we should be having a six-day budget debate on this, not a two or three-speech debate, Madam Speaker.

[*Translation*]

Madam Speaker: The hon. Minister of State for Finance.

Hon. Pierre Bussières (Minister of State (Finance)): Thank you, Madam Speaker. I would not want to delay unduly the proceedings of the House but I would like to make a few comments following the question of privilege that was raised.

The Minister of Finance (Mr. MacEachen) is in fact being blamed for following a procedure that is in accordance with the customs and rules of this House. That was very well explained under the rules and precedents that were quoted and recognized by one of our colleagues whose authority is respected when it comes to the rules and procedures of this House, the hon. member for Winnipeg North Centre (Mr. Knowles). The issue is clear to all members from a procedural point of view; the Minister of Finance proceeded according to the rules, customs and normal procedures as they are known to hon. members. However, he is being blamed for that.

What is the Minister of Finance also being blamed for, Madam Speaker? He is being blamed for taking the opportunity to inform hon. members and the people of Canada of certains measures that were already tabled in the House and the way he intends to proceed with respect to those measures and thus dispose of certain business that had been left in abeyance. Furthermore, he is being blamed for taking the opportunity to describe the situation with respect to the expenditures as they are forecast today and also give certain indications on the state of the economy. In fact, coming back to the first point, as was pointed out, the tabling of ways and means motions was often used outside budgets, as the hon. member for St. John's West (Mr. Crosbie) has done himself. He did so to table ways and means motions originating from the tabling of a budget, and in that instance, a new government.

His ways and means motion also included extremely important measures concerning either new revenues or tax reductions. The hon. member for St. John's West had also used a ways and means motion to put forward the mortgage interest tax credit program and property taxes on buildings. Everyone will recall that the revenues that were to be produced by this measure were very large. The hon. member had proceeded correctly by tabling a ways and means motion following the rules and traditions of this House.

We therefore see that the procedural argument is not valid since the procedure followed is in accordance with our rules and since there have been many precedents concerning the tabling of ways and means motions. Moreover, I said earlier, our colleague the hon. member for Winnipeg North Centre recognizes that the Minister of Finance has faithfully followed the procedure in this case.

As for the second argument, I believe that no one should criticize the government for having given too much information. Quite the opposite, the government is often blamed for giving out too little information to the House and the public. This opportunity of clarifying certain points was used by the Minister of Finance to let the members know the situation and I believe that it shows a will to keep Parliament and the public well informed. The Minister of Finance should be congratulated for having taken the first opportunity after the general election to give this information to the House and to all Canadians.

Madam Speaker, those are the few comments that I wanted to make.

• (1420)

[*English*]

Hon. Erik Nielsen (Yukon): Madam Speaker, we have heard several epithets used to describe the conduct of the minister in his presentation last night, some of which have been slippery, dishonest, fraudulent. I want to liken that conduct to a certain insect in Alice in Wonderland. When Alice was having a conversation with the caterpillar, Alice took objection to the misuse, distortion and abuse of words by the caterpillar in that conversation. She said to the caterpillar, "You cannot use words in that fashion". The caterpillar, like the minister, said, "When I use a word, it means precisely what I choose it to mean, nothing more or less".

That is the kind of verbosity which the minister is bombarding us with in this shabby, tawdry attempt to smuggle in by way of the throne speech debate what in effect is a full-blown mini-budget. He chides the opposition for not being aware of the precedents. He cites May.

An hon. Member: You deserve it.

Mr. Nielsen: I hear a heckler on the other side say we deserve it. If he will withhold his enthusiasm until I cite some of these citations, he may change his tune. If he has ever read May, Madam Speaker, he might even understand the arguments I am about to propose to you. I have turned up May and Beauchesne. I am going to quote from them to perhaps jog the minister's memory, which perhaps is becoming a little senile with the years he has spent in this place.

Some hon. Members: Oh, oh.

Mr. Nielsen: There can be no doubt that when a minister makes a statement outlining the financial situation of the country and accompanies that with a ways and means motion, which he did, for the purpose of raising or adding to additional taxes, this according to all of the authorities constitutes a budget. Traditionally this is preceded by a budget resolution which has the effect of providing for a budget debate, following a reference to committee, providing opportunity for the House to criticize the policy outlined by the minister. The minister has chosen this shallow and tawdry device to avoid that debate.

The House leader for the NDP makes the suggestion that this very serious matter can be resolved by some kind of cosy little chat between House leaders. I say to him on behalf of all members of the House, including his own backbenchers, that the seriousness of this matter goes beyond a cosy little chat among House leaders. It affects the privileges of every single member of this House who wants to participate in a debate and criticize.

Some hon. Members: Hear, hear!

Mr. Nielsen: That is why the hon. member for Nepean-Carleton (Mr. Baker) suggested an airing before the Standing Committee on Privileges and Elections where views can be expressed.

There is another serious matter. The hon. member for Winnipeg North Centre (Mr. Knowles) says he does not expect the members of the opposition to criticize what they put forward last fall in their budget, and so why we should be raising a fuss may not be understood by a good many members in the House. Certainly those opposite do not care whether we understand or not. They intend to proceed like a steamroller in any event. They are up to their same old tricks because they are the same old bunch.

Some of the matters we would like to have debated which point out the seriousness of what this government is trying to do is the $14.2 billion deficit which is projected for 1980-81 as compared with the $10.5 billion projected by the hon. member for St. John's West (Mr. Crosbie) when he was finance minister. We would like to debate the $11.5 billion deficit which the Minister of Finance (Mr. MacEachen) project for 1979-80 which differs from that contained in the budget of our government. We would like to debate his figure of a .5 per cent real growth in 1980 as compared with the 1 per cent predicted by ourselves.

We would like to debate the 8 per cent unemployment figure that is projected by the minister as compared with that projected in our budget. We would like to debate the 10 per cent inflation he projected for 1980 as compared with the 11 per cent projected in our budget. We would like to debate the increases in interest and oil import costs which are being increased by $2 billion more than forecast on December 11 in our budget for 1980-81, and over-all increase of 13½ per cent. We would like to debate the revenue loss because of a decision not to impose the 18-cent excise tax, which means revenues of $2.5 billion less than forecast in our budget. We would like to debate the blended oil price which the government say would reduce the deficit and expenditures by $1 billion as the oil import subsidy is progressively phased out.

We would like to debate his dropping of the common stock investment plan. We would like to debate the changes in the treatment of capital gains and RRSPs. We would like to debate the provision for the transfer of capital gains on farming assets to RRSPs. We would like to debate his statement that also abandons special incentives for the Atlantic region, investment incentives for Atlantic fishing vessels, tax contracts for firms investing in depressed regions. We would like to debate the fact that he provides no major relief for home owners facing renewal of mortgages. Only those actually facing foreclosure will be helped. Those are some of the matters that the conduct of this minister and his government are preventing us from debating.

The hon. member for Winnipeg North Centre sees no difference between what the Minister of Finance is attempting to do now and the occasion which arose, not as he believes in 1957, but rather in 1962. I have gone to the trouble of having the *House of Commons Debates* produced for me for that period. It was when the hon. member for Eglinton, Mr. Fleming, who was then minister of finance, was engaged in something which bears a similarity, a long-range similarity, to what is happening here. The hon. member for Winnipeg North Centre participated in that debate at the time. It begins, for his easy reference, on page 783 of *Hansard* for October 22, 1962.

● (1430)

Mr. Knowles: There was also an incident in December, 1957.

Mr. Nielsen: This, I submit, is the relevant precedent and the hon. member for Winnipeg North Centre certainly had quite a number of things to say in opposition to the procedure which was allegedly being adopted at that time by the minister of finance of the day, Mr. Fleming. But the distinction there is very vivid. The House at that time under the rules then in force was in Committee of the Whole on ways and means. It was already a debate which had engaged seven or eight days of the time of the House with interventions by many members. The chairman at page 795 of the *Hansard* record of those debates at that time said:

Order. I am sorry to interrupt the minister, but this is the point at which we seem to be moving away from the ambit of section (2) of Standing Order 59.

Perhaps I should obtain unanimous consent of the committee before the hon. gentleman carries on. Is it agreed that he should be allowed to be at variance with the rules as to relevancy in section (2) of Standing Order 59?

The record continues:

MR. LEBOE: I think it should apply to all members.

THE CHAIRMAN: Unanimous consent is given on condition that it will apply equally to the leaders of all other parties in the House.

SOME HON. MEMBERS: Agreed.

THE CHAIRMAN: In addition, it is agreed that those other leaders of the House shall be permitted an extension of time, as will the minister, to permit them to complete their remarks on this resolution in a general way.

The present finance minister was also very prominent in that debate. I quote him from page 855, when the rules were quite different but what was being attempted was quite similar. He said at that time as a member sitting in opposition:

I should like to say a word on the point of order you have raised, Mr. Chairman, in awareness of the fact that your point was not raised with respect to relevancy. We decided when this debate began that it would be a general debate equivalent to a budget debate during which a wide range of matters could be brought before the committee. If you had raised a point of order in connection with the relevancy of the remarks of the hon. member, then I think we would have occasion to attempt to define the limits of the consent which we gave on Monday. But I understand that your comments are on an entirely different level, namely, you wish to secure from the committee an expression of opinion as to whether at this time, in view of the international crisis, it was proper or in good taste or in the interests of Canada to discuss a matter which has some sensitivity.

The distinction which emerges from that debate and which distinguishes it and the 1957 precedent, I suggest to the hon. member for Winnipeg North Centre, is that the debate then took place on a debatable ways and means motion. There was unanimous consent given for a general debate and we spent eight or nine days on the resolution; and it affected—another distinction—only the provisions of the Income Tax Act as opposed to what is being attempted here.

The distinction which was pointed out to you, Madam Speaker, with respect to those objections in 1962 is principally that we must remember that the House was able under the rules in force at that time to debate a ways and means motion at great length with no limitations imposed by the rules. On that occasion unanimous consent was given to allow the debate to be a general economic one, and the House was debating only one type of ways and means motion, namely, one to amend the Income Tax Act. But that is not what is being attempted here. The Minister of Finance said in the last paragraph of his notice to the parliamentary press gallery, which I presume was distributed some time yesterday, announcing that there would be a lock-up: "There will be no formal official briefing"—and this is the important phrase—"inasmuch as no new measures will be involved." That, I suggest to the Minister of Finance, is a grossly false statement in view of what was contained in that statement last night, which did involve new measures.

The hon. gentleman wants, in response to my hon. friend for St. John's West, to impress us with this great opportunity which still remains for debate of his statement. He says there is an amendment and that the Leader of the Opposition (Mr. Clark) or anyone else who has spoken may speak again. That amendment is to be disposed of tonight, but in addition to that they are adjourning the throne speech debate and he is gallivanting off to Germany for the week. What kind of opportunity does that afford hon. members to criticize that mini-budget of his delivered last night? I suggest, none.

Through the device of introducing what is what I call a vest-pocket budget during this throne speech debate, the minister, like the Artful Dodger, has artfully evaded the possibility of a structured, organized opposition attack on his budget, which in effect is what it was. He has brought it in by the back door. He has brought in by the back door what he dare not do by the front and has cut off parliamentary debate in the process.

We have come to expect that kind of high-handed action, that abuse of parliamentary privilege by the same old bunch which sits over there once again. He has, in effect, imposed this government's view of the economy on the nation by fraud and by deceit. In so doing he has shown that this government's view of the economy consists of an intellectual vacuum. He has been obliged to borrow, resurrect, reinstate the economic views of his predecessors in borrowing liberally—and I underscore that word—from the budget which he and his party defeated with their collaborators in the NDP simply because they thirsted for power; and it ill behoves us to hear the hon. member for Winnipeg North Centre, speaking on behalf of his members, whining and complaining after participating and collaborating in the action which brought those rascals back to the other side of the House. The minister has shown by his conduct last night that he has learned nothing and forgotten everything.

What he has done is at the very least a breach of order, and at the very worst a breach of privilege; and many guise it is a surreptitious invasion of the right of this House to examine and criticize fiscal expenditures. This is another step in the erosion of parliamentary control, another example of the contempt in which that group holds parliamentarians.

• (1440)

We have had the example of their twinning. They do not need opposition members. They are going to set up a structure of their own which would replace the representative system here in Parliament, so why listen to us? Why have any debates at all on any matter? There was a mere casual announcement of financial policy without even fulfilling the parliamentary requirement of notice, and I draw that to the attention of the minister as being a further distinction between all of the past precedents and what he is attempting to do now.

This is nothing other than a definite imposition of new taxes through a ways and means motion. If these are not budgetary measures, what are they? The minister tries to take refuge in the fact that he is picking up these measures by the device of trying to convince us that they were already tabled in the last Parliament, and that somehow they are still living and breathing ways and means motions. He knows better than that. He knows that with the death of that budget last December the resolutions which were tabled at that time and, indeed, everything else on the order paper died, and died with that Parliament.

One would really expect the minister to have a little more shame, if at all, about venturing to suggest such a proposition. If the imposition of such a wide range of taxes as he announced last night is not a budget, I challenge him to tell me what it is. He would have us believe it is merely a statement of the financial condition of the country. I will have a reference from Beauchesne to refresh his memory in a moment.

If this government is allowed to get away with this trickery—it is now claiming the right to rule by diktat without recourse to Parliament—as I say, why not send us home? I have no doubt that that is what hon. members opposite would like to do. I think that is what the government in Ghana did when the opposition got a little obstreperous; it abolished the opposition. Hon. members opposite would like nothing more than to take that course.

Mr. MacEachen: You did not even face Parliament for four months.

Mr. Nielsen: That minister had 16 years in office.

Miss MacDonald: He was here with C. D. Howe.

Mr. Nielsen: I am reminded by my colleague that he was here with C.D. Howe and, if we want to compare ages in Parliament, he is getting a little long in the tooth. However, he and his government had sixteen years to do something about the economy, and now they are saying to us that we caused all this devastation in two parliamentary months. That is absolute, unadulterated rubbish.

Mr. Chenier: You are excellent in opposition.

Mr. Nielsen: To drag previous motions from previous Parliaments kicking and screaming into this one as an excuse for an invasion of the rights of Parliament would be invidious of any minister, but for a minister who is supposed to know Parliament and who is supposed to be an experienced parliamentarian, it is far too deliberate and too much a flouting of parliamentary rights to be passed over or tolerated. This government has now thrown aside the veil and revealed its absolute and utter disregard of the rights of Parliament and, indeed, of the parliamentary system, which certainly does not come as any news to most of us here.

The minister knows only too well that he cannot avail himself of the proceedings of a previous Parliament to justify his excesses and the excesses of his government in this one. Obviously he is still feeling a sense of guilt over the manner in which he brought his party to power by defeating a budget which would have been good and useful for this country. Now he is trying to have the best of both worlds in the process and is destroying Parliament's right to inquire and to criticize.

If there is any doubt about the nature of the document the minister read last night, I would like to refer him to page 174 of Beauchesne under the general heading of "Ways and Means", and I commend citation 514 to you, Madam Speaker, which reads as follows:

The consideration of the financial statement made by the Minister of Finance is the most important business of Ways and Means.

Indeed, it is one of the most important purposes, if not primarily the most important purpose, of the business of this House.

This statement, familiarly known as "the Budget Speech", is made when the minister has completed his estimate of the probable income and expenditure for the financial year. In it, the Minister of Finance develops his views of the resources of the country, communicates his calculations of probable income and expenditure, and declares whether the burdens upon the people are to be increased or diminished. The economic aspect of this budget is important and taxes are imposed for their economic effects as well as for raising revenue to meet the expenditure for the year.

Then Beauchesne goes on in paragraph 517 and other succeeding paragraphs to describe the procedures normally followed when fulfilling that objective, an objective which the minister fulfilled in very small part last night. There is no way that the statement made by him last night can be considered anything but a budget, meagre as it was, according to all of the precedents. If the minister takes the trouble to read chapter 30—and I commend this to the honourable heckler over there who interjected a moment ago—

An hon. Member: Groucho Marx.

Mr. Nielsen: —of May's nineteenth edition at pages 775 through 783, he will find that there is no way that he can weasel out of the conclusion that his contribution to the throne speech debate last night was a budget.

He asks, "What is more important, Parliament or the people of Canada?" That is very typical of him and that crowd opposite. It is time he found out that the rights of Parliament are the rights of the people, and when the rights of Parliament are abrogated, flouted and trampled upon, the rights of the people are equally abrogated and flouted. Parliament is the people. The people send us here to debate the most important thing, which the minister and his government, by this devious device, are preventing us from debating.

The minister is attempting to take credit for bringing in a budget without undergoing the scrutiny which a budget ordinarily warrants and which is part of our parliamentary tradition. This is in keeping with the philosophy, according to the Auditor General, that Parliament has lost control over the public purse. The minister is determined in his conduct to continue that, and his gesture of defiance and the flouting of Parliament is intended to ensure not only that that control will not be reimposed, but also that whatever vestige of control remains in parliamentarians will be disposed of in this shabby and fraudulent fashion.

Madam Speaker, this motion should carry and, if it does not, indeed we might as well all go home. Because the whole purpose of Parliament will be thwarted, and intentionally so, by a government which has lost none of its arrogance and none of its concept of being in government by divine right forever.

● (1450)

[*Translation*]

Hon. Yvon Pinard (President of the Privy Council): Madam Speaker, the procedure is quite simple. When a government wishes to amend tax provisions or levy taxes, there are not too many ways to go about it. Two rules are applicable: Standing Order 60, which I am sure our adviser called your attention to, and Standing Order 61.

Standing Order 60 has 11 paragraphs, while Standing Order 61 has only one. It is in light of those 12 paragraphs of these Standing Orders that amendments to fiscal acts or new taxes must be considered. That type of computation is reminiscent of the remarks made by the hon. member for Winnipeg North Centre (Mr. Knowles) in 1972 when he used the same figures. He almost apologized for using that kind of arithmetic, but added he wanted to limit the debate on a similar matter. He suggested: Mr. Speaker, you have a finding to make as to whether such a measure can be brought in outside a normal budget debate. The hon. member for Winnipeg North Centre was very much to the point when he submitted: Of course, in making your decision you are bound to interpret two Standing Orders, Standing Orders 60 and 61. Of the 12 paragraphs in those two Standing Orders, 11 in Standing Order 60 and one in Standing Order 61, nine deal with a budget proper, two allow the Minister of Finance to do what he did yesterday evening, and one is general in nature.

Therefore, Madam Speaker, making your decision is simply a matter of reading Standing Orders 60 and 61, and also Beauchesne, fifth edition, pages 174 and 175. Everything is there.

Madam Speaker, Standing Order 60(1) states quite simply, and I quote:

A notice of the ways and means motion may be laid upon the Table of the House at any time—

May I stress "at any time"—

—during a sitting by a minister of the Crown, but such a motion may not be proposed in the same sitting.

The door was open for the Minister of Finance to change tax laws or raise new taxes and that was done through our Standing Order 60(1). It is very simple. From everything that has been said on the subject since this morning it may sound very complicated but the procedure is so simple that it is staring at you in the face.

If we read paragraph 11 of the same Standing Order we realize that it completes the provisions applying to that kind of situation. It reads, and I quote:

The adoption of any ways and means motion shall be an order to bring in a bill or bills based on the provisions of any such motion.

An important fact should also be emphasized, Madam Speaker. When bills based on such motions are introduced they can be debated without any time limit on second reading, in committee or on third reading. The opposition parties have then all the time they need to criticize the government policy as concerns those new taxes or changes to tax laws. So when I hear that the opposition might be muzzled because the Minister of Finance has tabled ways and means motions, I say that it is unfair. According to our Standing Orders, it will be followed by an order of the House, bills will have to be introduced and debated at all stages without time limits, without any constraint on the opposition.

So, Madam Speaker, when we must make a decision in that kind of discussion, if Parliament is to be respected according to the wishes of my friends opposite, it is important to follow our Standing Orders. They authorize the Minister of Finance at any time—it might have been done outside the debate on the Address in Reply to the Speech from the Throne—to introduce ways and means motions at any other time, following which the opposition would not have enjoyed the opportunity to raise the question of privilege on which we heard several of its members and then to make comments on the budget. And he could have introduced his notices of motions at a time that would not have allowed the opposition to comment through its financial critic and through speeches criticizing the minister, if necessary, or congratulating him for his initiatives. So the procedure that was followed is perfectly acceptable. The minister did nothing but conform to Standing Orders 60(1) and 60(11).

I seize this opportunity also to congratulate the hon. member for Winnipeg North Centre because we may owe to his intervention in 1972 the fact that the following principle is stated in Beauchesne's fifth edition, page 174, citation 515. There is no necessity to have a budget presentation before the introduction of ways and means legislation. The reference is to the *Journals* of March 20, 1972, page 202, and in that debate, Madam Speaker, the hon. member for Winnipeg North Centre with whom I agree, said the following:

[*English*]

But I do not think that Standing Order 60 and Standing Order 61 are all that deficient. They make it possible for a change such as is proposed today to be undertaken without a six-day budget debate, but the rules make it pretty clear that it is the intention of Parliament that at least once a year there will be a full dress six day debate on a budget presentation.

[*Translation*]

I agree with what the hon. member for Winnipeg North Centre said in 1972 during a debate in very similar circumstances. The year is far from over, Madam Speaker, and I have every reason to believe that in the course of the year the parties across the way will have the opportunity of taking part in a six-day debate on a budget. But in the meantime there is nothing irregular, illegal, abnormal or unparliamentary with the Minister of Finance giving notice of a ways and means motion allowing him to amend tax laws or levying taxes. The situation being perfectly in order, I fail to see how you could entertain the motion presented by the hon. member for Nepean-Carleton (Mr. Baker) on his question of privilege and

claiming that, in some way, the privileges of hon. members are being eroded.

May I point out, with all due respect, that when the rules of this House are clearly being respected the privileges of hon. members are not being violated even if past practice has not always been the same. How strange that every time standard practices are not strictly adhered to here in the House, everyone becomes excited, it almost becomes a scandal, even when the rules are still being respected. The House can act in many various ways within the framework of our Standing Orders. But it seems there are some who cling so much to tradition that they would have the House react, in absolutely every thing, in exactly the same way, to the Standing Orders of the House.

Madam Speaker, I do not agree with that way of thinking. I see no reason for it and when our rules give us sufficient leeway—of course, that supposes some broadmindedness, there I agree with the hon. member for Nepean-Carleton—when our rules allow us to act according to them, even if it is not exactly the same way as in the past. Provided we respect the Standing Orders of the House and act in parliamentary fashion, I say there is no reason to dramatize the situation, or to drag out the debates unduly or to rise on questions of privilege which are unfounded.

So, in conclusion, Madam Speaker, to solve the matter once and for all, I would respectfully submit that we are only dealing here with the integral application of Standing Orders 60(1) and 60(11) as explained clearly and specifically in Beauchesne's citations found on pages 174 and 175 of the fifth edition.

Madam Speaker: I would like to point out that indeed all comments by hon. members are useful for me to rule on the question of privilege raised by the hon. member for Nepean-Carleton (Mr. Baker). I will surely hear the two members who have already asked to speak, but I would urge them to limit themselves to new arguments, as should any other member wishing to rise after them.

[*English*]

Mr. Arnold Malone (Crowfoot): Madam Speaker, I want to share with you my best wishes on this very momentous day when the decision you make will reflect significantly on the direction of our Parliament, and I want to extend my best wishes on what I feel is an extremely important question that faces you.

What I sense we have before us today is, in its simplest form, the question of whether or not last night's performance was or was not, however we define it, in fact a budget. The Minister of Finance (Mr. MacEachen) has suggested today that it was clear that last night his speech was not a budget speech. I submit that if that were the case, then that should be clear to this Parliament, which obviously it is not, and it should be clear to outside observers, which obviously it is not. They are referring to this as a mini-budget or an economic statement, and they are giving to it a diversity of descriptions, which certainly means that it is not clear to them what it is.

• (1500)

I would like to make a couple of points, one of which certainly has not been made up to this point. When the Minister of Finance submits that he brought this matter up during the throne speech debate so that we would have the opportunity to reflect upon it, in fact the minister is attempting to direct the throne speech debate, because members set aside what they came to this Parliament to speak about in what has been an assured period of totally free time for all members. It is an interjection therein which diverts members away from their free will. There is a very serious obligation on the part of any who are finance critics or associated with finance to cut down out of necessity the throne speech debate in order to give consideration to another matter placed before Parliament. Thus it would be irresponsible of opposition members not to comment thereon.

Keeping that in mind, and if we accept the explanation of the Minister of Finance, in effect the introduction of such a motion as the one last evening could totally do away with the concept of a throne speech debate, where members have the freedom to bring up constituency and regional issues. If I were able to catch Madam Speaker's eye during a throne speech debate, I would feel almost compelled to bring to the attention of Parliament the kind of antics which have taken place lately that bring about a tremendous alienation of the region of Canada from where I come. To somehow feel a diversion would be a great insult to my opportunity to be able to speak freely on some subject.

I should like to turn to another subject area which I think is specific and important to the question which relates to what happened last night. When Madam Speaker takes a look at the motion, I would ask that she consider the importance which has been traditionally attached to what we call the security or secrecy of budgets. That tradition is long and well-defined.

In Great Britain ministers of finance have resigned because of alleged budget leaks and leaks established by Parliament. In this Parliament some five or six years ago, the House will recall the review of statements made by the hon. member for Kenora-Rainy River (Mr. Reid). For much of that very hot July of that summer, members on both sides of the House sat to see whether there was a leak of security by knowledge which the hon. member for Kenora-Rainy River may have had or by statements he may have made. Certainly to the gratification of Parliament and I am sure to the relief of the hon. member, it was found that there was no substantive evidence to show that there had been a leak. What I am attempting to put before Madam Speaker is the importance of the view which has existed over the long 700 years of tradition of Parliament, the view that there is nothing more important in terms of secrecy than the budget.

Last night there were lockups and handouts of the statement made, there were amendments to the Income Tax Act and the Customs Act, and new taxes were to take effect at midnight.

Let us put before the House the possibility that there were some leaks of that information. Then a very interesting question must be asked: Can a member or a minister be excused from his obligation now simply because he titled what he did last night as something different from a budget? I think it is a matter of extreme concern to Parliament if all one needs to do is somehow make reference to what happened last night by some other name. Then to relieve the minister of the obligation which goes with budgets would in itself be a very serious matter.

Probably recognizing the seriousness of what would happen if there was a leak, the minister took the opposite view. He called for a lockup and the kind of security that was always associated with a budget. Because he called for that nature of security, then surely what the minister was saying in his mind was that in fact this statement has the overtones of a budget. It called for the raising of money through new taxes and changes to the Customs Act, and referred to the new taxes which would be coming into effect as of midnight. If the minister did not see it in the context of a budget, then none of the security measures would have been necessary or implied. It seems to me the measures he took were traditional to a budget. In handing the speech out after eight o'clock, in effect the minister himself has said that this is budget like. All he did that was different was to label it with a different name.

I submit that at this point we are at a most interesting crossroads in Parliament. It is not just the question before us, it is the question as to how members of Parliament feel about Parliament, whether or not we in the opposition think there is a chance and an opportunity for a fair shake in representing out constituents and speaking about important issues and matters. We await with great curiosity Madam Speaker's deliberations because I feel, as one member, that this is an extremely important decision.

Government members should not seek any co-operation from us. If they live by the letter of the law but cannot live with the spirit of Parliament, even if there was a precedent in the past, when they know full well that there is a spirit and an esprit de corps among parliamentarians which says that we co-operate and allow each other to speak and to reflect upon important issues, then surely the Minister of Finance would not want to stand in his place and say that what he did last night was not important. If he stood and said that it is important, then surely he should not in the same breath say: "But in spite of the importance of what I say, no one else can reflect upon it".

With that long tradition of security and secrecy of budgets, in view of the kind of measure which the Minister of Finance took, I want to conclude by saying that by his very actions he is saying that what he did last night was budget-like in its nature. Therefore, the treatment by Parliament of that particular act last night should be budget-like.

Some hon. Members: Hear, hear!

Mr. J. P. Nowlan (Annapolis Valley-Hants): Madam Speaker, I will be relatively brief because I do not intend to review the authorities which have been reviewed nor to draw the very relevant parallel of the hon. member for St. John's West (Mr. Crosbie) and other speakers who have spoken between what was done last night and what ordinarily is done on budget night.

I am rising because this matter is something which I think is most relevant. In effect, Madam Speaker is cutting her procedural eye teeth on a debate—and frankly the hon. member for Crowfoot (Mr. Malone) touched upon this in his remarks—which does not just involve the frontbenches of the government or the opposition. Fundamentally it goes to where the backbencher on either side sits and as to whether he will participate in the debates and/or the procedures of the House of Commons in trying to represent the views of his people. To me it is that fundamental.

Perhaps I would agree in part with some of the rhetoric of the hon. Minister of Finance (Mr. MacEachen) and the hon. member for Winnipeg North Centre (Mr. Knowles). I think Madam Speaker as the commoner of commoners, taking office for the first time, has a distinct duty in the interpretation of the point under dispute, whether it involves the finite rule of Standing Order 60 or making the rules of this House much more relevant than they have been heretofore.

● (1510)

You, Madam Speaker, and I have sat in this chamber and heard speakers talk about how we are the captives of archaic rules. Precedents have been cited here today by all speakers. Whether my Machiavellian friend, the Deputy Prime Minister and Minister of Finance, is Minnie Mouse or Minnie MacEachen Mouse does not matter because, whether you call him "mini-minister" or "mini-budget minister", or any other name, were he sitting on this side he would know that the first four pages of his statement last night was a budget, a budget by any other name. You cannot make those tax changes in any way other than in a budget.

I am not going to review them all. There is not a person who was watching this debate over television—and this is my point—who did not consider it to be a budget speech. I do not want to trespass too far, but I am just wondering whether in the Chair's mind, with something called judicial notice, a legal phrase we sometimes use when we are doing professional work outside as lawyers before we come here to try to write laws, that was not also the case. There is not one common, reasonable person who watched the Deputy Prime Minister and Minister of Finance last night who did not think when they heard the first four pages of this speech, with changes in the Registered Retirement Savings Plan, the common stock plan and the elimination of capital gains, let alone all the other tax additions, that they were not listening to a budget speech.

This is part of the dilemma, Madam Speaker. Regardless of the finite rule in Standing Order 60, this Parliament with these television lights and the cameras has something much more impressive than the precedents in respect of Standing Order 62, 72, 77 or even 79. Frankly they can all be distinguished, as has been done here today.

The one that worried me the most and which had some historic flavour, because it was in 1962 when the then member for Eglinton, and others who were around here and to one of whom I was vicariously related, was that one relating to the minister who did then, obviously with a little more purity, what this minister of finance did last night. I thought the Deputy Prime Minister and Minister of Finance was going to refer to that a little more strongly, but there was in that case provision for an eight-day debate on a ways and means motion.

This dispute affects all members, not just frontbenchers. I was not too worried, quite frankly, about whether I spoke on the throne speech debate or the budget debate. Quite frankly, with this back door budget smuggled in by the minister last night, in effect we will not have a budget message presented by him with an opportunity for backbenchers to participate in respect of budgetary matters perhaps until next fall. The pressure is now on my whip to try to fit us in in order to take part in a joint Address in Reply to the Speech from the Throne and budget debate. I do not care what the rule says.

I am afraid the minister unfortunately did not spend enough time in opposition to appreciate that members of the opposition, especially the backbenchers but on the government side too, have very few opportunities to participate. Hon. members including the hon. member for Winnipeg North Centre, who is known for supporting certain issues and not necessarily for making great constituency speeches, paid credit to the fact that there are limitations on backbenchers' opportunities to participate and talk about constituency matters.

It makes it even more reprehensible that the minister at this time smuggles in this back door budget into the Speech from the Throne debate at a time when members, certainly members on the government side, are preoccupied with a fundamentally large question that is to be voted on May 20. We are now going to muddy the debate on the Speech from the Throne with a budget debate when in effect one of the more important questions in the country, which will be voted on in Quebec, has certainly very much taken the attention of members here. We have members standing up and talking about momentous issues, such as sovereignty-association, to say nothing of the usual constituency speeches from new members who are entitled and should have the opportunity to speak for their constituents as brand new members, not talking about budgetary measures.

The hon. member for Yukon (Mr. Nielsen) earlier recited a list of matters in respect of which we are not going to have the opportunity to debate. I would take the matter a little further, Madam Speaker. Those on the other side when they sat over here last December 13 did not have a chance to take part in a debate but had the opportunity to vote during a division. Obviously I did not like the result of that division.

There were things smuggled in last night by the minister who has cloaked himself in royal robes. It was the Queen's birthday just a couple of days ago, and this minister in his solitude status has, in effect, infringed upon the purity of the Queen by, in effect, smuggling a budget speech in under her robes.

Some hon. Members: Shame.

Mr. Nowlan: I know he likes to wear kilts, but I did not realize his affinity for the kilt, or the quilt, would let him smuggle in a budget speech under the Queen's robes. But that is what he has done, Madam Speaker.

In a sense, I go further than the hon. member for Yukon. I am almost finished, Madam Speaker. I am trying to impress that it is not the frontbenches on either side who are the only ones involved. There are backbenchers opposite who I am sure wanted to speak today on the referendum in Quebec. They have been precluded from that opportunity by this discussion on a legitimate point of order, regardless of how Your Honour finds.

There are members here who I am sure wanted to make speeches about their own constituencies but cannot. Even if they could they might have been pre-empted because they would have had to reply to this pseudo-budget speech.

This is what has gone on here, Madam Speaker. It is more than just debate. The other side had a chance to vote on division. I would like to see members opposite vote on some of the proposals in this piece of paper. I would like to see members from Atlantic Canada vote in respect of the removal of no special tax contracts for Atlantic Canada. I would like to see any member of any constituency have the guts to face a division on the exclusion of capital gains assistance, in other words, the retirement plans of the farmers in this land who built this country. That is another thing that has happened, Madam Speaker. There is not an opportunity for members to stand up and put their votes where in effect some of the rhetoric is during a budgetary division.

In conclusion, I think this matter comes around full circle. The member for Yukon said there was a little Alice in Wonderland here. I think you were here last night, Madam Speaker. If there was an Alice in Wonderland here—and as the hon. member for Winnipeg North Centre said, this was not Parliament's finest hour—Alice in Wonderland would have been boggled when she listened for three-quarters of an hour to the division bells ringing across the country, with members of Parliament hard at work going to take a meaty division. What was the result? It was 148 to one.

If that is not a reflection of how archaic some of our rules and/or some of our practices are, I do not know what is. With the penetrating eye of television, that sort of action will dissect this place unless we change some of the rules, not just to suit television but to make this a more reasonable place.

What does the resolution of my House leader ask? Does it ask for something extreme, does it castigate the Deputy Prime Minister and Minister of Finance, or does it include some of the things we could call him, besides Minnie Mouse or anything else you want to call him? I am not going to get involved in appellations. All the motion says is that there is a prima facie case here. I suggest and submit in all sincerity that we have taken all this time to try to impress upon Your Honour that there is such a prima facie case. That is all we have to

establish. We do not have to establish the fact beyond a reasonable doubt.

There is room for argument in respect of this debate. There is an area of grey here. All the motion says is that the matter of the erosion of the right of the House to approve the general budgetary policy of the government, particularly in view of the procedure followed by the minister in his presentation to the House on Monday, April 21, during the debate on the Address in Reply to the Speech from the Throne, be referred to the Standing Committee on Privileges and Elections.

You know as well as I, Madam Speaker, that the whole foundation of this institution in terms of the Mother of Parliaments is the power of the purse. We also know from every auditor general's report for the last 25 years, and certainly since the Second World War, that no matter who has been in the opposition benches, we have slowly, and sometimes too fast, lost control of the purse.

I submit, in conclusion, that unless this matter can be referred to the committee for proper redefinition as a minimum, then this institution is going to lose even more respect than it has to date. I think this institution should be advancing in terms of modern technology; but when we have modern technology with archaic rules and questionable procedures, I do not think it will advance.

I can understand the minister trying to get some paper before us. Madam Speaker, if the first four pages of the statement had not been read to the House—those implementing tax changes—and if from the middle of page 4, where he started talking about the fiscal position for 1979-80 and 1980-81, to page 12 had been his speech, that, Madam Speaker, would have been the speech that you and I and other members of the House had heard previous ministers of finance give in this House—a general survey of economic conditions, a general survey of the revenue position of the government and a general survey of what the government needs in terms of taxes, but not tax changes. Statements in the House, Madam Speaker, are not tax changes. When you get tax changes you have a budget, and then members on all sides have an opportunity to debate that budget.

● (1520)

Some hon. Members: Hear, hear!

Mr. Lorne Nystrom (Yorkton-Melville): Madam Speaker, one wonders what has been going on here today. We have heard all the rhetoric about mouseland. Sometimes I think this is mouseland. We have heard about Alice in Wonderland, we have heard the government House leader compared to a rascal, to a caterpillar and to a cod liver.

An hon. Member: Cod tongue.

Mr. Nystrom: Sometimes we might wonder what is happening to the institution of Parliament.

I just want to say one or two things, Madam Speaker. First of all, to repeat the point made by the House leader of our party, this is not so much a question of procedural argument as a question of whether it was good political judgment or good leadership by the Minister of Finance (Mr. MacEachen). I maintain that it was not good leadership and it was not good political judgment by the Minister of Finance. That surprises me, because he is the wise old fox of Parliament. He is the architect of the Liberal party, the so-called architect of the downfall of the hon. member who is now Leader of the Official Opposition (Mr. Clark). It surprises me that the minister would make the kind of insensitive blunder that he did in a moral sense in terms of slighting Parliament.

Now, Madam Speaker, I want to mention a couple of things that are very important. First of all, it is obvious that a number of us on this side of the House feel slighted. We were planning the throne speech debate and a number of members wanted to participate in it, to speak about their own region or constituency or province. All of a sudden we have a budget measure, or something that most of us think is a budget statement, that is going to take the place of a regular budget debate a few weeks ahead. Some of our members were planning to speak at that time and others wanted to participate in the debate before the House today. I say that is very important.

The last few words in the throne speech were to the effect that members of Parliament are equals, that we should reflect each part of the country, and so on. If we are to do that, we should be equals in this place; we should all be treated as equals. This should be where the decision-making process takes place. We should all be consulted and we should be apprised of what is to go on. I do not think we were in this case. I maintain it is a question of fair play between the government and the opposition.

If the government wants to be productive, it must never forget that opposition parties are important and that they can be more productive if they know the opposition parties will co-operate. The way to get opposition parties to co-operate, of course, is to get them involved, to fully consult them and make them a legitimate part of the process with a legitimate amount of input into government policy, not to bend the rules of this place in any way.

It seems to me, Madam Speaker, that this is an adult institution. We should be "up front" with everybody and should level with everybody. Much of what this debate is about is the relationship between the various political parties. That relationship must, I think, be one that is co-operative and open.

I can tell you, Madam Speaker, that the House leader of our party did not understand from the Minister of Finance that the statement he was to make would include all the tax changes and the regular budgetary changes that he announced. We operate according to the information given by our House leader. I think that if the Minister of Finance were more open and more sensitive to the opposition—after all, we on this side of the House represent more than 50 per cent of the Canadian people—he would have handled this in a totally different way.

I just make that appeal, Madam Speaker. We have four years to go—maybe three or maybe five. I think we can have a

very co-operative and productive Parliament, but that will depend on the leadership given by the Prime Minister (Mr. Trudeau), the government House leader and people as "heavy" as the Minister of Finance. If they provide us with open, frank and honest leadership, use good judgment in giving decent leadership in this House, and are sensitive to all parties, then this can be a productive place. If that were the case, we would not be engaged in this debate today and wasting three or four hours in this procedural debate. We would not have had the kind of crazy vote we had last night if there had been that type of "up front" attitude on the part of the Minister of Finance.

I make the appeal to him that in the future he be more sensitive to the wishes of the opposition parties in this House.

Some hon. Members: Hear, hear!

Madam Speaker: Order, please. At the end of this debate I want to assure hon. members that I have listened very carefully to all the arguments that have been brought forward on both sides of the House, and notably to those offered by the hon. member for Nepean-Carleton (Mr. Baker). He said that he feels very strongly that there has been an invasion of the rights of Parliament and that the Minister of Finance (Mr. MacEachen) should have followed the procedure for a budget rather than act in the way he did.

I note that the hon. member recognized that there are some precedents for tabling ways and means motions at the time when the hon. minister has. He has even quoted Beauchesne in saying that there is no necessity to have a budget presentation before a ways and means motion. He went on to tell the House that there were changes in the rules and that he did not feel we could any longer interpret it in that sense. I think his main conclusion was that the sequence of events suggests that the Minister of Finance indeed presented something that might be called a budget and that the rights of the members and of the public have been abrogated by the process.

The Minister of Finance has, of course, argued the point very eloquently. I feel that most of his argument is based on what he feels is the definition of a budget. He quoted authors like Erskine May and Beauchesne, authors with whom I have spent a lot of time in the last several weeks, but I did not know that I could learn something about parliamentary procedure from the Oxford dictionary! I shall look that up too.

An hon. Member: That's where he gets his!

Madam Speaker: The arguments of the Minister of Finance are mostly based on Standing Order 60(1) which other hon. members have also invoked in this House. He felt he was entitled to table this ways and means motion and that in fact he was only reviving motions that already existed.

The hon. member for Winnipeg North Centre (Mr. Knowles) has once again offered his enlightening remarks to this House. I appreciate them but he bases his argumentation on grounds other than procedural in order to disagree with the Minister of Finance on the kind of procedure that he used.

I just want to point out at this time that the Chair knew nothing of any prior arrangements made between members of the House about who was to speak and when. Therefore, the Chair has to assume that there was no arrangement. It would be helpful if arrangements of this nature which occur between the parties were conveyed to the Chair.

Some hon. Members: Hear, hear!

Madam Speaker: I have listened to all the arguments but have summarized only some of them to indicate to the House that I feel the matter is a very, very complicated one, even for someone experienced in the function that I have assumed. No one in this House would have any trouble recognizing that I am indeed very inexperienced in this new function. Therefore, since I do want to give it all of the thought that is required by the seriousness of the matter and the seriousness of the arguments which were brought by all members in the House, I will take the matter under advisement.

● (1530)

MR. AXWORTHY—STATEMENT ON INTEREST IN WINNIPEG HOTEL

Hon. Lloyd Axworthy (Minister of Employment and Immigration): Madam Speaker, I rise on a question of privilege touching on my position as a member of this House. I realize that members of this House have just gone through a very extensive discussion on a question of privilege so I beg their indulgence to hear me out on a case which I think is of some importance.

It relates to my interest in a Winnipeg hotel. The matter of this interest has been raised in question period both on April 16 and again yesterday in connection with a permit I issued Mr. Timothy Leary to enter the country. I repeat now, as I did on the two previous occasions, that the action to allow Mr. Leary to enter the country did not represent in any way a conflict of interest in the application of my ministerial duties.

As I stated in the House yesterday in respect to a question by the hon. member for Winnipeg-Assiniboine (Mr. McKenzie), my interest in the Royal Albert Arms Hotel in Winnipeg has been placed in a blind trust. This measure was the consequence of instructions I gave to my solicitor in Winnipeg following my appointment as a minister.

The hotel in question had been established as a partnership with two categories of partners; a managing partner and several limited partners. I subscribed as a limited partner. In that category I never participated in the day to day management of the hotel. Indeed, under the partnership act of Manitoba, I could not have done so if I were to remain as a limited partner.

This past weekend, in the course of handling this transfer to a trust, my solicitor discovered that the hotel had participated in a federally-sponsored program designed to provide on-the-job training for handicapped workers. This program was entered into by the managing partner of this hotel last fall when I was a member of Parliament. This program has now terminated.

Upon learning of this fact, I felt it important to ascertain the full facts and present them to this House at the earliest opportunity so there would be absolutely no misunderstanding.

I am advised by the managing partner and the departmental officials that the facts surrounding these arrangements are as follows.

In September, 1979, a local officer of the Canada Employment and Immigration Commission approached the hotel with the request that the hotel accept the placement for on-the-job training of a handicapped worker under the special needs component of the Canada Manpower industrial training program. The hotel was approached by the employment officials because of its previous history in providing employment opportunities for handicapped workers, and because one of the managing partners had trained experience as a social worker in dealing with handicapped people.

In November, following a request by a teacher at the Prince Charles school for the mentally handicapped, two additional handicapped workers were given on-the-job training in the hotel. In return for providing training and supervision to these handicapped individuals, the hotel received from the government 85 per cent of a participant's remuneration. There was no additional subsidy or grant. The agreements were all signed during the period of the previous administration and were approved and monitored by both federal and provincial officers. These agreements were handled in a routine manner by the managing partners without reference to me as a limited partner. Thus I had no knowledge of these transactions until this past weekend.

Further, let me state, Madam Speaker, that at no time have I received any form of dividend, interest, payment benefit or return from my investment as a limited partner in the hotel.

I am convinced that, as these facts demonstrate, my interest in a hotel, now in a blind trust, did not in any way constitute a breach of my obligation as a member of this House. But I want to assure all hon. members of my willingness to bare the record and to conceal nothing about these transactions.

If hon. members require more details of these matters, I will be happy to have the issue referred to a committee so I may have the issue determined by the high court of Parliament.

If you rule that I have raised a prima facie question of privilege, Madam Speaker, I am prepared to move that the matter be referred to the Standing Committee on Privileges and Elections for examination and report, if it is the wish of the House so to do.

Right Hon. Joe Clark (Leader of the Opposition): Madam Speaker, this is, of course, a matter of the utmost seriousness and a matter of deep concern to the House, and I am sure difficult for the minister involved.

I have just received and had delivered to me a copy of the statement that he intended to make. I must say, and I say this with no undue criticism, that it would have been helpful to us to have received notice of the nature of the minister's statement on the question of privilege a little earlier than we did.

The matter is important because it applies to the standards that attach to the conduct of a minister of the Crown. I presume the Prime Minister (Mr. Trudeau) knew this matter was to be raised today. The minister nods to indicate that the Prime Minister did. I am consequently a little surprised that the Prime Minister is not here in the House at this time, since the conduct in question does speak to the Prime Minister's own severity of standards in terms of what he asks and what he expects of people who serve in his ministry.

The Prime Minister indicated in this House in answer to questions from the hon. member for Saskatoon West (Mr. Hnatyshyn) that he was reviewing conflict of interest guidelines that were to be established for the new ministry, that the conflict of interest guidelines to be followed by the Liberal government were to be different in fundamental ways, and I judge from reading the record that they were to be weaker than those which applied to the government of which I had the honour to lead. He said he hoped to have those tabled in the House of Commons within a fortnight.

I believe that it is urgent that those matters be put upon the House of Commons' Table as quickly as possible since there is prima facie evidence in the statements by the Minister of Employment and Immigration (Mr. Axworthy) that these standards raised by the Prime Minister do not appear to have been as searching as they should have been in the case of this particular minister.

The Prime Minister said, in answer to my colleague, that he would rely upon the word of individual ministers when he was interviewing them regarding their capacity to serve in cabinet. The statement by the Minister of Employment and Immigration, as I read it, indicates that this information to which he now draws the attention of the House came to his personal attention after he had been interviewed by the Prime Minister and after he had been sworn into the cabinet.

That may well be a matter which members of the House of Commons would want to have further elaborated in committee or elsewhere, and particularly there might well be some interest on the part of members of the House of Commons in knowing the degree to which there was scrutiny, either by the Prime Minister or the minister himself, of all of the implications of arrangements in a partnership which already, in six weeks in the ministry, has been raised twice now as a matter of public debate concerning the propriety and actions and involvements by this particular minister.

Unhappily, Madam Speaker, we have too many instances of ministers even sitting in this House now, whose conduct has been found inconsistent, at least for a period of time, with their maintaining their position as ministers of the Crown. There have been instances with regard to the present Secretary of State (Mr. Fox), the present Minister of Indian Affairs and Northern Development (Mr. Munro), the present Postmaster General and Minister of Consumer and Corporate Affairs (Mr. Ouellet), and the former minister of public works, the hon. Mr. Drury.

I raise these matters not to review history but simply to draw the attention of the House and of the minister, who is

new to his responsibilities, to the practice that followed those cases. In each of those cases, when a question arose as to the propriety of the conduct of a minister of the Crown, the minister involved offered his resignation to the Prime Minister, and in each of those cases that resignation was accepted.

There has been an indication by the minister that he would be prepared to have the matter considered by a standing committee of the House of Commons. I think that that should be done. I believe that a matter of this kind, which obviously raises questions about the capacity of a minister of the Crown to carry on his responsibilities effectively and free of conflict, is a matter of the utmost seriousness and deserves consideration by a standing committee.

● (1540)

I say with some sadness and considerable seriousness that the minister should also recognize that so long as there is a question in the minds of the House of Commons and the people of Canada about the degree to which he was operating free of conflict, then it is incumbent upon him to follow the steps of certain of his colleagues in the present government and offer his resignation for at least the period embraced by the inquiry by a standing committee of this House.

I say this because it is obviously of some importance to the minister himself. If it were not important, he would not have raised the matter as a question of privilege in the House of Commons. I say simply that if it is a matter of sufficient importance to the minister that he would raise it as a question of privilege in the House of Commons, then it follows that it is a matter of sufficient importance that he should follow consistently the attitudes of some of his new colleagues in cabinet and step aside from ministerial responsibility for the period, which we hope will be limited and brief, of an inquiry by a standing committee of the House of Commons.

My recollection of the statements that were made by certain of his colleagues when they were in similar situations and faced conflicts between their private activities and their public responsibilities is that at least one of them and perhaps several indicated there would be the kind of questioning arise until the matter was resolved, that there would be the kind of worry and preoccupation involved that would be inconsistent with the effective carrying out of ministerial responsibilities. I think that that same argument exists in the case of the minister here involved.

I suggest this would be the honourable and the proper course for the minister, since he has raised this question which is obviously of deep concern to him, this question of a potential conflict of interest, a conflict not simply between himself and the government generally but between himself and the department of which he is minister. Because as I understand the statement, it was his department which was involved in the relations with the hotel in which he had a profitable interest. If it is important enough to have the matter raised as a question of privilege, then the course of honour for the minister would be to stand aside from the ministry for at least the period of investigation by the standing committee of this House.

I urge the minister to follow through with his offer and move a reference to the standing committee. I suggest to him also that he offer his resignation to the Prime Minister, which I hope the Prime Minister will accept for at least the period of the inquiry to which he has referred.

Hon. Stanley Knowles (Winnipeg North Centre): Madam Speaker, it is not my purpose to pass judgment on the minister or on others who have raised this issue in the House. However, it seems that the request of the Minister of Employment and Immigration (Mr. Axworthy), if I may call it a request, is one to which we ought to agree. I think it is incumbent upon the House to have this matter cleared up. We do not seem to be getting it cleared up by questions and answers on the floor of the House of Commons. I believe it would be a good idea for the matter to be referred to the Standing Committee on Privileges and Elections.

Your Honour may feel that you would like to reserve judgment on it to decide whether or not there is a prima facie case of privilege, but now with a spokesman from each of the three parties in the House saying we would be satisfied, perhaps it could be resolved right now.

I may say, Madam Speaker, that if you do find that the minister has a case or privilege and if the motion is put, I do not think debate on it is necessary. The important thing to happen is for it to go to a committee to be examined thoroughly.

Hon. Yvon Pinard (President of the Privy Council): Madam Speaker, may I direct your attention to a similar question of privilege that was raised on May 14, 1970, by the hon. member for Yukon (Mr. Nielsen), who had made an application to purchase land over which the then minister of Indian affairs and northern development had jurisdiction. At that time he sought consent on a motion to refer the matter to the Standing Committee on Privileges and Elections.

After the Speaker ruled there was a prima facie case of privilege, the House gave unanimous consent to refer the matter to that committee. After hearing the Leader of the Opposition (Mr. Clark) and the hon. member for Winnipeg North Centre (Mr. Knowles), and after the generous offer made by the minister, there would obviously be no objection on this side of the House, if you should find there is a prima facie case of privilege, to referring the matter to the Standing Committee on Privileges and Elections.

Hon. Erik Nielsen (Yukon): Madam Speaker, I would not have risen to participate in this discussion if it were not for the reference just made to me in the context that this discussion has taken place. I want hon. members to know that the reference to which the House leader just referred had nothing to do with conflict of interest. That case had to do with the provision in a government drafted agreement for sale which prohibited any member of Parliament from purchasing a piece of Crown-owned land. It had nothing to do with conflict.

It was decided by the standing committee that members of Parliament had the same right to purchase Crown-owned land

as any other person. I want to make that clear because the matter was raised in the context of this discussion. The two matters are not similar at all.

[*Translation*]

Madam Speaker: The President of the Privy Council agrees and this is what I concluded from his comments and from those I heard on the other side of the House. If he wishes to introduce a motion with the unanimous consent of the House, I would receive it now. Otherwise, I will take the whole matter under advisement and decide later whether or not there is a basis for a question of privilege.

Mr. Pinard: Madam Speaker, if you would allow me, I could ask the minister who has raised the question of privilege to present a motion referring the case to the Standing Committee on Privileges and Elections. And, of course, there is no question of a short-term resignation as suggested by the Leader of the Official Opposition (Mr. Clark). It is only a matter of referring the case to the Standing Committee on Privileges and Elections for consideration. If you have no objection, the motion could be moved by the minister who raised the question of privilege and I presume that my colleagues will have nothing against that.

[*English*]

Mr. Axworthy: Madam Speaker, before moving the motion, I should perhaps make a clarification of the statement made by the hon. member for Yukon (Mr. Nielsen) and the Leader of the Opposition (Mr. Clark). The events to which I allude took place prior to the time I was a minister. It is not a question of conflict of interest, but a question of standing in the House, which is comparable to the position which the hon. member for Yukon was in previously.

This is a matter which took place prior to my having been sworn in as a minister. It was terminated prior to that time. Therefore it is not a question of conflict of interest, it is a question of standing in the House comparable to the precedent cited by the President of the Privy Council (Mr. Pinard). As a result, that is why I am referring the matter to the standing committee.

I would therefore move, seconded by the President of the Privy Council:

That the subject matter of my question of privilege be referred to the Standing Committee on Privileges and Elections.

Madam Speaker: Is there unanimous consent for the minister to move his motion?

Hon. Walter Baker (Nepean-Carleton): Madam Speaker, I am by no means rising to suggest that the course the minister has indicted is an inappropriate course. I am a bit worried about the words "subject matter" as they appear in the motion. We will want to make sure the motion is reasonably precise so that it can be dealt with.

I had experience with this some time ago. There was a meeting of the House leaders of the parties whereby we may get some precision in the language so that it indicates what the House really has to deal with. There seems to be some imprecision. I know it is not intended, but I am sure the minister would want the matter cleared up. It is in that sense that I rise.

I wonder, Madam Speaker, if you would consider a meeting of some kind so that we may just review the words to ensure that what is indicated by members of the House of Commons in fact happens as a result of the wording of the motion. That is my only reason for rising. If you think it improper that I should rise on this occasion, I will have to go along with what is being presented to the House; but I wonder if we could just defer that matter until we have a chance to talk about it.

● (1550)

Mr. Axworthy: If I may speak to that point, Madam Speaker, I should like to say to the House leader for the opposition that the wording was drafted exactly from wording used in a previous motion in this House in 1968, so the precedent is there. We have checked it out carefully and it is wording which was applied in 1968 in a similar matter.

Motion agreed to.

* * *

[*Translation*]

BUSINESS OF THE HOUSE

Mr. Pinard: Madam Speaker, concerning the business of the House, I simply want to advise hon. members on both sides of the House that, following the vote tonight on the NPD amendment introduced by the hon. member for Kootenay West, the throne speech debate will be interrupted to be continued at a later date during this session.

[*English*]

Mr. Baker (Nepean-Carleton): Madam Speaker, it might be appropriate at this time if the government House leader could detail for us the order of business which will be followed. We have had some discussions on this.

[*Translation*]

Mr. Pinard: Madam Speaker, I should like to repeat publicly what I said privately to my hon. colleague, namely that tomorrow afternoon we shall deal with Bill C-2. Other bills are to be introduced today, including one concerning small business loans, which we should like to consider, once Bill C-2 has been dealt with. There is another bill which must be urgently considered. It is because this legislation could not be introduced before the throne speech debate had ended that we have decided to interrupt it temporarily. It will be introduced tomorrow by the Minister of Employment and Immigration. It relates to the employment tax credit, and we shall deal with it the day after tomorrow, as soon as we have completed consideration of Bill C-2 and/or the small business loans legislation.

Therefore, the three bills which I feel are most urgent are those which I have just mentioned for this week, and next week if it is possible we shall look into the banking legislation.

[*English*]

Mr. Knowles: Madam Speaker, I should just like to be sure with respect to the order of the first three bills. The order as the minister has just given varies slightly, according to my notes, from what we were told at a meeting a day or two ago. We were told then that the first item would be the bill on immigration, that the second would be the bill with respect to the employment tax credit and that the third would have to do with small business. I take it the minister has altered that order slightly. It is now first, immigration, second, small business, and third, employment tax credit.

Mr. Pinard: It is correct that I have just said that. The reason is that the bill concerning the employment tax credit cannot be introduced in the House before this debate is interrupted. Consequently it will be introduced tomorrow for first reading. I would need unanimous consent to proceed with the second reading of that bill tomorrow if we have finished dealing with Bill C-2. So what I told the hon. member still stands. If possible, it will be Bill C-2, the employment tax credit, and then the small business loans bill. But it may happen that we have to deal with small business loans if tomorrow, by any chance, we have finished with Bill C-2. If the hon. member wishes a further explanation, I am available.

Mr. Knowles: The more things change, the more they are the same!

* * *

MAIN ESTIMATES, 1979-80

TABLING OF REPORT RESPECTING MAIN AND SUPPLEMENTARY ESTIMATES (A) AND (B)

Hon. Donald J. Johnston (President of the Treasury Board): By leave I should like to table a report to the House of Commons covering the 1979-80 main estimates, supplementary estimates (A) and (B) and further supplementary estimates in order to complete the fiscal year 1979-80. This report shows how each of the items to be voted in these estimates were financed by appropriation acts, Treasury Board contingencies vote and special Governor General's warrant. Since some items were paid under the authority of a special warrant, specific reference to this effect will be included in the next appropriation bill.

Mr. Stevens: Madam Speaker, in this connection I was wondering whether the President of the Treasury Board (Mr. Johnston) would confirm that he intends to make a statement on motions later this afternoon touching on what he is now tabling. I might say, also, that I should like to reserve for further consideration a question of privilege having to do with what is being tabled, especially in the context of the statement which was read to the House last night by the Minister of Finance (Mr. MacEachen).

Statistics Canada

Mr. Johnston: I shall be making a statement later this afternoon, Madam Speaker.

* * *

[*Translation*]

FINANCIAL ADMINISTRATION ACT

TABLING OF REPORT INDICATING SPECIAL WARRANTS ISSUED AFTER DISSOLUTION OF PARLIAMENT

Hon. Donald J. Johnston (President of the Treasury Board): Madam Speaker, with your permission, I would like to table in the House of Commons a report indicating the special warrants issued under section 23 of the Financial Administration Act after the dissolution of Parliament on December 14, 1979, in accordance with that section and Standing Order 41(2).

* * *

[*English*]

MAIN ESTIMATES, 1980-81

A message from His Excellency the Governor General transmitting estimates for the financial year ending March 31, 1981, was presented by hon. Donald J. Johnston and read by Madam Speaker to the House.

* * *

[*Translation*]

SUPPLEMENTARY ESTIMATES (A), 1980-81

A message from His Excellency the Governor General transmitting Supplementary Estimates (A) of sums required for the public service of Canada for the financial year ending March 31, 1981 and, pursuant to the provisions of the British North America Act, 1867, recommending those estimates to the House of Commons, was presented by hon. Donald J. Johnston and read by Madam Speaker to the House.

* * *

[*English*]

STATISTICS CANADA

TABLING OF ORGANIZATION STUDY AND METHODOLOGY REVIEW

● (1600)

Hon. Donald J. Johnston (President of the Treasury Board): Madam Speaker, in accordance with the provisions of Standing Order 41(2), I wish to table, in both official languages, copies of the Statistics Canada organization study completed by Price Waterhouse Associates in February of 1980 and the Statistics Canada methodology review completed under the responsibility of Sir Claus Moser in March of 1980.

Point of Order—Mr. Malone

Mr. Stevens: Madam Speaker, at this time I rise on a point of order. I wonder if the minister could indicate whether he intends to make a statement later today with respect to the two reports he has just tabled and, second, when may we expect the tabling of the Peter Newcombe report?

Mr. Johnston: Madam Speaker, I do not intend to make a statement today with respect to the two reports I have tabled. I have indicated that I would make the report of Mr. Peter Newcombe available to spokesmen for the opposition parties. As yet I have not received a request for such copies and, as I also indicated in reply to a question, I believe last week, I would be prepared to consider tabling that report. But I think initially I would like to confer with my colleague, the hon. member for York-Peel (Mr. Stevens).

Mr. Beatty: He has already asked you to do it.

Mr. Stevens: Madam Speaker, to be abundantly clear on this question, I do not think it is right that the minister should suggest that there be a private disclosure of this report to certain members of this House without the report being tabled in the usual way for the consideration of all members. I would like formally to request that the minister table the report as initially promised when this commission was set up and that he do it at the first opportunity.

* * *

POINT OF ORDER

MR. MALONE—FAILURE OF CERTAIN MEMBERS TO RISE WHEN REQUESTED BY MADAM SPEAKER

Mr. Arnold Malone (Crowfoot): Madam Speaker, I rise on a point of order relating to this question but with a different perspective from that just raised. My point of order relates to the fact that when the tabling took place under the name of Her Majesty's servant, Your Honour requested on both occasions, "Would hon. members please rise". In the first instance four members here to my left declined to rise. In the second three others very reluctantly did, while the hon. member for Churchill (Mr. Murphy) continued to refuse to rise after that request.

While on the surface it may appear that I am raising a position which may seem to some to be petty, I submit that for most it was only a few short weeks ago that we took our oaths of office as members of Parliament. We swore allegiance to Her Majesty the Queen, and we said that as members of Parliament and through the system we have we would recognize our obligation to our monarch under whom we serve and that we would be diligent to it.

When hon. members of their own party reminded them that they were supposed to rise, they shook their heads or moved their hands in a downward motion. In effect, what they were really doing was saying that, whatever their personal motives with respect to systems with which they may or may not agree, they were taking a position quite different from the oath they took just some short weeks ago.

All I am saying is that hon. members who cannot recognize the system in which they live or who find it unpalatable to live with it should at least have courtesy, recognize the dignity of this Parliament and force themselves to live with the system until there has been some change. I hope such change will not come about, but when they simply defy the tradition of this Parliament, I think that kind of behaviour should be noted and that it not be permitted in the future. They should not be allowed to sit in defiance of their oath in this Parliament.

Some hon. Members: Hear, hear!

[*Translation*]

Madam Speaker: Hon. members have surely heard the remarks made by one of their colleagues. They can make what they will of them. It is obviously an established custom in the House and the Chair has no authority whatsoever for enforcing it.

* * *

MAIN ESTIMATES, 1980-81

Hon. Donald J. Johnston (President of the Treasury Board): Madam Speaker, I tabled today the main estimates for 1980-81 providing for expenditures of some $58.4 billion, an increase of 11.4 per cent over the main estimates for the previous year. I would like to point out, Madam Speaker, that these estimates were put together using the economic assumptions and policies of the previous government without any changes to reflect the policies this government is in the process of elaborating.

In view of the time necessary for a technical analysis of such a complex budget, it was not possible for the government to put together its own policies and programs without unduly delaying the tabling of the estimates. As hon. members rely on the main estimates to vote supplies, it seemed important to me that they should have them today so we can get on with our work as rapidly as possible. My colleague the Minister of Finance (Mr. MacEachen) has already described to the House the economic and financial context for our estimates. As the planning process takes place, certain items of the main estimates will have to be adjusted through supplementary estimates or appropriate legislative measures.

[*English*]

Madam Speaker, I should like to draw hon. members' attention to several specific cases in which future supplementary estimates will reflect changes in programs in these main estimates. As hon. members are aware, the government introduced legislation to increase the payments under the guaranteed income supplement provisions of the Old Age Security Act by $35 a month per household. As the $1.7 billion presently included in the main estimates for this program are based on the old rates, the forecast expenditures for the program will be increased to provide for the higher payments.

I would also expect that the government's current review of energy policy will lead to adjustments in the level of funding for a number of energy-related programs. The $2.6 billion provision in the 1980-81 main estimates for oil import compensation payments is based on the previous government's domestic oil pricing strategy and on world oil prices as forecast last December. This forecast will be adjusted to reflect the impact of more recent changes in world oil prices as well as the effect of the domestic pricing arrangements being developed by my colleague the Minister of Energy, Mines and Resources (Mr. Lalonde).

● (1610)

The government is also reviewing the capital financing arrangements for Petro-Canada. Until 1979-80 the government had been assisting Petro-Canada with its capital financing requirements through the annual purchase of equity shares in the company. The previous government suspended this financing arrangement and planned to provide for no equity purchase in the 1980-81 estimates. Last month this government took the first step in restoring the planned level of financing for Petro-Canada by providing an $80 million equity investment for the corporation's 1980 financial year. We will be considering further requirements for Petro-Canada in 1980 as part of our over-all energy policy and any adjustments will be reflected in future supplementary estimates.

I would also like to indicate to hon. members that the 1980-81 main estimates for the employment and insurance program reflect that the administrative costs of the national employment services are now being recovered in full from unemployment insurance premium revenues. In addition, it was assumed in determining the main estimates level for the government's contribution to the unemployment insurance account that the Unemployment Insurance Act would have been amended by April 1, 1980, to eliminate the threshold rate so that the first two phases of unemployment benefits would be paid entirely from employer and employee premiums. The legislation has not yet been amended and my colleague the Minister of Employment and Immigration (Mr. Axworthy) plans to make a full statement on this subject.

Madam Speaker, there are a few of the items which may have their main estimates funding level adjusted to reflect this government's policies and programs.

The main estimates which I tabled today represent an increase of $5,971 million compared to those of last year. This is comprised of a $1,123 million decrease in non-budgetary outlays and an increase of $7,094 million in budgetary expenditures. Two major items account for 53 per cent of the increase in budgetary expenditures. Oil import compensation payments have risen by $1,861 million and public debt charges are up $1,925 million over the 1979-80 main estimates. The other major sources of the $7 billion budgetary increase are the other transfer payments, principally to other levels of government, which account for 19 per cent; payments to Crown corporations, which account for 11 per cent; and national defence, which represents 10 per cent. The costs of all other operations of government represent only 7 per cent of the total growth. In other words, more than 83 per cent of the increase in budgetary spending will be transferred to other governments, individuals, and corporations in Canada or paid in interest on the public debt.

In 1975-76, the government set out to reduce the growth in person-year requirements in the public service as part of our over-all policy of restraint. The 1980-81 main estimates show the second consecutive annual reduction in the absolute number of authorized person-years to be used in the public service. The reduction of 6,685 person-years in 1978 resulted in a total of 1979-80 authorization of 318,435. Now, a further, 5,840 person-year reduction is reflected in these main estimates, which establishes the size of the public service at 312,595 for 1980-81.

Madam Speaker, in addition to the 1980-81 main estimates, I also tabled today the supplementary estimates (A) for 1980-81. These supplementary estimates cover new items which are not included in the 1980-81 main estimates. I have also included in these supplementary estimates a number of urgent items carried forward from 1979-80 which did not receive approval before Parliament was dissolved last December. These supplementary estimates provide for the outlay of $232 million.

I am also pleased, Madam Speaker, to have tabled two further reports on government spending. The first is a report on the 1979-80 estimates. This report summarizes the financial requirements of the ministries of government during 1979-80 and the use of spending authorities not provided in separate statutes, namely, Governor General's special warrants, the interim supply bill of last autumn and the supplementary estimates which received full supply. I have also tabled, in accordance with the provisions of the Financial Administration Act, a report on the use of Governor General's warrants since December 14, 1979, when Parliament was dissolved.

[*Translation*]

In concluding, Madam Speaker, I would also like to expand for the information of hon. members on the intentions of this government as they were expressed in the Speech from the Throne to carry out the policy of cutting down expenditures, to improve the efficiency of government programs and to provide Canadians with a more efficient government. To reach that objective, this government will pursue an integration of its expenditure policy and management.

In essence, the approach adopted by this government consists in establishing within its over-all spending program a set of budget portfolios which represent for each of the policy committees of cabinet a clearly defined planning structure applicable to a policy area. It will thus be possible to give every committee the responsibility to plan and make decisions dealing with policies and programs based on available resources in each sector. With that rationalization of policies and related spending authorities, it should be easier to pursue the examination of new or existing programs and to get the most out of the resources available.

[*English*]

Hon. Sinclair Stevens (York-Peel): I wonder, Madam Speaker, if I may be permitted to put certain questions to the minister, based partly on the estimates he has tabled and partly on the statement he has read into the record as prepared for him. Could the minister, first of all, indicate whether he accepts the main estimates as tabled? Does he support them and does he recommend them to the House for adoption?

Mr. Johnston: As I indicated in the course of my statement, Madam Speaker, these estimates represent the policy proposals of the previous administration. They are being tabled legally as our estimates but, as I indicated, we will be bringing forward supplementary estimates to give effect to those changes and to the policies which have been mentioned in the throne speech debate and which will be further elaborated during the course of the current year.

Mr. Stevens: Perhaps I was not completely clear in my question to the minister. My question is very simple. Does he recommend to the House the main estimates for 1980-81 as tabled in the House?

Mr. Johnston: These main estimates will be referred to committee and they are recommended for adoption, subject to such changes as might be brought down in the supplementary estimates.

Mr. Stevens: I think it should be noted for the record that twice the minister has refrained from recommending these estimates to the House. Unless the minister chooses to clarify the situation, we will be on the threshold of going into another question of privilege and a debate on how we can consider these main estimates if the minister who has brought them in is hesitant to recommend them to the House. It is a very simple question.

We had this out last fall. The present Minister of Finance (Mr. MacEachen), who was then opposition House leader, became terribly exercised last fall over this question, I would have thought they would have at least got their act sorted out to the point where the Minister of Finance would be in tandem with the President of the Treasury Board (Mr. Johnston) and both of them would be willing to recommend these estimates to the House for acceptance.

Mr. Johnston: I thought my answer was quite clear. I said that these main estimates were being tabled and they will be referred to the committee. They are being recommended for adoption subject to such modifications as may subsequently be made thereto through tabling supplementary estimates to give effect to policy changes which this administration may wish to introduce.

● (1620)

Mr. Stevens: Madam Speaker, in the context of what the minister has said, and with the main estimates showing a total expenditure for fiscal 1980-81 of $58.4 billion, would the President of the Treasury Board reconcile that figure with the statement given to us last night by the Minister of Finance which indicated that the total outlays for 1980-81 would be $60.4 billion, in short a $2 billion difference? What has happened overnight that somehow or other the $60.4 billion figure, which we were asked to consider last night, is now only being substantiated to the extent of $58.4 billion? Does he have any statement which he can put before the House to reconcile these two figures?

Mr. Knowles: Madam Speaker, I rise on a point of order. Is it not a rule, when a statement has been made by a minister, that a spokesman for each opposition party may make a statement in response thereto and that the question period comes afterwards? I am not trying to cut off the hon. member for York-Peel (Mr. Stevens) from asking his questions. I just think that he should make his statement now, let our spokesman make his statement, and then have the question period as the standing order provides.

Madam Speaker: I gathered that the hon. member had no statement but only questions. I am in the hands of the House as to what I should do now. I feel that I should continue to recognize the hon. member for York-Peel (Mr. Stevens) for the purpose of him putting his questions.

Mr. Stevens: Madam Speaker, I do not want to be overly technical, but if Your Honour reads Standing Order 15(3), I think it is very clear that the options are open to the members of the House. It reads as follows:

> A spokesman for each of the parties in opposition to the government may comment briefly thereon and members may be permitted to address questions thereon to the minister.

I do not think it is laid out in the standing order that one has formally to make a statement and then everybody, when they are through with their statements, may start questioning. I think it is open to each member to decide. If he wishes to make a statement, he can. If he wishes to ask questions, he can. In my case I think it is very important that certain very relevant information be revealed to this House, as opposed to any member feeling that he just wants to wax eloquent about whatever may come into his mind.

We were not given a full disclosure last evening. We have had a debate on the question of privilege as to whether in fact the minister's statement was a smuggled budget. Today I would suggest that we are not having a full disclosure as to the expenditure plans of this government. I feel that I am entirely in order in asking the President of the Treasury Board at least to shed a little more light on this question.

Mr. Knowles: Madam Speaker, I have no objection to the hon. member for York-Peel asking all the questions that he wants to. Neither do I insist that he make a statement. But it seems to me that those who wish to make statements should be heard first. If the hon. member for York-Peel does not wish to make a statement, then I believe that our spokesman should be permitted to make his statement and that the questions should follow.

Madam Speaker: Does the hon. member for Winnipeg North Centre (Mr. Knowles) have a statement?

Mr. Anguish: A point of order, Madam Speaker.

Madam Speaker: The hon. member for The Battlefords-Meadow Lake (Mr. Anguish).

Mr. Doug Anguish (The Battlefords-Meadow Lake): Madam Speaker, I should like to say in my rookie observations as a member of Parliament that there is clearly no difference between the Conservative side of the House and the Liberal side of the House in the fact that the hon. member in opposition is asking the very same questions that were asked of him when he was president of the treasury board.

An hon. Member: Right on.

Mr. Beatty: That is not a point of order.

Mr. Anguish: Also I should like to say that I am disappointed that I see the hon. member, in trying to question the President of the Treasury Board (Mr. Johnston), was given a copy of the estimates—

An hon. Member: You are out of order.

Mr. Anguish: —to which I had no access and could not peruse while the minister was making his statement so that I could intelligently respond to him.

The estimates which have been tabled before us today seem to indicate that the government intends to approach some things in a relatively new way and other things in the same old way as it always has. Last night's alleged budget and the tabling of these estimates today indicate—

Mr. Beatty: Madam Speaker, I rise on a point of order. The hon. member asked for the floor on a point of order. He has not offered any point of order and he appears to be making a statement at this point.

Madam Speaker: The hon. member asked for the floor in order to make a statement, and that is the reason for which I gave him the floor. Since the hon. member for York-Peel did not have a statement and was asking questions, I decided to hear the hon. member for The Battlefords-Meadow Lake on his statement.

Mr. Beatty: The record will show something else.

Mr. Anguish: Thank you, Madam Speaker. Last night—

Mr. Stevens: A point of order, Madam Speaker. To be abundantly clear, I trust that I will have the right to finish my line of questioning following this statement.

Mr. Knowles: Certainly.

Madam Speaker: Yes, I will give the hon. member the floor afterwards for the purpose of asking his questions.

Mr. Anguish: It is nice to know that the older members always try to assist a younger member or a member not as experienced in the House and help them present the points of view of the constituents and the people of Canada which they represent.

An hon. Member: Order.

Mr. Anguish: Last night's alleged budget and the tabled estimates today indicate their new approach, as I was mentioning. Last night's presentation, I think, could be called the "Mac mini-budget", and today's estimates could be called the "maybe estimates" as well. In fact, if the truth be known, had the Liberals done their homework, they would have had time since the vote in December to produce policies consistent with reducing interest rates, tax cuts and other measures to stimulate the economy.

The estimates presented to this House are supposed to represent what I think is the intention of the government. What do they do? Well, we see first that the Liberals have immediately fallen into their old habit of refusing to plan at all. I think we need long-term planning. I suggest that these are ways the government could make the workings of government more efficient and more accountable to the people of Canada. We need a long-term plan which incorporates the use of public servants properly, thereby using them efficiently, not a cutting of the person-years as suggested by the estimates by a large number, the 5,840 person-year reduction. Those people could perhaps be used more efficiently within this government.

What about the energy policy that is alluded to? I can certainly agree with the minister's contention that we require the estimates early to get on with the business of government, but surely we do not have to go with estimates which have oil compensation payments based on the previous government's oil pricing strategy, a strategy that has been repudiated not only by the government but by the Canadian people in the last election. At that time Canadians said that they wanted a made-in-Canada price, but it seems that we cannot have this until we can have it made by Canadians themselves.

For some time now we have been receiving hints that the government may be raising its own energy prices higher than it would have had us believe during the election campaign. Perhaps it is part of their strategy to break another promise and to deceive the people of Canada by sneaking in higher energy prices through the back door.

What about the unemployment insurance which is alluded to in the report of the President of the Treasury Board? The Liberals, in these estimates and in their statements outside of the House, have indicated their intention to proceed with the Conservative's plan to switch the cost of manpower programs and even more of the unemployment insurance program directly to premiums. I think the government should be responsible enough to accept the legislation enacted earlier whereby when unemployment reached 4 per cent, it is the responsibility of the government to absorb cost. It is the government's policies that are responsible for creating unemployment, and in view of that

fact the government should help in assisting and should suffer some of the consequences.

Before the last election the Liberals were calling such steps unacceptable, regressive taxation. How quickly they seem to forget or how quickly we seem to forget the amazing similarities between Conservative and Liberal policies. As a Saskatchewan cabinet minister so eloquently put it some time ago, "the 1979 federal election indicated that the Canadian people gave away onions and got back garlic; after the 1980 election we have got the onions back again".

In spite of the failings in what the estimates say, there are even greater failings in what the estimates do not say. The Liberals have promised action to reduce regional disparities, but nowhere do we see a real commitment to that in the comments made by the President of the Treasury Board this afternoon.

None of us must forget that this is a party and a government that voted last December to defeat the previous government because of a budget that did not stimulate the economy, lower taxes for Canadians and which did nothing about gaining control of the economy.

• (1630)

The estimates before us are a sort of cyclical document, I would think. After I have had a chance to look at them I believe they will show us once again that the Liberals are more interested in keeping power than in keeping their promises to the Canadian people. It seems they were not very responsive in the activities in this House over the past couple of days because of what they call the lack of federal representation in the Liberal caucus. With the possible loss of even more Liberal representation, they are certainly not being responsive to other members in this House.

As a new member of Parliament I had hoped the Liberal government would be responsive to the needs of Canadians in all areas of this country through the democratic process as indicated by what is in the throne speech. What has taken place over the last few days does not indicate any commitment to serve, in my opinion. As a result of public comment in my own constituency I had some praise for Liberals, their throne speech and their supposed response to other members of Parliament, but if this action over the last few days is any indication of what is happening, I regret ever having had any confidence in the Liberal party within Canada.

Mr. Stevens: Madam Speaker, I only wish the last speaker and his colleagues had sensed that lack of confidence in the Liberals during the last campaign.

Some hon. Members: Hear, hear!

Mr. Stevens: Perhaps I could come back to my line of questioning of the President of the Treasury Board. Could he reconcile for the House the figure of $58.4 billion in total expenditures as tabled today with the statement we were given last night, showing total expenditures for fiscal 1980-81 of $60.4 billion? Could he specifically reconcile the $2 billion difference?

Mr. Johnston: Madam Speaker, I believe that the Deputy Prime Minister and Minister of Finance (Mr. MacEachen) spoke to this point last night, indicating that since the presentation of the budget in December and, of course, since the preparation of the main estimates which we inherited upon taking office, a number of events have taken place: an increase in public debt charges, for one; the increase in the international price of oil, which in turn increases the oil import compensation payments, to name but two of the major items; and the increase in the guaranteed income supplement which this government has committed itself to put into effect, which I believe was recorded as involving something in the order of $345 million. These represent increases beyond the figure set forth in these main estimates of approximately $58.4 billion. As you know, Madam Speaker, it is not unusual to table supplementary estimates, as I have done today, which take account of some parts of this increase over the numbers shown in the main estimates.

Mr. Stevens: Madam Speaker, perhaps we could look at these one at a time with the President of the Treasury Board. I think he owes it to the House to tell us exactly what accounts for the difference between the $58.4 billion and the $60.4 billion. Last night the minister indicated that the upward revision in public debt charges was of the order of $500 million. Could the President of the Treasury Board tell us what is the upward adjustment on account of the oil compensation amount that is included presumably in this $2 billion discrepancy or difference?

Mr. Johnston: Madam Speaker, I do not intend to analyze the full difference between the $58.4 billion which has been tabled in the main estimates and in the supplementary estimates that I have tabled today, and the numbers put forward by the minister last night. He indicated at the time that they were simply projections. He also indicated at the time, as I recall, that he hoped this would be reduced through the establishment of this so-called blended oil price which we trust the Minister of Energy, Mines and Resources will, in due course, be able to agree upon. Pursuing an analysis of this kind at this time by the President of the Treasury Board and the hon. member for York-Peel I would regard as quite unproductive.

Mr. Anguish: I would address my question to the President of the Treasury Board, Madam Speaker. In his presentation this afternoon he said that an additional 5,840 person-year reduction would result in the public service of this country. Could he detail for us where we might expect those cuts to be found?

Mr. Johnston: Madam Speaker, I believe there has been some misunderstanding as to the statement I made. The indication was that 1979-80 was the second year of reduction. This reduction that these programs have given rise to in the current year I am advised is 5,840 person-years. If the hon.

member wants complete details on it I can give them to him. They are to be found in the estimates. The hon. member indicated earlier that he had not received a copy, but the actual man-year reductions are reflected in the table at the front of the main estimates. I am surprised that spokesmen for the NDP do not have a copy of that table.

Mr. Anguish: Could I ask that I get a copy of these estimates to peruse while the questioning is taking place?

Hon. John C. Crosbie (St. John's West): Madam Speaker, I would like to ask the President of the Treasury Board (Mr. Johnston) a question about the oil import compensation fund also. The budget speech of December 11 and the documents attached to that document showed oil import compensation payments in our estimate for the year 1980-81 as $1,620 billion. That was the predicted cost of the program for 1980-81 based on the oil price scenarios set out in the budget, and the estimate of what imported oil would cost during 1980. Of course, as has been pointed out in the House by the Minister of Energy, Mines and Resources (Mr. Lalonde), that estimate was based on the price estimated for the year of $27 and some odd cents a barrel.

The present price of imported oil landed at Montreal is about $35 or $36 a barrel, and the estimate is up. In the statement the Deputy Prime Minister and Minister of Finance (Mr. MacEachen) made last night it was indicated that the amount of the increase, with higher international oil prices, has raised the projected level of oil import compensation payments by $1.5 billion. Does that mean that the estimate for this year for oil import compensation payments is now $3,120 billion, or what is the estimate of the President of the Treasury Board for this year, 1980-81?

Mr. Johnston: Madam Speaker, perhaps I could take this opportunity in response to the hon. member's question to clear up what may be a certain amount of confusion in reconciling the total expenditure projections of the government at this time and the main estimates which were tabled today.

If I refer to the minister's speech of last night, the minister explained the difference between the total expenditure projections of the previous government made in December, and the current expenditure projections we are presenting at this time—those that he presented last night. As he pointed out, the increase in the interest rates on the public debt, and the two increases in international oil prices which occurred after the preparation for the December forecast of expenditures, account in the main for an upward revision of $2 billion in the projected total expenditures.

If we turn to the main estimates tabled today, Madam Speaker, by coincidence the total main estimates amount to $58.437 billion, which is approximately the same number as the previous government had forecast in December for total expenditures. These two numbers represent quite different factors, as the hon. gentleman knows. The $58.4 billion was the total expenditure forecast, whereas the $58.437 billion represents total authorities to be requested from Parliament at the time of tabling of the main estimates, and recognizing that there would be further requirements for supplementary estimates during the course of the year.

The main estimates tabled today are about $1 billion higher than had been expected by the previous government at the time they deposited their December budget and their total expenditure forecast, to which the hon. gentleman has made reference.

• (1640)

In the main, the approximately $1 billion increase in the main estimates was due to an adjustment to take into account the first increase in international oil prices which occurred just after the budget was presented and tabled in December, but prior to the finalization of the figures in the main estimates which I have tabled today.

The further adjustments to expected total expenditures have occurred subsequently, have not been included in the main estimates and must be taken into account in providing a realistic forecast of the total expenditures, which is what the Minister of Finance did in his statement last night.

These major additional adjustments, Madam Speaker, are the increase in the public debt cost, the second round of increases in international oil prices and the provision for the increase in the guaranteed income supplement, as I have indicated. Providing for these increases, which have already been identified, plus an allowance to meet further unforeseen requirements for supplementary estimates during the year, results in the forecast presented by the Minister of Finance last night of total expenditures of $60.4 billion.

I hope that this brief explanation of the coincidence of the two numbers, the two $58.4 billion amounts, will serve to clear up any confusion in the minds of my hon. friends.

Mr. Crosbie: Madam Speaker, I think I can understand what the President of the Treasury Board is saying, even though he is a tax lawyer. It would help us, though, if he would tell us about the two items that mainly account for this difference. He says they are the interest cost and the oil import compensation payment—the difference between the statement the Minister of Finance made last night, the estimates he has tabled and the guaranteed income supplement.

Could he just tell us—let us forget the estimates he has tabled—what is the latest estimates of Treasury Board which the Minister of Finance must have used last night for interest payments during the year 1980-81? As far as I can make out, it should be around $10.7 billion. What is the amount that he thinks will be spent on the guaranteed income supplement additional payment in 1980-81—because the Minister of Finance used that figure last night—over and above what already was in the law, assuming the new amendment is passed by the House, which it will be. Also, what does the minister now estimate will be the total cost of the oil import subsidization program this year for 1980-81, given what he now knows about the international price, with only a $1 increase in January and not counting any increases in the rest of the year

because there may not be any. What is the best estimate now? Is it, as it appears to me to be, $3.120 billion? If the minister could give us those three figures it would clear up our confusion, because these are the three main items.

Mr. Johnston: Madam Speaker, I would be happy to take that question under advisement and let the hon. member know the exact numbers which are provided for. Some of the information appears in the material which I have before me, but some of it will require further analysis which it would not be appropriate for me to make during the course of this response.

Mr. Crosbie: This is most mysterious, Madam Speaker. The implication of what the President of the Treasury Board now says is that the Minister of Finance last night went ahead and gave this House his own estimates which were not prepared in consultation and co-ordination with the President of the Treasury Board, and that the President of the Treasury Board cannot give me the answer to those three simple items because he does not know how the Minister of Finance has calculated additional interest costs, additional oil import subsidization costs and how he has calculated the guaranteed income supplement.

Surely that is the job of the Treasury Board. I believe that is the way we did it when we were in government and things were properly run. Treasury Board prepared these estimates and went over them with officials of the Department of Finance. The Department of Finance agreed with Treasury Board on their estimates, or vice versa, and the Minister of Finance and the President of the Treasury Board knew what was what.

The President of the Treasury Board today is saying that he and the Minister of Finance have different figures and that he does not know how the Minister of Finance arrived at his.

Mr. Johnston: With respect, Madam Speaker, I believe that is a complete distortion of the answer I gave. I simply requested the opportunity to review the material and to provide it to the hon. member. By far the largest single item, of course, of the ones we have discussed in the over-all budgetary position of the items raised by the hon. gentleman, is the debt costs which are rising from $8.350 billion in 1979-80 to $10.275 billion in 1980-81.

Mr. Anguish: Madam Speaker, the question I should like to raise is this. In light of the large deficit of the government that has been occurring over the last couple of years—in 1978 $10 billion and in 1979 in excess of $16 billion—do we expect to have this same deficit between revenue and expenditure in 1980-81? If not, how does the minister expect to overcome this?

Mr. Johnston: Madam Speaker, that question is more properly addressed to my colleague the Minister of Finance. The issue of the deficit was dealt with by the Minister of Finance during his remarks last night. I believe the statement he made completely covers the government's intentions with respect thereto, including the reference he made to the possibility of a reduction in the $60.4 billion amount through the application or implementation of the blended oil price.

Madam Speaker: Order, please. I think I should start limiting the questions. I shall recognize, however, those who have already indicated their intention of asking a question—the hon. member for Richmond-South Delta (Mr. Siddon), the hon. member for Wellington-Dufferin-Simcoe (Mr. Beatty) and the hon. member for York-Peel (Mr. Stevens). The hon. member for Richmond-South Delta.

Mr. Thomas Siddon (Richmond-South Delta): Madam Speaker, with all due respect to the President of the Treasury Board (Mr. Johnston), I believe that he has somewhat confused the definition of his figures. In his statement he indicated that government spending as projected in the estimates amounts to some $58.4 billion, while in fact the Minister of Finance (Mr. MacEachen) indicated last night that under his revised plan for spending the amount would be $59.8 billion in relation to the projection under the public account basis in our budget, which was presented by the former minister of finance, of some $57.3 billion.

I should like to ask the President of the Treasury Board if it is true that the increase in deficit for the projected 1980-81 year is indeed $2.5 billion and not a lesser amount, as he indicated a few moments ago.

I should like the opinion of the President of the Treasury Board as to where this is leading Canada. In particular, has he contemplated five-year projections as to what percentage of government spending we might anticipate in the form of deficit in the 1983-84 fiscal year; and in doing so, has he recognized that the budget of the former minister of finance predicted that percentage deficit would be reduced to some 6 per cent within four years?

The Canadian people would like to hear what the plans of the minister and the government are to produce a corresponding reduction in the deficit of his government.

Mr. Johnston: First, Madam Speaker, there seems to be some confusion in the mind of the hon. member about the purpose of the main estimates. They represent seeking authority for expenditures by this government. They do not represent an expenditure plan by this government. I think that point was made clear during the comments of the Minister of Finance last night.

In addition to that, Madam Speaker, I think we have demonstrated—and it is clear from this exchange—that in fact there is very little discretionary increase, if I may call it that, in the expenditure plans of this government. The guaranteed income supplement of approximately $345 million is indeed an increased expenditure which it is within the discretion of this government to make. As the Minister of Finance indicated last night, the increase in oil prices which we have discussed and increased debt charges accounted, for the most part, for this increase of approximately $2 billion.

As the hon. gentleman well knows, Madam Speaker, a deficit represents a shortfall between expenditures and reve-

nues. Here we are merely looking at the expenditure side. I suggest, Madam Speaker, that had the Conservative administration had the opportunity of tabling these same main estimates, they too would have produced an expenditure plan far in excess of the authorization of $58.4 billion—

Mr. Stevens: No. No.

Mr. Johnston: —because they too would have had to deal with increased oil prices—

● (1650)

Mr. Stevens: No. Read the December 11 budget.

Mr. Johnston: —and they would also have had to deal with the increased debt costs.

The budget, in further response to the hon. member's question, did indeed provide for a substantially lower deficit, but almost entirely because of the imposition of an 18-cent per gallon excise tax at the gas pump which this government, as a policy matter, rejects. Hence, it is inconceivable that the deficit—having rejected that particular source of revenue which was regarded as regressive by the Liberal government—could not have been larger than that projected in the December budget figures.

Hon. Perrin Beatty (Wellington-Dufferin-Simcoe): Madam Speaker, the President of the Treasury Board (Mr. Johnston) finally disclosed the cost of one discretionary expenditure, and that is the increase to the GIS.

With regard to the statement made by the hon. member's leader in Toronto on January 12, 1980, where he issued a five-point policy of the Liberal's economic strategy, the fifth point is this:

> Finally, in this election campaign we pledge that any new expenditure programs to meet the evolving needs and requirements of Canadians will be financed by reallocating existing expenditures or by increases in revenues. We will not add to the deficit by adding new programs.

I ask what cuts is the minister making in existing programs, or what revenue increases are anticipated to compensate for the $345 million of new spending on discretionary programs which the minister is dealing with today?

Mr. Johnston: Madam Speaker, I believe it was indicated during the course of the campaign that the guaranteed income supplement, the $35 a month, to go to each household is essentially to bring people below the poverty line up to the poverty line, which I suggest is a sound and important program with which I would hope the hon. member would agree. That was to be financed by a corporate tax of some form. As I understand it, that is the technique, and as I recall, the Minister of Finance indicated last night that the corporate surtax, the creation, conceptually at least, of my hon. friends, would be used in part for that purpose.

Mr. Stevens: Madam Speaker, what we have before us is an admission on the part of the President of the Treasury Board that the main estimates that he is now recommending to Parliament for a total expenditure of $58.4 billion are equal to the entire anticipated expenditure that was set out in the budget of December 11 by my colleague the former minister of finance. In short, the $1 billion rough reserve that was in there has been used up, and we now have the Minister of Finance, presently in office indicating that there may still be another $2 billion required in total expenditures before the government is through.

What I find most unbelievable today is that the President of the Treasury Board cannot simply explain how he arrives at this figure of $60.4 billion. We must be left only to conclude that this is a figure that was established by the Department of Finance and later communicated to the President of the Treasury Board, and he does not have any more idea than any of us as to where that figure came from.

Let me put this to the President of the Treasury Board. As I understand it, he indicated that the total debt charges in fiscal 1980-81 were to be $10,275 million. Perhaps he could answer that.

Mr. Johnston: Madam Speaker, I am referring, of course, to the the amount provided for in the main estimates. The amount provided for public debt in the main estimates is $10,275 million, representing 17.7 per cent of the total budgetary expenditures.

Mr. Stevens: Madam Speaker, perhaps I could ask for a clarification of that. The figure my colleague asked for is the estimated total debt charge for the coming fiscal year 1980-81, not just what is expressed in the main estimates but what is in fact the total debt charge? When the President of the Treasury Board is answering that question, perhaps he can reconcile for us his statement that there will be further funding for Petro-Canada in which he says that we will be reconsidering further requirements for PetroCan in 1980 as part of our over-all energy policy, and any adjustments will be reflected in future supplementary estimates.

Could the President of the Treasury Board reconcile that with the revelation last night on the part of the Minister of Finance, which may be pure fudging, that the advances, investments and loans to Crown corporations are only going to be $600 million in the current fiscal year compared to $1,250 million? How is it that their projection as revealed last night shows over $600 million less going into Crown corporations when he indicates that PetroCan is actually going to get more?

An hon. Member: Inconsistent.

Mr. Johnston: Madam Speaker, I find no difficulty in reconciling those two statements. That is a question of numbers. It is a question of arithmetic. It is a question of where less funds are going in and where more funds are going in. PetroCan happens to be a priority of this government, and what the Minister of Finance indicated last night was fully in keeping with that priority.

Returning to the hon. member's first question, by my calculation the total debt provided for at the moment, projected—

that is, debt service charge—would be in the order of $10.8 billion, $10.9 billion.

[*Translation*]

Madam Speaker: I gave notice a few moments ago, before some members rose again, that I would hear no more speakers. I think that in the best interests of the House proceedings I must now put an end to that question period. Surely there will be other opportunities to discuss those questions. We should proceed to the remaining orders of the day if we do not want our day to be longer than everyone else's.

* * *

OLYMPIC GAMES

NON-PARTICIPATION OF CANADIAN ATHLETES

Hon. Mark MacGuigan (Secretary of State for External Affairs): Madam Speaker, the Soviet Union's move into Afghanistan at the turn of the year caught the world by shocked surprise. The depth of international opposition can be measured by the strength of the vote in the emergency session of the United Nations General Assembly called to deal with the question in early January: one hundred and four governments cast their votes in condemnation of Soviet action. That action continues. The Soviet leaders are proceeding to tighten their hold on what was, and has been for decades, an independent neighbouring country. Such international behaviour cannot go unheeded. The country responsible cannot claim for itself immunity from the consequences of its own freely chosen course of action.

There has been broad agreement internationally that the Soviet action can only be met by concrete measures, adopted by members of the international community as expressions of concern over unacceptable and unjustifiable policies. These measures are not, and cannot be uniform: nor can they themselves secure the withdrawal of Soviet forces from Afghanistan. They do, however, reflect a full range of national reactions which when added together constitute an impressive and deliberate demonstration of world opposition to the Soviet invasion.

[*English*]

For its part, and after the fullest consultation with allies and friends, Canada adopted a broad spectrum of measures under the previous government which have been reaffirmed by the present government. Visits to the Soviet Union by ministers and high level officials have been cancelled. Similarly, a wide range of exchanges in education, culture, and sport, along with a wide variety of exports of manufactured goods and agricultural products, have been halted. Thus, Canadians in a broad spectrum of fields of endeavour—artists, sportsmen, farmers, academics and businessmen, to name a few—have been called upon to make sacrifices in the process of Canada's response to Soviet aggression.

• (1700)

In the framework of the government's reaction to the Soviet invasion of Afghanistan, one issue has remained undecided: participation in the 1980 Olympic Games, scheduled to be held in Moscow in July. This government believes that the international situation brought about by Soviet aggression in Afghanistan makes it wholly inappropriate to hold the Olympics in Moscow.

Some hon. Members: Hear, hear!

Mr. MacGuigan: Since taking office, the government has maintained that it is up to the Soviet Union to create the conditions under which the games may properly take place. Obviously, such conditions do not now exist. Furthermore, there is no present intention on the part of the U.S.S.R. to create them.

We have said from the beginning that an Olympic boycott would be advisable only if effective. A few countries acting on their own, or even more countries acting in an unco-ordinated fashion, would not constitute an effective boycott. Our policy has therefore been to work actively towards an effective boycott.

In the course of the last several weeks, we have canvassed our friends in the western alliance and Third World states to determine whether a boycott of the Moscow Olympics would be an effective instrument in displaying our abhorrence of the actions of the U.S.S.R. in Afghanistan. The Prime Minister (Mr. Trudeau) took a personal initiative in writing a number of world leaders on the subject. The results of these consultations, coupled with conversations I had with foreign ministers present during the recent independence celebrations in Zimbabwe, have convinced the government that the criteria for an effective boycott are now clearly present. I expect similar announcements in support of an effective boycott by other governments within the next days.

To ask our athletes, who have been training for four years and more for their chance at an Olympic gold medal, to forgo that chance, is a hard thing for any free country to ask of its citizens. The government is, however, convinced that withdrawal from the Olympics is the clearest and most effective way available to make plain to the leaders of the Soviet Union that the world condemns the Soviet Union's invasion of Afghanistan and its defiance of international demands for its withdrawal. If, as the Soviet Union claims, the 1980 Olympics are a vindication of Soviet policies, then by not participating in those games, we repeat to the Soviet leadership and the Soviet people that their government's actions in Afghanistan stand condemned by the world.

The Canadian Olympic Association has requested a firm indication of the government's position in this matter. The government has considered the situation thoroughly. We have decided that the circumstances leave us no choice but to urge the Canadian Olympic Association to inform the organizing committee for the 1980 Olympics that Canadian athletes will not be participating in the games. The government does not

intend to use coercion to bring about a withdrawal. It will not revoke passports or take powers to circumscribe the rights of Canadians to travel freely abroad. But should Canadian athletes participate in Moscow, they will do so without the moral or financial support of the Government of Canada.

Several nations are actively planning for athletic events in which their athletes can participate as some compensation for not having gone to Moscow. If Canadian athletes, through their accredited sport governing bodies, make it clear that they wish to participate in such events, the government will make it possible for them to do so. Moreover, the minister responsible for fitness and amateur sport will have his officials meet with national sport governing body representatives immediately to determine whatever opportunities may be available, or may be developed, to offset this setback to our amateur athletes and provide alternative competitive forums in their pursuit of excellence.

The government is aware that the final deadline for acceptance of invitations to the games is May 24. While any dramatic change in the situation in Afghanistan seems unlikely, the possibility cannot be entirely excluded. The government therefore intends to continue monitoring the situation closely. It remains up to the Soviet Union to create the conditions in which the Olympics can take place. Should it become apparent that, contrary to present evidence and, indeed, contrary even to our expectations, these conditions are being created, the government is prepared to reassess the request it is making today.

Finally, Madam Speaker, we ask Canadian athletes and Canadians generally to support this important decision which has been taken in the national interest. We all recognize the sacrifice this represents for our athletes who have trained so hard, and for whom we have so much respect.

It is, of course, not their fault, any more than it is the fault of other Canadians who are also being asked to support government policies designed to impress upon the Soviet Union that international terrorism in all of its manifestations—whether by armed students or disciplined troops—is unacceptable to Canada. The government urges Canadian athletes to respect its advice. We are confident that they, and the Canadian Olympic Committee, will have the national interest at heart and will decline to participate in the Moscow Games in the interest of Canadians and free peoples everywhere.

Some hon. Members: Hear, hear!

Hon. Flora MacDonald (Kingston and the Islands): Madam Speaker, earlier today the minister did me the courtesy of sending me a copy of his statement. I was happy to receive it. I was happy to learn that the Liberal government has finally acted, has finally found its voice, with regard to a boycott of the Olympic Games. One hundred and eighteen days, four months, after the invasion of the neutral country of Afghanistan by Soviet troops, the Liberal government has finally seen fit to do something to protest this gross violation of the independence of one country by another. One hundred and eighteen days, four months, after the Soviet invasion, two months after this government has taken office, it has finally seen fit to adopt the stand taken by the Conservative government to boycott the Olympic Games.

The minister states that the procrastination, the reluctance, of his government to reach a decision on this issue was that it had to await his visit to Zimbabwe to consult with other countries, and particularly to try to convince Third World countries to join the boycott. From what we hear, Madam Speaker, the persuasion was the other way around. Even Third World countries had to join in persuading the Liberal government, the Government of Canada, to support a boycott as the most forceful way possible of condemning the subjugation of Afghanistan by the Soviet Union. And if the minister has any doubts as to why I say it was he and his government that had to be persuaded by Third World countries rather than the other way round, all he has to do is to read his telexes prior to the time that he left for Zimbabwe to know that a great list of countries had already joined in the boycott. Countries from the Third World had already committed themselves; Djibouti, Kenya, Mauritius, Sudan, Zaire, Central Africa Republic, Antigua, Bermuda, Honduras, Paraguay, Fiji, New Guinea, The Philippines, Saudi Arabia. I could go on for a long, long while. They had all committed themselves long before the minister ever went to Zimbabwe. But the Canadian government has finally moved and we agree with its belated action.

• (1710)

We took that action on Canada's behalf, to support a boycott, last January 26. That was three months ago. It is three months since a Government of Canada committed this country to boycott the Olympic Games in Moscow. In those three months the Liberal government has confounded our allies and disappointed our friends, first by its reversal of the former Conservative government's position and then by its reluctance to take a stand of its own.

It has done a real disservice to our Canadian athletes by its failure to proceed with the arrangements we had under way for the holding of international games of a comparable standard. Three months have been lost in the preparation of these games. Three months have gone by during which the government has ignored the work it might have been doing to ensure that our athletes would have a chance to participate internationally, so that they would not be called upon to make intolerable sacrifices.

The government's procrastination has damaged our relations externally and has caused needless anxiety among our Olympic athletes as to whether they would have the opportunity to compete in international games this year. Even now, as the minister presents his statement, one has to realize that this is a conditional boycott. One listens to the minister as he says, "The Canadian Olympic Association has requested a firm indication of the governement's position on this matter." They had to be requested. They could not give it on their own. That is what the minister is saying. He goes on, "We have decided that the situation left us no choice." Surely, after what has

gone on, the invasion of Afghanistan by the Soviet Union, that should have left them no choice right at the outset.

Some hon. Members: Hear, hear!

[*Translation*]

Miss MacDonald: Madam Speaker, after two months in power the Liberal government has finally decided, as we did in January, to boycott the Olympic Games. I deplore the delay and the lack of interest shown by the government in that regard. The delay led to the deterioration of our relations with our allies and friends throughout the world. In addition, our athletes were allowed to drift without leadership during that period.

[*English*]

We in this party did not see the need for any delay in taking a stand on this issue. We knew right from the outset that the invasion of Afghanistan required a firm response. We knew that sanctions would have to be imposed against the Soviet Union. That is why the former government showed leadership at NATO, at the OECD, at the United Nations and within the Commonwealth. That is why we announced last January 11 a series of economic sanctions, including a grain embargo, the ending of export credits, the tightening up of high technology sales, and the end of visits of a scientific, cultural and ministerial nature.

Our decision as a government to support the Olympic boycott, a decision announced last January 26, was taken because we knew that such actions would convey clearly to the Soviet Union and, more important, to the people of the Soviet Union, that the invasion of a neutral country will not go unnoticed or unanswered.

It was clear to us that the Soviets intended to use the Olympic Games for propaganda purposes. I only need quote from a paragraph in the most recent "Handbook for Party Activists", an annual publication for Soviet Communist party members, commenting on the choice of Moscow as the site for the games:

> The decision to offer this honoured right to hold the Olympic Games in the capital of the first socialist state in the world was convincing proof of the universal recognition of the historical importance and correctness of the course of our country's foreign policy—

Well, it did not take four months for us as a party or as a government, while we were in office, to reject the claim that the holding of the games in Moscow was "convincing proof of the correctness of their foreign policy" especially with regard to the invasion of Afghanistan. We were not prepared to let the Soviet Union justify that kind of aggressive foreign policy. That is why my party welcomes the decision taken by the government to support, albeit belatedly, the widespread boycott of the Moscow Games.

I would urge the government to take the lead now in pursuing with like-minded countries the holding of alternative games of comparable standard so that our athletes may participate in international competition this year.

Some hon. Members: Hear, hear!

Miss Pauline Jewett (New Westminster-Coquitlam): Madam Speaker, may I first take this opportunity to congratulate the Secretary of State for External Affairs (Mr. MacGuigan) on his appointment, and also to thank him for sending me in advance a copy of the statement he has made today.

The position of the New Democratic Party regarding a possible boycott by Canada of the Olympic Games in Moscow was clearly enunciated by the leader of the party in January. We were then, and are now, opposed to the boycott.

Some hon. Members: Shame!

Miss Jewett: In condemning the invasion of Afghanistan by the Soviet Union the leader of the NDP urged the Government of Canada to join with the many other nations which had voted against the Soviet invasion in developing international diplomatic, economic and cultural sanctions as the only effective means of bringing forcibly home to the Soviet Union the wishes of ourselves and the United Nations towards them.

We were then, and remain now, convinced that a boycott of the Moscow games would not fulfil the objective of forcing the Soviets out of Afghanistan. Indeed, the Secretary of State for External Affairs admits this himself when he states "any dramatic change in the situation in Afghansistan seems unlikely".

We regret also the decision to single out our athletes to bear personally the total burden of our anger. No comparable sacrifice is asked of others. Furthermore, crippling the games in Moscow probably signs the death warrant of future Olympic Games as well.

Finally, the proposed boycott, far from causing a Soviet withdrawal from Afghanistan, may well serve to escalate East-West tensions, making future arms control and mutual disarmament that much more distant.

The NDP feels the government should reject the boycott and instead show leadership among the 103 nations which, along with Canada, condemned the Soviet action in the United Nations Assembly, by developing effective sanctions to pressure the Soviets to withdraw from Afghanistan. Specifically in the case of Canada, the NDP feels that the termination of bilateral, cultural, and sports relations, the withdrawal of high-technology assistance in trade, and the cancelling of Soviet credit lines in Canada would mark the start of a more effective protest than an Olympic boycott. Such actions, when taken in concert with other nations, would have a strong chance of forcing a change in Soviet policy and would better serve world peace.

● (1720)

Some hon. Members: Hear, hear!

Miss MacDonald: Madam Speaker, I would like to pose a few questions to the minister in this regard. I suppose my first question should really be directed to the Secretary of State (Mr. Fox), but I am sure the minister will be able to answer in his absence.

I would like to find out whether or not the arrangements which were made for the CBC to cover the games in Moscow and the moneys which were allocated for that purpose have been cancelled.

Mr. MacGuigan: Madam Speaker, no action of that kind has been taken as yet because this decision was arrived at and announced only today. However, I can say that the government is determined to use all the means at its disposal to dissuade and discourage the CBC from covering the Olympics.

Mr. Nielsen: Get Ouellet after them.

Miss MacDonald: But this happens to be public funding and a decision which the government would have arrived at, I presume, after not only consultation with other countries but also consultation with ministers responsible for agencies in Canada. Therefore, I would have expected a firm commitment that there would be a cancellation of that when the minister spoke this afternoon, and when he replied. Can he tell me when he will be in a position to give us that information? It would seem to me that his colleague should be able to meet with the president of the CBC tonight to convey the government's decision and to make it clear that if the government has cancelled its participation, or indicated that it wants to cancel its participation in the games in Moscow, it surely would want to see the CBC, a government agency, also cancel its participation there.

Mr. MacGuigan: There is absolutely no difference between us as to the desirability that the CBC not cover the games. The hon. member's party is fond of proclaiming from time to time the independence of the CBC, which we certainly believe in, but the hon. member's words right now do not sound like that.

We will use every means at our disposal to discourage the CBC from doing this, but that is a decision for the CBC to make, and we will certainly take that up very strongly with the CBC.

Mr. Clark: Will you start now or in four months?

[*Translation*]

Hon. Roch La Salle (Joliette): Madam Speaker, first of all I should like to tell the minister that we have been in agreement with that decision for several weeks already. Our athletes have worked hard, have trained energetically and are ready. Can the minister tell the House, on behalf of the government, whether he has considered steps to encourage those athletes, perhaps to compensate them for the considerable expense they may have gone to? For instance, is there any intention of compensating them through some other competition, that could be very interesting and could somehow make up for the efforts they have made?

Mr. MacGuigan: Madam Speaker, as I have already mentioned, the minister responsible, my colleague the minister of fitness and amateur sports, intends to meet Canadian sports organizations without delay in order to give our athletes opportunities to appear here in Canada.

[*English*]

Mr. Bob Wenman (Fraser Valley West): Madam Speaker, just to pursue the last question one step further, sanctions always involve sacrifice, and we have clearly identified that the sacrifice will be made largely by athletes. It is very important that that sacrifice is not made in vain. There is no real compensation in a secondary type of non-Olympics. That is one minor compensation, but it is not a real compensation.

Somehow people have the image of an athlete as being a very wealthy person who can spend his money freely to develop. However, of course, that is not true. The sacrifice in many cases is a thwarted professional career, much lost employment income, four to eight years of intensive training five or seven days a week, and broken dreams. All these things are payment that they will make in sacrifice.

If in fact the Olympics are not held or this money is not expended as suggested, I suggest that the money which will be saved—and it will be substantial whether it be with regard to the CBC or whatever—could in fact be used to compensate the athletes directly for their personal losses, be they loans or expenses incurred on their behalf in the past year.

Mr. MacGuigan: Madam Speaker, I fear that the suggestion is impractical in its terms. I think the only way by which we can hope to compensate the athletes is through forms of organized athletics. I should point out to the House that when my colleague, the minister responsible for sport, and I met the Canadian Olympic Committee, the committee was totally opposed to the notion of alternate games of any kind. It refused to discuss that matter with us because it said that this was totally opposed to its views and, it believed, the views of Canadian sporting bodies. However, we intend to carry on a dialogue.

My colleague and his officials will very shortly—immediately—be meeting officials, not only of the Canadian Olympic Committee but also of the other sports governing bodies in Canada, to try to arrange for the upgrading and the augmentation of existing sporting programs so that our athletes will not find that their training was wasted. They will have an opportunity to participate and, I might say, now that we have a boycott—and this is where we differ from the opposition—with the announcements to come within the next few days from other countries as to their boycotting, the boycott will now be effective.

Mr. Beatty: No thanks to you.

Mr. MacGuigan: Those who do compete in Moscow will themselves realize that the medals they attain are of very little value. The medals which will be achieved in other competitions around the world may well be of more intrinsic importance to the athletic community than medals they might gain in Moscow with the kind of competition which will now be there.

Olympic Boycott

Mr. Benno Friesen (Surrey-White Rock-North Delta): Madam Speaker, there have been hundreds of families who have booked their vacations for Moscow to coincide with the Olympics, particularly families of competing athletes. Some of these have invested several thousand dollars in advance on pre-paid bookings with tour companies. They are charters, and some of these people are now losing their entire investments because the deadline for refund has passed, and maybe in some cases it has passed because of the delay in the announcement by this government.

Mr. Clark: No question.

Mr. Friesen: I would like to ask the minister if this Liberal government has done anything about bringing pressure to bear on these tour companies to make sure that they will refund the money that they have been using now for several months. They have been using money received from families which can ill afford to invest in a package which they will never be able to use. Is the government doing anything to make sure that these companies, such as Sears and others, will refund that money to those families, which cannot afford this kind of wasted expenditure?

Mr. MacGuigan: Madam Speaker, when a decision on public policy is made, it is not always possible to compensate all the citizens who may lose as a result. That is often the case because it is not possible to identify them or to determine what their losses really are, or it might be too expensive for the public purse, but I think my hon. friend has made a suggestion which is worthy of investigation. I can at least assure him that we will look at that problem to see what the dimensions of it may be.

Mr. Friesen: The minister suggests that I am asking that funds be expended. I am not asking that. I am not asking the government to lay out any money. All I am asking is that it use its good offices, if they are that, to bring pressure to bear on those companies to make sure these families get their money back.

● (1730)

Mr. MacGuigan: Perhaps I was overly suspicious as to the thought lurking in my hon. friend's mind. I certainly think we can have a discussion on behalf of the government with these organizations, and if there is no further commitment than that, then I think I can give him the assurance that we can do that.

Mr. Mark Rose (Mission-Port Moody): Madam Speaker, in addition to admitting in his statement that the boycott was not likely to have much effect on changing the Soviet position in Afghanistan, the minister tried to make the point on page two of his statement that, in addition to athletes, other segments of the Canadians society will be making certain kinds of sacrifices as a result of the government's decision. He mentioned that ministers will not be allowed to go to the Soviet Union as frequently as they did previously, and the same applies to other high officials. I do not know if that is much of a sacrifice. He called on sports federations and some cultural groups to restrict themselves similarly.

What concerns some of us is that farmers and businessmen, to name a few others besides the ones already mentioned, will be asked to bear what, it is implied, is an equivalent burden to that of the athletes. Can the minister tell the House what specific sacrifices he is asking Canadian farmers to make in expressing Canada's outrage? Perhaps he might also care to elaborate on what he is asking the commercial or business interests in this country to do.

Mr. MacGuigan: Certainly, Madam Speaker. I should mention that we are following the policies established by the previous government. We have adopted those policies as our own. There is quite an array of measures in place but, to be more specific about the ones to which my hon. friend refers, and I think he has in mind potential losses of the business community, that would largely be with respect to export permits for goods or materials of strategic significance. So far permits have been denied to two Canadian firms, and there is an apparent loss of export contracts by four other Canadian firms. The combined value of these losses has been estimated at $6 million. I would think that my hon. friend would be aware of the fact that we have been limiting our grain exports to the Soviet Union to traditional levels. As I think is well known, so far they have not sustained any losses as a result of that.

Some hon. Members: Oh, oh!

Mr. MacGuigan: They have not sustained any losses in terms of volume because we are at the traditional level. But there is a potential loss situation there as well.

Mr. Rose: I wonder if the minister could be more specific as to the nature of the six firms he mentioned. Did any of them include high technology contracts, and has the minister considered withdrawing certain lines of credit for continued expansion of trade with the Soviet Union when he was considering other sanctions? It is my view, and also that of my colleagues, that the massive burden of expressing Canada's outrage falls on the high profile athletes in the Olympic Games, and we consider that unfair. If the athletes will be expected to bear this burden on behalf of their country or else be considered unpatriotic, then I think equivalent burdens should fall on other segments of society, and we have no confidence, on the basis of the minister's statement, that indeed they have.

Some hon. Members: Hear, hear!

Mr. MacGuigan: I do not have with me the names of those firms. I will attempt to get them for the hon. member. But I think he should also take account of the fact that a great number of scientific, academic, and cultural exchanges have been cancelled, affecting hundreds of Canadians who were looking forward to various kinds of opportunities, from scientists from the National Research Council to others. If hon. members would wish to address a question to me that I can

hear, I will be pleased to reply to it, but I cannot distinguish the words—

An hon. Member: Name one.

Mr. MacGuigan: One instance? Up to 15 National Research Council scientists will not be allowed to go to the U.S.S.R. this summer to do research under the aegis of the Soviet Academy of Sciences. I can name a whole list, if the hon. member wants to know. The opposition critic says that these are things which they have started. We have adopted their policies in this respect. This affects a lot of students, professors, and cultural performers, such as the Stratford ensemble, Karen Kain and Frank Augustyn who will not be making their tour of the U.S.S.R., and so on. There are many different forms of endeavour which are being cancelled. It is not really possible to equalize the burden exactly because it is different in various areas, but I think we have done our best, as I believe the previous government did, to have a wide-ranging program which would be as fair as possible in various sectors.

Mr. Nielsen: What new initiatives are you taking?

Mr. Douglas Roche (Edmonton South): Since the question of the Olympic boycott goes right to the heart of Canada's foreign policy and lets us see the sense of direction which the government will take in the 1980s, which are already starting out as a very dangerous period in world history, is the minister now prepared to have a parliamentary examination of Canada's foreign policy in a way that has not been done in the past ten years, the basis for such an examination already having been laid by officials in his department, in both external affairs and CIDA, and an examination by Parliament of the total foreign policy in a way that would turn out to be of assistance to him in the formulation of a policy which could win support from the Canadian people in this decade?

Mr. MacGuigan: As the hon. member knows, there is always that opportunity for a review of the foreign policy by standing committees in considering estimates and, from time to time, on other orders of reference. If he is referring to a specific order of reference, however, I might say that I have under consideration the best way in which to review specifically the question of aid to other countries. In my view that is something which, in some form or other, has to be given a fairly broad scrutiny. I want to get a good deal of input, and I welcome any suggestions by opposition members as well on how that best could be accomplished in terms of techniques. If the hon. member is referring to a general review of foreign policy, I must say that I do not have in mind an order of reference with respect to that. I believe our foreign policy is well established.

Some hon. Members: Oh, oh!

Mr. MacGuigan: With specific reference to aid, we have had a policy which shortly expires in the sense that there was planning for a particular period of time, and now we need to set some goals for the next five or ten years in the area of aid.

Olympic Boycott

The Acting Speaker (Mr. Blaker): I will recognize the hon. member for Edmonton South (Mr. Roche) on a supplementary question and then I will recognize the Leader of the Opposition (Mr. Clark).

Mr. Roche: Undoubtedly there is a need for a review of aid programs but that review will only be effective if it is done in conjunction with a review of our total foreign policy, since the aid question must be inserted into many aspects of foreign policy.

I want to ask the minister specifically if he has yet had the opportunity of personally reading the two papers that were prepared by the officials of external affairs and the officials of CIDA, which are professional, objective papers, outlining the aspects of the world situation to which Canada must relate in forming a total foreign policy and an aid policy for the 1980s. Has he read those papers and is he prepared to allow the parliamentary committee to review them so that there will be an opportunity for Canadian public opinion to express itself to that committee, which can then make a report which will be effective in the formulation of the policy for which the minister has responsibility?

Mr. MacGuigan: Yes, I have read those papers, as the hon. member knows. Since his government did not have an opportunity to make them public—the passage of events has perhaps slightly outdated them, more in some areas than in others—I would certainly be prepared to consider releasing those papers, either as they were or with some updating changes. I have not made any decision on that but I am considering that problem. Certainly I have not made a decision that it would then be a basis for a reference to a parliamentary committee. That is not a commitment which I am prepared to give at this time.

Right Hon. Joe Clark (Leader of the Opposition): Perhaps the most intriguing passage in this delinquent declaration by the government is the following:

It remains up to the Soviet Union to create the conditions in which the Olympics can take place.

● (1740)

The minister's statement then went on to indicate that if those conditions are created, the Liberal government is prepared to reassess the position that the minister, after four months, has announced today. Exactly what are the conditions that the Government of Canada has in mind which would cause it to reassess its decision to boycott the Olympic Games?

Mr. MacGuigan: Madam Speaker, there is no mystery about that. That is the same type of statement which has been made by most of the countries which have made declarations in favour of boycotting, with the United States alone excepted, because the United States has said that even if the Soviet Union withdrew its troops and allowed a free vote to take place in Afghanistan, that it still would not go to the Olympics. But most countries have made their decision to boycott conditional upon the fact that the Soviet Union continues its aggression in Afghanistan. I do not think we will ever have to decide that

question because it seems clearly to intend to do so. But because we are making our decision a month before the time for signification by the Olympic committee, like other governments which have taken the decision we feel that at least we should leave open that possibility. We are speaking about an Afghanistan from which the Soviets would have effectively withdrawn and where the people would be allowed their own free choice of government.

Mr. Clark: The reason I raised the question is that when I expressed that as being the sole condition, the Prime Minister (Mr. Trudeau), the then leader of the opposition, who is now absent from the House, accused us of grandstanding. I believe that was his exact language. Will the Secretary of State for External Affairs (Mr. MacGuigan) confirm that that is the only condition which his government applies to a boycott by Canada of the games?

Mr. MacGuigan: Madam Speaker, not at all. That is the sole remaining condition. It is not a condition in the sense that we do not expect that there will be any further need to consider it. It is an intellectual condition, if you like.

Some hon. Members: Oh, oh!

Mr. MacGuigan: The great difference between us on this question has been that we have not been satisfied just with a verbal forum. We want an effective boycott, a boycott in which other countries that count in the athletic world will be participating.

The hon. member opposite read a list of countries that are boycotting. Certainly; but those are not the important countries in the world of athletics. Many of the important countries have still to make a decision, and they will be making their decision in the next short time. Canada is a part of that process. I might even add that as a result of a meeting which I had with the West German foreign minister in Salisbury last week, we have co-ordinated our announcement with the government of West Germany with respect to whatever decision they may make about the games.

Mr. Clark: I am sure that Kenya, West Germany, Australia and Japan will be interested to note that in the view of Canada they are not nations whose athletes would make significant contributions to the Olympic Games. But I want to come back to the question of the minister seeking a policy that would be effective. He has spoken about initiatives which have been taken. He quite properly credited the government which I had the honour to lead with starting most of those initiatives. Can he tell us which new initiatives were started by his government, apart from its whirling around on the question of a boycott? Which new initiatives were started by his government since it was sworn into office?

Mr. MacGuigan: Madam Speaker, I am not certain that I realize myself which of the measures now in effect were theirs and which were ours.

Some hon. Members: Oh, oh!

Mr. MacGuigan: I believe the decision to deny Aeroflot its usual summer schedule of landing and increased flights in Canada was a decision which we made.

An hon. Member: No.

Mr. MacGuigan: At least I had to confirm it since coming into power. Whether or not the same decision was first made by hon. members opposite, I honestly do not know.

An hon. Member: It was.

Mr. Friesen: Who else?

Mr. MacGuigan: In fact the principal difference between us, I think, is that we have helped to create in the international community an effective boycott.

Some hon. Members: Oh, oh!

Mr. MacGuigan: The hon. Leader of the Opposition (Mr. Clark) can quibble about which country participates, but our aim is to have enough countries which have Olympic medal-winning athletes participating in the boycott that the games in Moscow will be a sham. We believe that as a result of our initiative we have helped other like-minded countries to accomplish that objective.

Miss MacDonald: What initiative?

Mr. Lorne Nystrom (Yorkton-Melville): Madam Speaker, my question to the Secretary of State for External Affairs (Mr. MacGuigan) is about his concern with the boycott on grain. Because of the decision announced by the government today, I can say as a prairie member that there will be a great deal of concern in my province from a lot of farmers as to the government's position on the grain boycott. I should like to ask him whether or not it is his intention to announce shortly what the government's precise position is.

Farmers have already seen the price of wheat go down between 70 cents and 80 cents a bushel since the boycott was announced, and the use of food as a weapon was announced by the United States and concurred in by the former prime minister. The farmers are wondering how long that boycott will go on. Will we maintain our traditional amount of exports to the Soviet Union, or is the government contemplating cutting back even further? Does the government have any plans in mind for compensating the farmers? I wonder if the minister can answer some of those questions now. If not, perhaps he will consider making a statement on motions at a later date to tell the farmers exactly and precisely where they stand. It is a serious economic question for the farmers of this country. The overwhelming majority of farmers do not want to boycott grain sales. They do not want to be singled out as the people who have to pay the biggest price.

An hon. Member: That decision was made by the previous government.

Mr. MacGuigan: As one of the hon. members is shouting, that decision initially was made by the previous government, and we have been prepared to continue it. The arrangement and understanding with other countries is that we will continue only our traditional level of supply and that we will not seek to make up any shortfall which the Soviet Union may have. The fall in price is certainly not a direct result of the policies of the Canadian government, although it may arguably result from the over-all embargo situation in which we participated. That is a question we will have to discuss with the other countries which are involved in it. It is not one on which we could have a policy ourselves.

Mr. Nystrom: I wonder if the minister can offer farmers anything more concrete in terms of compensation. He implied that he might take some initiative in discussing with other countries what may be done because of the falling price, but is there anything else the minister can say at this time as to whether or not there is any compensation for the farmers other than the western grain stabilization plan which is not adequate in this case?

Mr. MacGuigan: In general we have taken the position, if there is a cutting back in our sales to the Soviet Union, that this would be an appropriate situation for compensation to the farmers. But that has not occurred. We have contracts now and we are in the process of shipping more than we have in many years, less than we have in peak years, but certainly a representative amount. The hon. member may at some future time wish to return to this subject if it becomes apparent that we are dropping below where we usually are in our exports.

Mr. Donald W. Munro (Esquimalt-Saanich): Madam Speaker, the Secretary of State for External Affairs (Mr. MacGuigan) spoke of the comparative values in prestige terms of the medals which are to be won at the Olympic Games in Moscow this year by those who will be participating and those medals which will be won at other games. I was wondering whether the Secretary of State for External Affairs can say what arrangements have been made or what exploratory talks have taken place between Canada and the possible sites for those games, either dispersed sites or concentrated ones in Canada or abroad, where these other games with more prestigious medals will be held?

Mr. MacGuigan: Madam Speaker, I think it is worth drawing to the attention of the House that the initiative, perhaps led by the United States, to organize a complete series of alternate games or an international sports festival, as I think it was euphemistically called at the Geneva meeting which we attended as observers, is not really going well, for a combination of reasons. There does not seem to be great international favour even among the countries which are boycotting, their Olympic committees and their athletes, in organizing a series of events in the world which, in total, would amount to something like an alternate games.

• (1750)

What we have in mind, if that attempt does not succeed, and we certainly will participate in any such attempt by countries which are deciding to boycott, is that my colleague, the minister, plans immediately to approach the Canadian sports organizations to see if we can upgrade some of our events so that at least our athletes will have an opportunity of better competition. I might add that the best prediction I have heard is that if the boycott, as we are now convinced, will be effective, something like 80 per cent of the medal athletes from the non-communist world will not be participating. That will certainly make the intrinsic value of the medals in Moscow to those who win them very small, indeed.

Mr. Munro (Esquimalt-Saanich): Madam Speaker, I was wondering whether the Secretary of State for External Affairs could say whether there have been any conversations with possible organizers of sites in Canada which could entertain athletes from around the world, and Canadian athletes, for these games?

Mr. MacGuigan: I cannot answer that with complete assurance, Madam Speaker, because I am not sure that there have not been some informal consultations. But, after my colleague, the minister for sport and I were discouraged by the Canadian Olympic committee from considering such an idea, at least before we had made a decision as to the Olympic Games themselves, we have not carried out a systematic attempt to deal with these sites. As I say, my colleague, the minister responsible for sport, has the intention of immediately going into this very question.

Hon. John C. Crosbie (St. John's West): Madam Speaker, I would like to ask the Secretary of State for External Affairs (Mr. MacGuigan) a question. Several months ago when Canada had an effective government, before February 18, when it had a government that had some conviction and some muscle, and this policy was put into effect, it was decided there was no need to interfere with a situation where Soviet fishing vessels were coming into St. John's, Newfoundland, to be repaired at the CN drydock at St. John's, Newfoundland. That is a drydock which is now ready for a Syncrolift, by the way, and I am hoping that the Minister of Industry Trade and Commerce (Mr. Gray) is going to do his thing and see to the financing of it now, and that the tenders should be called shortly to expand the Syncrolift. In the meantime, there are 18 or 20 Soviet trawlers per year being repaired there, giving considerable business to the port of St. John's and the people who work at that dock there. Is it still the government's position that it would not be of any benefit to Canada and it would not add to any effectiveness of the boycott or otherwise, and that arrangement can continue?

Mr. MacGuigan: Unless the hon. member wants to make a submission to the contrary, Madam Speaker, it is our present intention to allow Soviet fishing vessels to continue to come into Canadian ports to receive supplies. We have, as I believe the previous government did as well, denied permission to

non-fisheries vessels, I think one in each case, or discouraged those vessels from coming into port. I think we will not be moving to take similar measures with respect to fishing vessels.

Mr. Crosbie: No, my representation is that the position stay exactly the same. I do not want the Secretary of State for External Affairs to misunderstand that, because this is of positive benefit to Canada and it would not bother the U.S.S.R. very much in any event. He has given me confirmation that the policy is unchanged, I gather.

Mr. Doug Anguish (The Battlefords-Meadow Lake): Madam Speaker, would the minister be prepared to table a list of those who are suffering the brunt of the sanctions imposed against the Soviet Union in achieving the boycott, or achieving success of the boycott to take the Soviets out of Afghanistan, and stop their aggression in that area? Would he be willing to table a list of those who are suffering the sanctions?

Mr. MacGuigan: Madam Speaker, I will certainly be prepared to write a letter to the hon. gentleman telling him what our over-all policy is, and he can make whatever disposition he pleases of that information.

Mr. Chris Speyer (Cambridge): Madam Speaker, this afternoon when there have been so many momentous statements by ministers I am sure it is a source of dismay to many members that the Prime Minister (Mr. Trudeau) would not show more respect to this House by being here.

Some hon. Members: Oh, oh!

Madam Speaker: Would the hon. member ask his question?

Mr. Speyer: Is this not an important measure? Why isn't the Prime Minister here?

An hon. Member: He is busy working.

Madam Speaker: Order. Will the hon. member ask his question, please?

Mr. Speyer: My question is this. I wonder whether the minister can tell me precisely when he became convinced that the boycott would become effective, and what circumstances surrounded that decision when he knew in his own mind and made a recommendation to the cabinet that the boycott would become effective? The second part of my question is this. Can the minister envisage circumstances where international conduct is so outrageous that we, as a country, would be willing to take independent action, notwithstanding what the effect might have been in Russia, and does not the invasion of Afghanistan fall within that category?

Mr. MacGuigan: Madam Speaker, may I say first that the Prime Minister (Mr. Trudeau) did come into the lobby this afternoon with the intention of being here for the statements of both my colleague and myself. He left when he found that the rather lengthy debate on the question of privilege raised by the hon. member was being prosecuted.

There are empty seats on all sides of the House, and I would not like to find fault with anyone for not sitting through the length of this afternoon's proceedings.

I do not know what kind of psychological test the hon. member's question holds for me, but I am quite prepared to say that it was this past weekend in Salisbury, Zimbabwe, when I had the opportunity of discussing this issue with something like 20 or 30 states that I had the opportunity of coming to a firm conclusion that an Olympics boycott would be effective. I may say that not the least important of the factors was the discussion I had with the West German foreign minister, at considerable length, during which we were able to co-ordinate our strategies for this boycott.

Madam Speaker: I still have three questioners. If hon. members would like to limit themselves to one question each, perhaps I could not see six o'clock for a while and we will see if we can conclude this debate before we adjourn. The hon. member has had one question. I would like now to recognize the hon. member for Saskatoon East (Mr. Ogle).

Mr. Bob Ogle (Saskatoon East): Madam Speaker, my question is for the Secretary of State for External Affairs (Mr. MacGuigan). I was very happy to hear earlier today that he was preparing to accept a revision of the whole question of international aid, but, like the former questioner, I have great doubt that this can be done without a complete revision of the whole role of Canada in the international community. I should like to ask the minister whether he does not really believe that today Canada has to kind of come to a new vision of itself, because I do believe that the era we are living in, in the 1980s and the coming 1990s, and I hope we get that far, is quite different from a time when Canada made its foreign policy before. I was hoping he would be willing to accept the suggestion. How does he feel about the possibility of really and truly making a new accounting of ourselves and who we think we are at this time in the international community, through a revision?

Mr. MacGuigan: Madam Speaker, in the interest of time and because of the eloquence of the hon. member, I will undertake to consider his representation.

Mr. Arnold Malone (Crowfoot): Madam Speaker, I would like to bring to the mind of the hon. minister that on many numerous occasions the Prime Minister (Mr. Trudeau) has said he doubted that a boycott would be successful. I would like to ask the minister whether he can assure the House today that the Prime Minister believes it can be successful, particularly when he said just last Friday that his personal view would be irrelevant on this question. Can he assure us that it is the personal view of the Prime Minister that the Prime Minister thinks this move will be successful.

Mr. MacGuigan: Madam Speaker, the hon. member should know that the personal views of ministers, including mine, are not really relevant. I am here stating government policy, policy which, as the leader of the government, is firmly embraced by the Prime Minister, and I would have to take exception to the

suggestion that the Prime Minister ever said that the boycott would not be successful. He said, in effect, that a boycott taken in a vacuum, as the other party was proposing, would not succeed. What we spent this time doing is organizing an effective boycott.

• (1800)

Some hon. Members: Hear, hear!

Mr. Lloyd R. Crouse (South Shore): Madam Speaker, the Prime Minister (Mr. Trudeau), as has recently been stated by the Secretary of State for External Affairs (Mr. MacGuigan), did not make much of the fact that he delayed taking action to boycott the Olympics in order to convince other countries that this was the right course. I should like to put two brief questions to the minister. First, how many countries did Canada convince to join the boycott and, second, what initiatives did the minister or the Prime Minister take in order to bring about this change of opinion in whatever the number of countries is that they were able to convince? Would the minister table this information so that the House will know precisely what he did, or is he just bluffing once again?

An hon. Member: Grandstanding.

Mr. MacGuigan: Madam Speaker, I am certainly prepared to summarize for the hon. member the steps that we took.

The Prime Minister wrote to some 14 government leaders. The Department of External Affairs, through its good offices across the world and through our ambassadors, actively contacted the governments in all countries in which we are represented. In addition to that I had the opportunity—

Mr. Nielsen: The question!

Mr. MacGuigan: —in my travels in the last month to discuss this with quite a number of western and Third World leaders—

An hon. Member: How many did you convince?

Mr. MacGuigan: —including the Mexican foreign minister, the French foreign minister, the British and German foreign ministers and, in some cases, the opposition critics as well.

An hon. Member: How many did you convince?

Mr. MacGuigan: The hon. member asks how many people we convinced. Let us assume we convinced them all—all those who are going to announce. We reached a meeting of minds with many of the countries with whom we discussed the issue. We naturally like to think it was our influence that made the difference. I think we have good grounds for thinking that the role we played in this was a very fruitful one indeed.

Some hon. Members: Hear, hear!

Supplementary Estimates

PRIVATE MEMBERS' BUSINESS

SESSIONAL BALLOTING FOR ORDER OF PRECEDENCE

Madam Speaker: Order, please. With the permission of the House I should like to convey the following information.

On Monday, April 14, I wrote to all party whips and suggested that the sessional balloting for precedence on the notice paper for private members' motions and public bills be held Tuesday, April 22.

On April 16, I received requests from the whips asking that the date of the balloting be delayed one week. I agreed to the suggestion.

Thus, the sessional balloting for precedence on the order paper of private members' public bills and motions would be conducted by the Deputy Speaker on Tuesday, April 29, at 3.30 p.m and those bills and motions submitted before 6 p.m. on Monday, April 28, would be included.

The bills and motions would then go on the notice paper on Wednesday, April 30, and the bills could be given first reading with the usual caveat on Friday, May 2. The first private members' hour would then be held on Friday, May 2.

Is this suggestion agreeable to hon. members?

Some hon. Members: Agreed.

Madam Speaker: Agreed and so ordered.

With the indulgence of the House I shall now proceed to the other items so that we may arrive at orders of the day for eight o'clock tonight.

* * *

SUPPLY

MOTION FOR REFERENCE OF SUPPLEMENTARY ESTIMATES (A)

Hon. Yvon Pinard (President of the Privy Council) moved:

That the Supplementary Estimates (A), 1980-1981, tabled this day, be referred to the several standing committees of the House as follows:

To the Standing Committee on Agriculture:
Agriculture Votes 25a and 35a

To the Standing Committee on External Affairs and National Defence:
External Affairs Votes L11a, L12a and L51a

To the Standing Committee on Indian Affairs and Northern Development:
Indian Affairs and Northern Development Vote 5a

To the Standing Committee on Finance, Trade and Economic Affairs:
Industry, Trade and Commerce Votes 1a and 6a

To the Standing Committee on Labour, Manpower and Immigration:
Employment and Immigration Vote L27a

To the Standing Committee on Miscellaneous Estimates:
Secretary of State Vote 115a

To the Standing Committee on National Resources and Public Works:
Energy, Mines and Resources Votes 10a, L42a and L107a

To the Standing Committee on Transport:
Transport Votes 37a, L66a and 90a

To the Standing Committee on Veterans Affairs:
Veterans Affairs Vote 1a

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

Some hon. Members: Agreed.

Motion agreed to.

Madam Speaker: Orders of the day.

* * *

SPEECH FROM THE THRONE

CONTINUATION OF DEBATE ON ADDRESS IN REPLY

The House resumed from Monday, April 21, 1980, consideration of the motion of Mrs. Côté for an address to His Excellency the Governor General in reply to his speech at the opening of the session, and the amendment thereto (Mr. Kristiansen) (p. 226).

Madam Speaker: It being six o'clock, I do now leave the chair until eight o'clock this evening.

At 6.07 p.m. the House took recess.

AFTER RECESS

The House resumed at 8 p.m.

The Acting Speaker (Mr. Blaker): Order, please. When debate was last adjourned on the Address in Reply to the Speech from the Throne, the hon. member for St. John's West (Mr. Crosbie) had the floor. Is the hon. member prepared to continue?

Hon. John C. Crosbie (St. John's West): Yes, Mr. Speaker. I think it is around 22 hours since I last spoke here, and I am glad I have the chance to continue my remarks. I know that if I need to go over the 30-minute time limit, because we extended the courtesy to the Minister of Finance (Mr. MacEachen), the House will extend to me the same courtesy so that I can finish my remarks.

Of course, I am not as full of fire and vigour as I was 22 hours ago. It really spoils a speech to be interrupted for 22 hours in between. Not only that, the Minister of Finance is now on his way to West Germany, having escaped the confines of this House. He will be gone for the rest of the week, so it is hard to get indignant.

To come back to this situation, we have had a major budget statement by him on financial matters if we listened to the Minister of Finance today arguing a point of privilege that arose. But there was nothing on energy. That whole subject has been left open. That is all to be solved in the near future. We have the spectacle of the Minister of Energy, Mines and Resources (Mr. Lalonde), who had some of his officials issue statements several days ago trying to show that the projected increase in oil prices in the next four years under the Progressive Conservative policy was going to be much more than the public had ever realized before; it was going to be much greater than $4 a barrel this year and $4.50 a barrel in the next three years. This was going to open up limitless possibilities for the Minister of Energy, Mines and Resources and this government to reach an agreement with Alberta where the increases could be $6, $7, $8 or $10, and hon. members will still be keeping to their commitment to a lower price for oil than we had made, using the fact that by January 1, 1983, we were prepared to go to 75 per cent of the international price or the Chicago price, whichever was lower, and, by January 1, 1984, to 85 per cent.

I will just remind those hon. gentlemen that 1980, 1981 and 1982 were years that were not affected by those provisions at all so that there is no question about $4 and $4.50 a barrel. There is no way for them to avoid their obligations in 1980, 1981 and 1982 to keep prices of gasoline and oil products in this country lower than those increases. The minister did not deal with that at all.

The government is sending the Minister of Energy, Mines and Resources to negotiate this delicate subject with the government of Alberta. As I said in an interview last Saturday, it is like sending a mongoose to trade with a snake. The only thing that can result from all of that is a mortal struggle, because the Minister of Energy, Mines and Resources is going to be a man who drives anybody he is negotiating with into a positive frenzy of opposition to whatever he suggests. But this too is not dealt with in the statement of last night.

There is a $5.19 billion deficit in the current account in the balance of international trade in 1979. That has been forgotten about and not mentioned. We have a net foreign debt in Canada of $69 billion. It is double that, but when one takes out foreign investment abroad it is a net of $69 billion at the end of 1979.

In 1979 we had a net outflow of interest and dividends of $5.2 billion in this country. That is not dealt with in this purported budget statement of the Minister of Finance last night.

We have a situation in Canada of people who know and people who do not know. The people who do not know are widows, those connected with estates, and young children. But those who know anything about interest rates and what they should get for their money are cashing in their Canada Savings Bonds. We have a situation where $17.89 billion of the total debt of the Government of Canada, of the internal debt of $70.6 billion, is in the form of Canada Savings Bonds. Except for the fact that many people do not know the difference, the people unlearned, the people not wise in the way of the financial world, the widows, the children and the innocents, most of these bonds would be cashed in.

Those who have any knowledge at all of financial matters are cashing in their Canada Savings Bonds because 12 per cent interest is not high enough in today's circumstances for a lender of money. There was no mention of that problem in the statement of the Minister of Finance.

The Minister of Finance is like the old ancient mariner—Alone, alone, all, all alone; Alone on a wide, wide sea!—that is the Minister of Finance, a crafty old bird with an albatross around his neck. Who is the albatross?

An hon. Member: Trudeau.

Mr. Crosbie: The albatross is the faded gentleman with a faded flower sitting next to him, and the Minister of Industry, Trade and Commerce (Mr. Gray) who sits two seats down from him—tattle-tale Gray.

Alone, alone, all, all alone; Alone on a wide, wide sea!

An hon. Member: All alone, John.

An hon. Member: Where are they, John?

Mr. Crosbie: This motley crew elected by the people of Canada to form a government for the next four or five years—

An hon. Member: God help us.

Mr. Crosbie: Yes, God help us—took the responsibility to defeat our budget, a co-ordinated approach to economic problem solving in Canada. They defeated a budget that took a long view that aimed to defeat inflation, that dealt with oil prices and energy issues, that stressed building up the private wealth creating sector of this country. They defeated all of that. When they came back to this House they brought in a ruptured version of that budget and presented it to the House last night. It is a ruptured duck of a budget. We have a Minister of Finance who cannot squawk for himself; he has to steal from somebody else.

An hon. Member: Look where it got you, John.

Mr. Crosbie: I would not tell you what I have got compared to you hon. gentlemen. It is in the same area, I can assure you.

Some hon. Members: Oh, oh!

Mr. Crosbie: I know that we cannot expect the hon. gentlemen opposite to take these matters seriously. It is only the ruination of the economic system of our country.

I want to refer to an analysis made by the C.D. Howe Institute. I do not want to quote our own expertise—

Some hon. Members: Oh, oh!

Mr. Crosbie: I want to quote from an independent source.

An hon. Member: You have given up on that.

Mr. Crosbie: We have two splendid representatives of New Brunswick here tonight. We can hear them squawking in the background. The albatrosses have woken up.

This is what the C.D. Howe Institute reported. I quote from their 1980 policy review which appeared in *The Ottawa Journal* for March 10.

● (2010)

Energy consumption is being encouraged by prices that are well below the cost of providing an adequate and secure energy supply base for the future. Debts are being increased at home and abroad to finance current public and private consumption. As a result, future generations will have to service and repay them.

That is the policy of hon. gentlemen opposite. They don't care. The hell with tomorrow. Let future generations pay.

They go on to say:

Throughout its history Canada has been exposed to, and strongly influenced by economic events in the United States and abroad, but during the 1970s it followed a course that was remarkably independent.

The 1970s when this tribe across the hall was in power. It goes on to say:

Unfortunately many of these policies turned out to be unsustainable,—

They certainly did.

—in fact they had contributed to a serious increase in Canada's vulnerability by the end of the decade.

They certainly did.

Canadian economic policy decisions became dominated by the need to sustain inflows of foreign capital to finance the fiscal and current account deficits.

Inflows of foreign capital. That is why we hear governor Bouey say we have no choice but to follow American interest rates, because the hon. crowd opposite for ten years followed those disastrous policies and put us in that position to finance the fiscal and current account deficits.

In effect, Canadian policies were dictated, in whole or in part, by decisions being made outside the country—decisions that were clearly determined by the interests of the OPEC countries or the United States.

That is what got us where we are today.

Then hon. gentlemen opposite had the gall to say they were going to have a made-in-Canada interest policy. They were going to have a made-in-Canada finance policy. The Minister of Finance admitted a few days ago that he is completely helpless—Samson shorn of his locks. He is helpless in the hands of the United States because of their past policies.

I go on with the C.D. Howe Institute:

The most obvious way to stop the use of foreign borrowing to finance current consumption is to increase domestic saving, and one method of doing so is to reduce the size of the fiscal deficit.

The size of the fiscal deficit, according to the statement last night, has been allowed to increase $3.5 billion.

Further on in their policy review they state:

The imbalances that have emerged in oil supply and demand, the federal fiscal deficit, and the current account are interconnected. The unfavourable trends in these three areas are generally not self-correcting; they can be altered only by deliberate policy actions. Most of the policy actions needed to turn these trends around will inevitably have immediate effects that are perverse—they will tend to increase inflationary pressures and dampen economic growth.

Yet there is a clear pay-off in the medium term.

I wish hon. gentlemen opposite would read this article. Medium term, that is what we were aiming for in our budget. We wanted to get Canada back on the track. We knew we had to aim for the medium term. However, hon. gentlemen opposite do not care about the medium term. They care about being in power now. They do not care what it takes to get them

in power and they do not care what it does to the country to stay in power. Well, that is the difference between us. We are hopeful that some time during the present century this medium-term approach is going to be successful.

Let us look at what the financial critic of the opposition said on February 4, before he learned he was not going to be in finance any longer. The Minister of Industry, Trade and Commerce said:

I don't think that allowing the dollar to have some downward adjustment would do as much harm to our economy as our present high level of interest rates.

That is what the minister said in the Toronto *Sun* of February 4—let the dollar go down, don't keep interest rates high, that is doing us more harm. That was his statement and his theory.

What does the governor of the Bank of Canada say? He made a speech a week or so ago, and the governor is backed up by the present Minister of Finance. On April 8 in Winnipeg, at page 10 of his speech, he was discussing this issue, should we let interest rates in Canada go lower and the dollar decline in value. He said:

Instead of merely trading off a lower Canadian dollar in exchange for lower interest rates, we would quickly find ourselves faced with more rapid exchange rate depreciation, more rapid inflation, and before long with even higher interest rates; in short, our economic problems would quickly get worse. To believe otherwise is merely wishful thinking.

The governor of the Bank of Canada said that the Minister of Industry, Trade and Commerce is a wishful thinker. On what side does the present Minister of Finance come down? Well, he comes down on the side of brother Bouey. He does not come down on the side of his colleague, the Minister of Industry, Trade and Commerce. Not likely! He agrees with governor Bouey as to what the result of those actions would be. Here is what the minister said on page 9 of his statement last night:

Canadian consumers would have suffered even more from higher import prices if we had not allowed our interest rates to rise and thereby checked the decline in the exchange rate for our dollar.

These two gentlemen exist in the same cabinet. One of them says that if interest rates should go down and the dollar decline with it, it does not matter. That is what he said when he was in opposition. He said it in February. The Minister of Finance says he suffers from wishful thinking, that if we had done that, if we had not allowed the interest rates to rise and check the decline in the exchange rate for the dollar, Canadian consumers would have suffered more.

Who is right? Is it the man now in charge of saving Chrysler, the Chrysler saviour, the second comer for Chrysler, or is it the Minister of Finance? The Minister of Industry, Trade and Commerce is being kept busy at the moment trying to save Chrysler. He is going for the winner. That is his new industrial strategy, go for the winners, the corporations that have lost billions and have misjudged the market and have done all the wrong things. Go for the winners. That is his new policy. If you come from Windsor and have a plant there, you are a winner no matter what you lost in the past. That is what he is doing at the moment.

These are the hon. gentlemen who are presenting a co-ordinated approach to overcome the economic problems of the Canadian people. When the Minister of Employment and Immigration (Mr. Axworthy) was in opposition and sat on this side, how he made the welkin ring against higher interest rates. He said, as reported in *Hansard* of November 6:

—that if there is a requirement to raise interest rates, there is an equal requirement to help those people who are hurt by those interest rate increases.

He is the same man who fought against our mortgage interest and property tax plan to help home owners and mortgagors in Canada. Hon. gentlemen opposite fought against that plan. They would not let it go through the House of Commons. They said they are going to help renters and bring in a more equitable plan to help mortgagors and home owners. They have not brought in a thing. They have not brought in a squiggle. They have not helped anyone. They say they are going to help a few thousand of the AHOP home owners whom they enticed five years ago to go into homes they could not afford, but no one else.

The Minister of Finance says that unless you spend 30 per cent of your income on rent or mortgage payments, we are not going to help you. Imagine, 30 per cent of your income before you get help from the flint-hearted Minister of Finance. The Minister of Employment and Immigration has allowed interest rates to go up 2.2 per cent. They are only up now 1.96 per cent since these hon. gentlemen came into office. He has done nothing to help the people hurt by those interest rate increases. We no longer even hear him mention them. Those are the hon. hypocrites who are now governing this country.

Here is the Minister of Industry, Trade and Commerce again, old tattle-tale Gray, in *Hansard* of November 6:

The Liberals and I generally want action taken now to prevent the hardships this Conservative high interest rate policy is creating for millions of Canadians and their families.

Some hon. members on his side of the House "quack, quack, hear, hear". What are they doing now they are over there? We do not hear a word from any of them about the effect.

Mr. Nielsen: Oink, oink!

Mr. Crosbie: Yes, oink, oink! They all have their noses in the trough. When are we going to have him as minister of finance? He said, as reported at page 1031 of *Hansard* for November 6:

For some members on this side, Mr. Speaker—

Yack, yack, yack.

It means a frontier has been crossed into dangerous uncharted territory—

Yack, yack, yack.

As a result, I believe it is right and necessary for Liberals to take a new approach and a new look at interest rate policy.

Where is the new approach? Where is the new look? The Minister of Finance gets up in the House and says proudly that he is following my policy on interest rates. This is the group of interest rate muscle flexers that were going to do something about interest rates.

The Acting Speaker (Mr. Blaker): It is with some regret that I must interrupt the hon. member whose time has now expired—

● (2020)

Mr. Crosbie: Well, as the Irishman said, I shall conclude very shortly.

The Acting Speaker (Mr. Blaker): —unless with the unanimous consent of the House, he is able to continue.

Some hon. Members: Agreed.

Mr. Crosbie: Only five minutes. There are other speakers to come and I do not wish to take up too much time or abuse the generosity of the House. I believe I have already demolished completely the arguments the minister put forward last night so I can conclude very shortly.

An hon. Member: Lost your notes?

Mr. Crosbie: Here I am. Made-in-Canada interest rates. "Wee sleekit beastie".

An hon. Member: Go back to reading again.

Mr. Crosbie: We have to take a reading test to be on our side. You are lucky. You don't have to take it on your side. Anyway, I am not going to read any further.

Some hon. Members: Hooray!

Mr. Crosbie: We shall have lots of time to deal with these matters.

An hon. Member: Four years.

Mr. Crosbie: I do not think it will be four years. I want to warn hon. gentlemen opposite that if they are going to send mongooses out to negotiate with snakes, it may be a lot quicker than four years.

Some hon. Members: Hear, hear!

Mr. Crosbie: We will win an election a lot quicker than that. They took a large gamble when they defeated our budget last December 11 and got themselves back in power again. That's a short-term gain but there's a long-term danger because the people in this country are expecting them to come forward with some economic and financial solutions to their problems, and the solutions are not contained in this truncated, ruptured duck of a budget that was brought down here last night by the Minister of Finance. The people of Canada are not satisfied to be told quietly that they are going to have .5 per cent of growth in 1980. They are not satisfied to hear that they are likely to have 10 per cent inflation. They are not satisfied to hear that their deficit is going to be over $14 billion. They are not satisfied to hear that the borrowing requirements of the government are going to be almost $12 million this year, because they know that that way lies disaster, that they are not going to recover from the present economic circumstance either in North America or elsewhere here in Canada if that is the approach taken to their problems.

They are waiting now for the government to produce a rabbit out of a hat. The minister has promised them that there is going to be a painless way for him to get $3 billion or $4 billion to reduce these huge deficits, that he is somehow going to get it from the oil and gas price negotiations. Well, Mr. Speaker, he is not going to get it from the oil or gas price negotiations without splitting this country even further than it is split today, and I am thinking of the present dangers that we see in the province of Quebec. That is going ahead with the vote on May 20 and nobody appears to know how it is going to go. I may go down there myself to try to stem the tide.

Some hon. Members: Oh, oh!

Mr. Crosbie: Hon. gentlemen opposite do not appear to be able to stem it. I may go down there myself to put my finger in the dike. They had better look at the motes in their own eyes when they are considering that situation. If they consider themselves our saviours, they had better get to it. They are going to need more than Fridays to repair the damage which has been done over the years through their neglect, their high-handed approach to the problem. We may have to go down to pull the irons out of the fire for them.

The people of Quebec, the people of Canada are waiting to see how this government can handle the economic and financial problems of this country because they no longer have confidence that we are going to be on top no matter what. Our margin for error is declining all the time. Our margin for safety is declining. The people who are losing their homes through foreclosures are no longer so confident about the future of this country. The people who want to invest their money but who have to compete with this government to borrow a dollar at ruinous interest rates, are starting to wonder whether there is any future in the country and whether they should stay or not.

How can we persuade people in Quebec that they should stay in Canada if we cannot make a better success of our fiscal or economic affairs than we are making now? It may be that the Minister of Finance has gone to West Germany thinking he has had a coup, that he has sneaked into the House and dropped a little bit of a budget without cracking too many yolks. He got the press all excited; they published their version, and now they have gone on to something else. He may think he has done very well out of this. But he has had a very sticky start, the hon. gentleman who has been in this House for so very long. If he wants to continue stonewalling and baffle-gabbing, if he wants to get up in this House and say nothing and display his mastery of the art of saying nothing in expanded numbers of words, that is going to wear very thin for the Canadian people because a lot of them are wondering what their futures are in this country and where their next meal is coming from, where they are going to get jobs and how they are going to prosper, and how they are going to meet interest rates of 16 per cent or 17 per cent. They want these matters dealt with.

So some time this year the Minister of Finance has got to come face to face with the consequences of his engineering our defeat last December, and those consequences include his finding $3 billion or $4 billion in revenue. And the only place he will find that is in personal income tax, in stopping the indexing or something like that. There are no magic or golden pots in which he will find it. Or he will have to go back to the excise tax, he will have to look at all the tax reductions which have been made in the last ten or 15 years during which revenue was reduced by $7.5 billion. He will have to listen to the President of the Treasury Board (Mr. Johnston) who has told him it is not there through cutbacks in expenditures, it must be got through increases in revenue.

At this stage we are satisfied, Mr. Speaker, that the people of the country have seen what we have proposed, not short-term solutions but measures over three or four years to help this country. People will remember, and they are going to be waiting to see what the hon. ladies and gentlemen opposite will come up with during the rest of this year. The private sector is going to be waiting to find out whether they are going to be encouraged to do the things that have to be done to create wealth in this country. We are satisfied that when these comparisons are made, when the minister really comes in with a budget, that the one we brought in will stand a test and that, in three or four years time, the Canadian people will remember that while we may have been defeated we at least made a serious attempt to meet their problems and we were not afraid to face them even though we were in a minority, while on the other hand the majority opposite seem afraid to face the facts even though they appear safe and secure for four or five years.

Some hon. Members: Hear, hear!

Mr. Cyril Keeper (Winnipeg-St. James): Mr. Speaker, it is indeed a real privilege for me to be speaking here in this chamber this evening. It is an honour. It is not a question of privilege—it is simply a privilege. I should like to begin by asking the Chair to convey my congratulations to Madam Speaker upon her election. I think it will be good both for the equality of women in this country and for the country as a whole.

My first attempt to speak in this House was interrupted by this discussion of the financial affairs of the nation, so I should like to direct a couple of comments to the so-called budget.

● (2030)

My understanding is that last December 12 when we had a Progressive Conservative government and this House was dealing with a budget, the NDP put forward a motion on that budget calling for lower interest rates, for a reduction in taxes, and for a stimulation of the economy. The Liberals voted for that motion, and the government fell. Last night in the first statement by the Minister of Finance (Mr. MacEachen) in this Parliament, he rejected all three of those measures for dealing with the economy. It certainly was not a very promising start for the Minister of Finance and offers very little hope to the country.

I would like to begin my remarks by thanking the people who sent me here. I am thinking, in the first instance, of the voters of my riding, Winnipeg-St. James. I would like to thank all those people who worked and helped to get me elected. I would also like to have the indulgence of this House to thank the New Democratic Party for my being here, for without that party it would not have been possible for me to be here, nor would there have been any purpose for my being here.

Some hon. Members: Hear, hear!

Mr. Keeper: There were many political personalities who assisted me in the recent election campaign, and I am sure that all those people, whom I will not mention, would join me in thanking one particular political personality for having helped this seat to fall within the NDP ranks. That person is—

An hon. Member: John Crosbie?

Mr. Keeper: —the hon. member for Winnipeg North Centre (Mr. Knowles). To him I would like to pay particular thanks.

Some hon. Members: Hear, hear!

Mr. Keeper: My most deeply felt thanks for my being here tonight go to my family. I would like to thank my wife Lynne and my two boys for the sacrifices they have undertaken so that I can be here.

An hon. Member: What are the boys' names?

Mr. Keeper: David Samuel and Edward Stanley.

Some hon. Members: Hear, hear!

Mr. Keeper: Finally, by way of thanks I would like to thank the people of Canada for the opportunity to serve.

My riding of Winnipeg-St. James is a relatively new riding which includes part of the old riding which was represented by the hon. member for Winnipeg North Centre and by J. S. Woodsworth before him. This riding was represented in the last House by Bob Lane, who lived in the riding, as I have, and who is a realtor and a local businessman. I know that Bob did his best to represent the people of that riding, and I hope to do my best as well.

The reason I am in politics and in this House now is that I believe democracy can be made to work. By that I mean that the will of the people can be made to be felt and that the needs of the people can be met. I believe that democracy does not just happen but that it must be made to function. That is why we are here. If we can make it function, then we hold out the possibility for the full flowering of the human person.

The riding I represent contains a great variety of people. It is an urban riding, and I would like to take note of the various groupings which exist in it. There is a fairly large number of small business people in my riding who, at the present time, are suffering from the high level of interest rates. The riding contains a considerable number of working people, both organized and unorganized, who are suffering most particularly hard from unemployment at this time. Students make up a

significant part of the population. These students attend both university and community college. Their tuition fees are too high, and their living allowances are too low. Immigrants and new citizens are in large numbers, and they seek an open immigration policy which, as we all know, can only in the final analysis be based upon a strong and vibrant economy.

Women are also a very important group. They seek not so much to be treated as men but as full and equal persons. They seek equality in the work place, and adequate family services such as child care. Public servants and armed forces personnel who live in my riding seek not to be scapegoats or to be ignored. Native Indian people—and there are a number in my riding—need their basic needs, such as housing and jobs, to be met. Franco-Manitobans seek equality and cultural affirmation. Pensioners faced with ever-rising costs of living need adequate incomes.

Home owners are faced with the spectre of exorbitant mortgage rates, and every citizen of my riding is faced with the ever rising cost of living due to continuing oil price increases and interest rates and the general lack of sensitive management of the economy.

I would like to turn my attention now to the substance of the throne speech, which is the focus of my remarks tonight. I would like to begin by mentioning the reference to the handicapped, and the amendments to the Human Rights Act which are projected therein. I must say that I welcome this item, and I urge the government to act on it expeditiously.

During the campaign I attended an all-candidates meeting on a local radio program. One citizen telephoned in and asked all three candidates if we could give the assurance that this item would be in the throne speech. I was not able to give that assurance, but I said that I would raise it in this debate. I am glad to see that the matter is included in the throne speech. However, being a member of the NDP and being a member of the opposition, I note that I am free to prod the government to fulfil this hope which has been offered. I am free in a way which a backbencher on the Liberal side would not be free to prod the government and, considering the entitlement of Manitoba in this administration to only one cabinet minister, another Liberal member of Parliament from Manitoba probably would not be able to move these things along at all.

An hon. Member: Rather like a eunuch.

Mr. Keeper: Those are not my words.

I would like to say, as stated in the throne speech, that I am willing to represent my constituents to the government. I am also willing to represent the government to my constituents in the manner that that is merited, and I am sure I will be given every co-operation in that regard.

Another major matter in the throne speech is the whole question of our very high interest rates. The throne speech mentions protecting those most affected by such rates. It is clear now that the government does not intend to do anything about interest rates in general. Its floating bank rate policy reveals a deliberate high interest rate policy. As an alternative, the NDP offers a low interest rate policy. We have called for an immediate reduction in interest rates by at least two percentage points as a first step to meet this problem head on and directly.

High interest rates are not simply a problem in general. They also affect specific areas of the economy and specific needs of people. I am thinking of housing, and the throne speech mentions that the government will help people who are having the greatest difficulty with renegotiating their mortgages. It goes on to state "without a major subsidy program." That would suggest to me that the government really does not intend to do much and that its measures will be simply cosmetic.

• (2040)

By way of contrast, the NDP has a comprehensive and, I think, effective housing policy, and I would recommend five points in that policy to the government. I will list them. First of all, we recommend that the government restore CMHC, particularly as a direct lender providing mortgage assistance in the form of subsidies for families with incomes under $30,000. Second, we recommend that we extend federal housing programs with special emphasis on non-profit and co-op housing. Third, we recommend that we promote public land assembly to keep costs down. Fourth, we recommend that the graduated payment mortgage, which perpetuates the problems inherent in the AHOP scheme, be dropped, and lastly we recommend that a federal-provincial conference to examine problems facing tenants as well as home owners be convened. The problems facing tenants have not received sufficient attention, with all the focus that has been put on home ownership problems.

Some hon. Members: Hear, hear!

Mr. Keeper: It would not be sufficient to have a good and sound housing policy only.

Before leaving the subject of housing I would like to say quite simply that without a sane energy policy there is no way people would be able to live in their homes and meet their other needs because of the rising cost of energy that will continue to make it very difficult for people to keep their homes and to meet their other needs.

In that regard I would like to say that the government must avoid any unjustifiable oil price increases. Judging from a reading of the press—in which I am sure we can place trust, at least I am willing to do so—we learn that the Liberals are beginning to back away from their commitment to lower oil prices. As well, specifically with housing itself, I read that the minister in charge of housing, the hon. member for York-Scarborough (Mr. Cosgrove), hopes that the interest rates have peaked. I should like to say that people want more than the minister's hopes; they want effective housing policies.

Some hon. Members: Hear, hear!

Mr. Keeper: The whole question of interest rates demonstrates the government's attitude toward management of the

economy. I would like to deal with high interest rates as they affect small business. It is mentioned in the throne speech that the ceiling for loans under the Small Businesses Loans Act will be raised to $100,000. I would say that that is a simple bookkeeping change, in the sense that it just takes account of inflation as it affects the size of the loan for which one would be eligible under that program. It does not affect the interest rate for small business since the rate under that program is the prime rate plus 1 per cent, and in this context we should note that business bankruptcies for the first two months of 1980, according to the Department of Consumer and Corporate Affairs, are up as compared with the same period in 1979, by 24.8 per cent. These bankruptcies are directly attributable to the very high interest rates and to poor economic management.

Some hon. Members: Hear, hear!

Mr. Keeper: That is why I think that Geoff Hale, spokesman for the Canadian Organization of Small Businessmen, described the promises in the throne speech as a sick joke. Yet the government promises more. It promises other measures of assistance.

I must say that when I read the throne speech, it indicated to me, first of all, that the government itself recognized the inadequacy of simply raising the ceiling on loans for small business. It also suggested to me that the government did not know what it was doing, or at least it did not know what it was doing while it wrote the throne speech. It suggested to me that perhaps the Liberal government was going to reveal some of its unreleased portions of the election platform from the last election campaign. But I must say that last night's economic statement, the budget, or whatever you wish to call it, indicated that, no, it was not the election platform in the last election campaign that the Liberals failed to reveal but rather that it was borrowed from the Tory budget. The reference here to other measures must have been a reference to temporary small business development bonds. I must say that those bonds are welcome to the extent that they are an attempt to provide some relief from interest rates as they affect small business, but I think that approach to interest rates will prove to be better in theory than in practice. The theory is that small business will have access to loans at one-half of the prime rate plus 1 per cent. I think that practice will probably indicate that it is more likely to be above the prime rate, and of course the question is what is the purpose of the loans? I understand them to be for expansion but not for normal activities such as inventory. Also, the interest rates set under such loans are at the discretion of banks, which means that the government really does not have control over its own policies. There is no real assurance that the policy objective which the government set up in establishing these bonds will be achieved. A better approach would be sane, economic management, and a general policy of lower interest rates.

The federal government reveals itself in its throne speech and in the remarks made last night as having no effective small business policy. That is a tragedy because such a policy would, at the minimum, produce 100,000 jobs a year, as testified to by the Canadian Federation of Independent Business. The NDP, by way of contrast, does have a small business policy, and while I will not go through its details this evening, I would recommend it to the government for action.

I would like to indicate also that the rising energy costs will have a very detrimental effect on small business as well. So we must once again stress that there is no room for unjustifiable increases in oil prices, and by that I mean energy dollars which leak from the energy account, which are used by the government for other purposes than energy projects and by corporations for investments other than energy. Those kinds of increases in price are, in my view, unjustifiable and damaging to the community as a whole and to small business in particular.

The very high interest rates which we have now, also have an impact on employment. In this country and in the United States we have what is clearly recognized as a recession. The government in its throne speech mentioned that it will be expanding its employment programs which will be helpful where they apply, but I would be surprised if they are of a sufficient size to be adequate. Also, they are really no substitute for a policy and for management of the economy which would lead to full employment.

● (2050)

Also the throne speech makes reference to women. There is much in the speech which is worthy of praise, but also there are other parts which I think require closer scrutiny. The government has made a commitment to affirmative action in the public service, but it failed to mention the private sector, certainly in the throne speech. If the government has any intentions with regard to contract compliance which affects the private sector and the employment of women, it has not said that. In fact a good reading of the speech indicates that the government has no intention of doing anything in the private sector—I think that is a major failing with regard to achieving the objective of equality in the work place for women.

As well, there is no mention of providing adequate and affordable day care which obviously is also necessary if women are ever to take their full and equal place in our society.

Some hon. Members: Hear, hear!

Mr. Keeper: There is mention of pensions, and whatever increase in pensions is forthcoming certainly is merited, deserves praise, and is long overdue. But I suggest that it will neither be adequate nor will it remove the many inequities which continue to exist in the area of pensions as they affect women. Women constitute a greater proportion of the unemployed than men. If the government is to have a real policy for women, then it must place a much higher priority upon things such as unemployment insurance, manpower training allowances, and outreach projects.

The Speech from the Throne mentions violence against women. The government is going to take action in this area in order to protect women against violence. I think that is a good

move, and I hope that the substance of the government's action lives up to its rhetoric. Certainly women today will not be satisfied with words alone but will insist upon action, action which meets their real needs.

Some hon. Members: Hear, hear!

Mr. Keeper: Very briefly I should like to say that the throne speech makes absolutely no mention whatsoever of the major social problems in the central areas of our cities. That is a very grave oversight. Also it says nothing with regard to the alleviation of the pressing problems of native people living in urban areas. That matter affects the quality of life of us all.

The speech made considerable reference to national unity. I would not want to deal with that matter in a partisan fashion, but I want to say a few general things about Canada because I think at this time it is important to remind ourselves that we can build a better Canada if we so choose. We need a country which is not torn by great gaps in wealth, either in terms of social gaps or geographic regions. Rather, we should have a country where the basic needs of all people and communities are met.

We must not have a country which is torn apart by cultural differences. Rather, we need a country which, while it stays together because of its common interests, acknowledges, appreciates, and celebrates its cultural variety, a country which rejoices in the full flowering of its people, a flowering which emerges from the freedom enjoyed by a people whose basic human needs are met. I am not only referring to the need for food, clothing, and shelter, but also to the need for security, the conditions for self-fulfilment such as education, recreation, and freedom of expression. Let us seek today to build a better Canada, a Canada that will stand the tests of time.

Some hon. Members: Hear, hear!

[*Translation*]

Hon. Charles Lapointe (Minister of State (Small Businesses)): Mr. Speaker, it is an honour for me to rise in this first session of the Thirty-second Parliament, and I want to take this opportunity to extend to you and your colleagues in the Chair my most sincere congratulations and wish you well. I would also ask you kindly to convey to Madam Speaker, in addition to my most respectful regards, the expression of the great pleasure I as well as my colleagues in this House take in seeing her talent being put at the service of her colleagues in the House of Commons and to express also to her the great importance we attach to the fact that a woman who in recent years left her mark in the history of this country should now rank first among her peers in the House of Commons.

I also want to mention the excellent work done by the movers of the Address in Reply to the Speech from the Throne, and I want to thank the hon. members for Rimouski (Mrs. Côté) and Sudbury (Mr. Frith) for the generous vision they gave us of Canada and also the positive tone and pace they gave this debate in reply to the Speech from the Throne. As you know, Mr. Speaker, our country is going through one of the most critical periods in its history. Economically, we are faced with an extremely difficult situation where, on the one hand, we have to fight at the same time the unemployment that is affecting dramatically the poorer areas of this country and, on the other hand, to take difficult monetary and fiscal measures to overcome and fight inflation.

Politically, the situation is even darker, Mr. Speaker. The very future of Canada, our country, is being threatened by the separatist views of the Parti Québécois and its friends. The coming weeks will be decisive and the referendum scheduled for May 20 in Quebec concerns all Canadians from coast to coast and, above all, Quebeckers. This will be for us, Mr. Speaker, a fundamental choice for our collective future. Will we choose to renew our faith in Canada, to reassert that we belong to Canada, that great country that offers so many opportunities and challenges, or instead, Mr. Speaker will we choose to live isolated within narrower boundaries, because we are afraid of those Canadian challenges and because the opportunities offered leave us gasping?

That is the choice we will have to make: that is the choice of existence we are confronted with by the booby-trapped question that is put to us by the Péquiste government, whether we want to admit it or not. At this point in time, Mr. Speaker, we must ask ourselves why Canada exists, what led our forebears, the Fathers of Confederation, to sit around a single table and ask: Why should we not pool our resources? Why should we not seek the compromises and means necessary to ensure the fulfilment, the flourishing of our two peoples?

• (2100)

Mr. Speaker, during the discussions which led to the development of the federal agreement between 1865 and 1867, two great principles were in the foreground. These principles are the most generous and the noblest to which any human being can and must adhere. Mr. Speaker, I am speaking about sharing and generosity. These two principles, along with the courage and the tenacity of the builders of this country have made of Canada a rich and free country where it is good to live. It was not an easy task to build such a large country. Our ancestors had to face many difficulties.

Even today everything is not perfect but we can still consider ourselves one of the luckiest nations on earth. The other question that we have to ask ourselves, Mr. Speaker, is what this federal agreement has given us in the last 113 years. Not only are we living in a country with one of the highest standards of living in the world, but even more important, we are living in a country where basic freedoms are truly respected, in a country where the concepts of sharing and generosity have evolved into one of the most advanced wealth redistribution and social legislation systems in the world and in a country where our rights as a French community are respected

and where we have been able to develop culturally, economically and socially.

Mr. Speaker, we have the opportunity to take part in a great adventure for civilization. We have the opportunity to build day after day this new man born out of the contacts between two great civilizations, the French civilization and the English civilization. This new man, whose behaviour is influenced by the civilization and the way of life of the first inhabitants of this country, our native brothers, this new North American man, formed also by all the wealth brought to this country by the new Canadians who have come here from everywhere in the world, this new man, a Francophone in our case, Mr. Speaker, has the opportunity to live in the second largest country in the world, a country which has never known war, a country born out of negotiations based on a common will to live together in the spirit of sharing and generosity. Or course, all this has not always been easy and in many cases in the past, Francophones in this country have been treated unfairly. But must we enter the future backwards, with our eyes riveted on past mistakes, Mr. Speaker? Or is it not better to consider the enormous progress accomplished during the last thirty years, and build our future on what is already established?

At the present time the spokesmen for the Parti Québécois are appearing in every forum of Quebec to try in an underhand manner to make our fellow citizens believe that the federal state, its Parliament and its government are foreign institutions. It is suggested that Quebec has always been the poor cousin of confederation and that French-speaking Canadians have constantly been exploited by the English in Canada. That is exactly what the Péquistes tried to prove in their white paper that distorts historical facts. Thus in all the speeches they make these days, culture is one of their favorite examples. They outdo one another in expressing their disgust at the federal government, this foreign power, as they like to say, which has been trying to dominate and control the French culture in Canada. How can they make such contentions, Mr. Speaker, when we know that the Canada Council, created in 1957 by the federal government, helped so many artists in Canada, in Quebec and French Canada, such as Borduas, Riopelle, Julien, Leclerc, Vignault and many others, have successful careers, develop their talents and make a name for themselves in the artistic community not only in Quebec but throughout Canada and even at the international level.

Some of those who benefited most from the Canada Council choose today not to remember. The same thing happened, Mr. Speaker, in the early fifties. You will recall that television was in its infancy and the then government had decided to endow this great country with a national television network. In 1952, Parliament decided to create the Canadian Broadcasting Corporation. And in the same bill, Mr. Speaker, this government of foreigners, as the Parti Québécois calls it, also established the Société Radio-Canada, a corporation which enjoys an exceptional degree of financial and artistic autonomy, a corporation which through years promoted the development of French culture in Canada and the discovery of several talents in all realms of television.

Mr. Speaker, it is interesting to note also that in 1979, last year, 36 per cent of the budget of the whole corporation was given to Radio-Canada, the French network, and that 4,300 employees of this corporation now work in Quebec. There is another aspect, Mr. Speaker, which can exemplify the two basic principles of our federation, sharing and generosity, and that is the economic sector. With your permission, I would like to review briefly some industrial sectors of Quebec, starting with traditional industries like textiles, clothing, footwear and leather goods. What is the situation in the textile industry, Mr. Speaker? Statistics show that 48,000 employees of that Canadian industry or 51 per cent of the total Canadian work force are located in Quebec. And 45 per cent of all Quebec's textile production is sold in other Canadian provinces. In the apparel industry, 70 per cent of industrial plant is in Quebec, accounting for 66 per cent of the Canadian total. And as in the case of textiles, 47 per cent of all clothes made in Quebec are sold in other Canadian provinces.

What is the federal government doing to protect that predominantly Quebec industry that is threatened by foreign imports enjoying cheaper textiles and clothes costs? The national government acted to impose quotas on imports and increased tariff protection, which is now guaranteeing stable markets and safe jobs to the Quebec textile and clothing industries. The same goes for the leather and footwear industries. With 10,000 employees in Quebec, or 43 per cent of the total Canadian labour force in the industry, 50 per cent of all footwear and leather goods production is made in Quebec, of which 57 per cent are sold in other Canadian provinces.

The sectorial approach introduced at the federal level in 1973 greatly helped that industry. The use of tariffs and import quotas coupled with the assistance programs not only protected jobs in that industry in Quebec but also led to new job creations since 1976. One of the programs of great value for Quebec in the leather and footwear industry is the adjustment program under which businesses are offered both grants and loans at favourable interest rates. From 1974 to this day, 66 per cent of grants, and 56 per cent of loans under that program went to Quebec. The federal government also contributed in 1976 to the establishment of the Shoe and Leather Institute of Canada with headquarters in Montreal. That institute is very important for Quebec, where 50 per cent of its activities are concentrated. Mr. Speaker, these figures speak for themselves. I am deeply shocked to hear our opponents in the Parti Québécois suggest that Quebec gets less than other provinces in government help to the textile and shoe industries.

• (2110)

Let's not deceive ourselves, Mr. Speaker, our fellow citizens from Calgary, Kamloops, Winnipeg or elsewhere in Canada

who buy textile and clothing, leather goods and shoes made in Quebec could buy these same items from Hong Kong, South Korea or elsewhere at a much better price. But, Mr. Speaker, as I have said previously, the very essence of Canadian federalism is sharing. That is why we want all Canadian consumers to help protect these industrial sectors which provide Quebec with many jobs. To prevent members of the Parti Québécois from claiming this is economic terrorism or lies, and to avoid a repetition of the Premier of Quebec's statement this morning on Radio-Canada that Quebec federal MPs in Ottawa are all damned liars, I wish to quote from one of the studies the Parti Québécois itself published in 1980, the Bonin report, entitled: *A propos de l'association économique Canada-Québec.* Mr. Speaker, I am quoting from pages 417 and 418 of this report:

> Shipments from Quebec to the rest of Canada originate mainly from the labour-intensive industries to which special customs tariffs are applied: food and beverages, leather, textile, hosiery, clothing, furniture. These industries are largely dependent on the Canadian market and, as is to be expected since they need special customs tariffs to survive, they do not export very much outside Canada. Should the Canada-Quebec association take the form of a free-trade zone, part of the Canadian market could be lost to some Quebec firms since Canada, in retaining its own trade policy with respect to third-party countries, would be free to shop elsewhere if conditions are more favourable.
>
> One other point is worth raising for it could also in the short term leave Quebec with less room to manoeuvre. If these highly protected industries are labour-intensive industries (and this is possible even though they could be called "low wage" industries), it follows that a liberalization of international trade in these sectors would be detrimental to workers employed by them unless transitional measures are provided which also include adequate compensation.

It is not only the traditional sectors of the Quebec economy which benefit from being part of Canada, Mr. Speaker, and I would now like to refer briefly to the shipbuilding industry. Two weeks ago when I attended the launching of two ferries in the Marine Industries shipyards of Sorel, I once again had reason to feel indignant. In his speech, the Quebec transport minister stated that Quebec was not getting its fair share of shipbuilding contracts because the federal government prefers to grant subsidies to the other provinces.

Mr. Speaker, I am seriously starting to wonder if our separatist opponents are capable of reading statistics correctly and if they do not suffer from some kind of paranoia toward the federal government. If one examines what happened during the last 18 years, from 1961 to 1979, one can see that grants and subsidies contributed by the federal government for shipbuilding have amounted to $625 million for Canada as a whole. Out of this amount, Quebec received $223 million which represents more than 36 per cent of the total and out of these $223 million Marine Industries of Sorel got nearly half or $102 million. So, Mr. Speaker, when I hear people like the Quebec transport minister say that other provinces have always enjoyed preferential treatment for subsidies to shipyards, to say the least I think they are using certain figures and statements which contradict reality.

Mr. Speaker, when we look at the contracts awarded by the Department of Supply and Services for naval repairs or alterations in 1978-79, we see that these contracts totalled $38.1 million for the whole of Canada. Quebec's share of this amount was $32.2 million, or 84 per cent of all contracts. And yet, Mr. Speaker, some people have the audacity to tell us that Quebec is the poor cousin in Canada and that the federal government gives it nothing. I find this attitude quite unacceptable and it revolts me as a Quebecker and a Canadian.

Aeronautics is another sector where Quebec is far from lagging behind the other provinces. Indeed, Mr. Speaker, more than 46 per cent of the entire aeronautic industry is centred in Quebec and creates employment for about 20,000 Quebeckers. And the federal government is certainly partly responsible for this favourable situation in Quebec. You will recall that in the early seventies, when this sector of the indsutry was going through a difficult period, the then minister of industry, trade and commerce, the hon. Jean Chrétien, urged the federal government to purchase the Canadair plant which at the time was employing 1,500 people. Nine years later, Mr. Speaker, Canadair employes over 6,000 people, which is due in part to the Challenger program which was heavily subsidized by the federal government.

Mr. Speaker, I have already said a few words about the textile, the shoe, the leather and the clothing industry, and about shipbuilding and aeronautics, which are all important sectors of the Quebec economy. However, there is one sector to which I would like to address myself more particularly and which concerns our very roots in this Canadian nation, and I am of course speaking about the agricultural sector. If there is one sector, Mr. Speaker, where the concepts of sharing and generosity apply, it is in agriculture.

One of the criticisms we hear most often is that federal agricultural policies have been more favourable to westerners, and to the detriment of easterners and especially Quebeckers. However, certain basic facts are being forgotten, Mr. Speaker. We have only to recall that western Canada has 89 million acres under cultivation compared with six million in Quebec. As for farm workers, they represent only 5.6 per cent of the work force in Quebec compared with 17 per cent in the prairies.

Although the potential of farm land in Quebec represents only 6 per cent of the total for Canada, Mr. Speaker, it is interesting to note that 13 per cent of all employees of the federal Department of Agriculture are stationed in Quebec. And although this farm potential is relatively small compared with the whole of Canada, Quebec receives a substantial share of federal agricultural programs. These programs tend to reflect the importance and the peculiarities of our various regions. For instance, we can mention the crop insurance program under which $10 million were paid to Quebec farmers between 1973 and 1978. The Federal Farm Credit Corporation has also helped Quebec farmers to a great extent, and for the sole fiscal year 1975-76, the federal government approved 1,116 farm loans to them, for a total of some $85 million.

What are we to say now about the supplementary Canada-Quebec farm development agreement which the Minister of Regional Economic Expansion has signed with the Quebec government? The purpose of this agreement is, for instance, to improve farm lands in the Montreal region and to encourage land redistribution in eastern Quebec, Saguenay-Lac-Saint-Jean and Abitibi-Témiscamingue. This agreement calls for some $62 million in federal contributions over a period of six years.

Still in the agricultural area, I would like to take a closer look at the dairy industry which is of capital importance to Quebec farmers. Indeed, in 1977-78, 75 per cent of Quebec farmers drew at least 60 per cent of their revenues from dairy products. The federal government is aware of that and has considered and still considers it to be most important. But there again, Mr. Speaker, I prefer to refer to that study by the Quebec government entitled *A propos de l'association économique Canada-Québec* and I want to quote from pages 150 and 151 the following excerpt:

It can be said that federal programs for the dairy industry are less varied than those for grain growing. Indeed, they consist almost exclusively of transfer payments to dairy producers. So the prime concern of the federal dairy policy remains the support of producers' income and marketing techniques play a lesser role than for grain. On the other hand, the dairy industry comes under a highly protectionist policy under which it enjoys privileged access to the Canadian market; the importance of liquid milk and most dairy products is subject to a quota system; certain processed products enjoy more than high custom protection (dairies, for example).

From the strict point of view of Quebec dairy producers, it would be difficult to say that the federal government's dairy policy has an unfavourable impact: nearly half the amounts spent on that policy between 1960 and 1976 were paid in Quebec, particularly in the form of payments to producers; not only did this amount represent a considerable addition to the revenues of Quebec producers, but since the creation of the CDC—

—the Canadian Dairy Commission—

—their total income has increased even more rapidly than that of Ontario producers. In addition, the Quebec milk processing industry enjoyed custom and other forms of protection. That industry sells about 25 per cent of its production to the rest of Canada and only 2 per cent abroad. However, it holds a privileged position (about 40 per cent of the added value) in the Quebec food and beverage industry.

Since in that study made by the Quebec government statistics on dairy policy did not go further than 1976, I thought it would be important and interesting to mention what happened in 1977-78. In that financial year, the federal government paid in direct subsidies to Quebec producers $128 million or 48.6 per cent of total payments to dairy producers in Canada. It means, Mr. Speaker, that in 1977-78 Quebec dairy producers received 52 per cent of federal milk subsidies, that is to say an amount of $238 million.

As concerns its contribution to the Canadian food assistance program to developing countries the province of Quebec also got its full share. In 1977-78, the Canadian International Development Agency, through the Canadian Dairy Commission bought 53.4 million tons of butter and 236.9 million tons of powdered milk in the whole country. Of those purchases, 95 per cent of the butter and 84 per cent of the powdered milk came from Quebec. Agriculture is a rather important sector of the Quebec economy and the federal government is determined to maintain its assistance to Quebec farmers.

I might continue along the same line, Mr. Speaker; as concerns grain transportation, the Parti Québécois keeps accusing us of sending all the money out west and always fails to mention that, when we invested $100 million to help western farmers ship their grain and asked the Canadian Wheat Board and western producers to build hopper cars with those $100 million, they always fail to say that Quebec, that is to say Canadian Vickers, Marine Industries or Bombardier, gets a large part of the money for those railway cars.

The same thing holds true for VIA Rail, Mr. Speaker, since a $115 million contract was awarded by the federal government to Bombardier for the design and construction of a new, state of the art, LRC train. I could say much more on the economy, but I think that some of my colleagues want to take part in this debate, Mr. Speaker. I also think that the deceitful referendum question asked by the Parti Québécois calls for only one answer: no, no to this dream, no to the adventure that this party wants to take us on. And this No vote, Mr. Speaker, is the only positive action we can take at this point in time. As His Excellency the Governor General mentioned in the throne speech, a No vote in the referendum, a no to the question asked by the Parti Québécois is a Yes vote for the renewal of federalism in Canada.

● (2120)

[*English*]

The Acting Speaker (Mr. Blaker): Order, please. Ordinarily I would recognize the hon. member for Joliette (Mr. La Salle) who has sought the eye of the Speaker, but in view of the hour, and with the consent of the hon. member for Joliette, we would understand that he will be the first to speak tomorrow, and with the consent of hon. members I will see the clock as 9.30.

An hon. Member: There is no debate tomorrow.

The Acting Speaker (Mr. Blaker): He will be the first to speak on the next occasion for debate on the address in reply.

Mr. Nielsen: Mr. Speaker, I understand the debate is being adjourned, but we have five minutes tonight for the hon. member.

The Acting Speaker (Mr. Blaker): As I said earlier, if the hon. member for Joliette (Mr. La Salle) would like to take the floor for the remaining five minutes, obviously it is his right to do so.

[*Translation*]

If the hon. member for Joliette wishes to begin his speech, he may do so.

Hon. Roch La Salle (Joliette): Mr. Speaker, I frankly admit that I have barely enough time to greet and congratulate you

as well as Madam Speaker and her assistants. I would also like to take advantage of those few seconds to congratulate the mover and the seconder. You pointed out that it was difficult to make a good speech, but you would expect me to do it, I am convinced, because there are problems which particularly concern me. First, however vague it may be, the throne speech deserves a few comments and I am also interested in order and in national unity. Under the circumstances, I would rather remain the first member to speak when the debate is resumed and I can assure you, Mr. Speaker, as well as my colleagues, that I will have some relevant comments to make on those two subjects.

I would ask that the vote be taken rather than begin a speech which would not have all the impact that it deserves. This is all, Mr. Speaker.

[*English*]

The Acting Speaker (Mr. Blaker): Order, please. It being 9.30 p.m., it is my duty, pursuant to Standing Order 38(4), to interrupt these proceedings and put forthwith the question necessary to dispose of the amendment now before the House.

The question is, therefore, on the amendment to the amendment (Mr. Kristiansen). All those in favour of the amendment will please say yea.

Some hon. Members: Yea,

The Acting Speaker (Mr. Blaker): All those opposed will please say nay.

Some hon. Members: Nay.

The Acting Speaker (Mr. Blaker): In my opinion the nays have it.

And more than five members having risen:

The Acting Speaker (Mr. Blaker): Call in the members.

The House divided on the amendment (Mr. Kristiansen) which was negatived on the following division:

● (2130)

(*Division No. 4*)

YEAS

Messrs.

Alexander
Althouse
Andre
Anguish
Baker (Nepean-Carleton)
Beatty
Benjamin
Blaikie
Blenkarn
Bosley
Bradley
Broadbent
Cardiff
Clark (Yellowhead)
Clarke (Vancouver Quadra)
Coates
Cooper
Corbett
Cossitt
Crosbie (St. John's West)
Crosby (Halifax West)
Crouse
Dantzer
Darling
Deans
de Jong
Dinsdale
Domm
Elzinga
Epp
Fennell
Fraser
Fretz
Friesen
Fulton
Gamble
Gass
Gilchrist
Gurbin
Gustafson
Halliday
Hamilton (Qu'Appelle-Moose Mountain)
Hamilton (Swift Current-Maple Creek)
Hawkes
Hees
Hnatyshyn
Hovdebo
Howie
Huntington
Ittinuar
Jelinek
Jewett (Miss)
Keeper
Kempling
Kilgour
King
Knowles
Kristiansen
La Salle
Lawrence
Lewis
MacKay
Malone
Manly
Mayer
McDermid
McGrath
McKinnon
McLean
McMillan
Miller
Mitchell (Mrs.)
Mitges
Munro (Esquimalt-Saanich)
Murphy
Murta
Neil
Nickerson
Nielsen
Nowlan
Nystrom
Oberle
Ogle
Orlikow
Parker
Patterson
Reid (St. Catharines)
Riis
Robinson (Burnaby)
Roche
Rose
Sargeant
Schellenberger
Scott (Hamilton-Wentworth
Scott (Victoria-Haliburton)
Shields
Siddon
Skelly
Speyer
Stevens
Stewart
Taylor
Thacker
Towers
Vankoughnet
Waddell
Wenman
Wilson
Wise
Wright
Young
Yurko—112.

NAYS

Messrs.

Allmand
Appolloni (Mrs.)
Axworthy
Bachand
Baker (Gander-Twillingate)
Beauchamp-Niquet (Mrs.)
Bégin (Miss)
Berger
Blais
Blaker
Bloomfield
Bockstael
Bossy
Breau
Buchanan
Bujold
Bussières
Caccia
Campbell (Miss) (South West Nova)
Campbell (LaSalle)
Chénier
Collenette
Comtois
Corbin
Corriveau
Cosgrove
Côté (Mrs.)
Cousineau
Cyr
Daudlin
Dawson
De Bané
de Corneille
Demers
Deniger
Desmarais
Dingwall
Dion (Portneuf)
Dionne (Chicoutimi)
Dionne (Northumberland-Miramichi)
Dubois
Dupont
Dupras
Duquet
Evans
Ferguson
Fisher
Fleming
Flis
Fox
Francis
Frith
Garant
Gauthier
Gendron
Gimaïel
Gingras
Gourd
Gray
Guay
Guilbault
Harquail
Henderson
Herbert
Hervieux-Payette (Mrs.)
Hopkins
Irwin
Isabelle
Johnston
Joyal
Kaplan
Kelly
Killens (Mrs.)
Lachance
Lajoie
Lalonde
Lamontagne
Landers
Lang
Laniel
Lapierre
Lapointe (Charlevoix)
Lapointe (Beauce)
LeBlanc
Leduc
Lefebvre
Loiselle
Lonsdale
Lumley
MacBain
MacDonald (Cardigan)
MacGuigan
Mackasey
MacLaren
MacLellan
Malépart
Maltais
Marceau
Massé
Masters
McCauley
McRae
Munro (Hamilton East)
Nicholson (Miss)
Olivier
Ostiguy
Ouellet
Parent
Pelletier
Penner
Pepin
Peterson
Pinard
Portelance
Prud'homme
Regan
Reid (Kenora-Rainy River)
Roberts
Robinson (Etobicoke-Lakeshore)
Rompkey
Rooney
Rossi
Roy
Savard
Schroder
Simmons
Stollery
Tardif
Tessier
Tobin
Tousignant
Trudeau
Turner
Veillette
Watson
Weatherhead
Whelan
Yanakis—138.

[*Translation*]

Madam Speaker: I declare the amendment lost.

It being ten o'clock, this House stands adjourned until two o'clock tomorrow afternoon, pursuant to Standing Order 2(2).

At 10.02 p.m., the House adjourned, without question put, pursuant to Standing Order.

HOUSE OF COMMONS

Wednesday, April 23, 1980

The House met at 2 p.m.

• (1405)

ROUTINE PROCEEDINGS

[English]

EXTERNAL AFFAIRS

RATIFICATION OF CANADA-U.S. FISHERIES AND BOUNDARY TREATIES—MOTION UNDER S.O. 43

Hon. James A. McGrath (St. John's East): Madam Speaker, I rise under the provisions of Standing Order 43. I think you will find that there may be a disposition on the part of the House to grant the necessary unanimous consent. My motion is as follows:

It is resolved that this House endorses the publicly expressed view of the Canadian and United States governments that the east coast fisheries and boundary treaties represent fair and urgently required co-operative arrangements in the interests of both countries, regards the early ratification and implementation of these treaties as a matter of national importance to Canada and to good relations between Canada and the United States, and urges the Senate of the United States to take early and favourable action for ratification of these treaties.

That motion would be seconded by the hon. member for Cape Breton-The Sydneys (Mr. MacLellan).

Madam Speaker: Such a motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

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

Some hon. Members: Agreed.

Motion agreed to.

* * *

POST OFFICE

PROPOSED RELOCATION OF SASKATOON OFFICE—MOTION UNDER S.O. 43

Hon. Ray Hnatyshyn (Saskatoon West): Madam Speaker, I rise, under the provisions of Standing Order 43, on a motion of urgent and pressing necessity. The Post Office is planning to move the Saskatchewan district office from Saskatoon to Winnipeg, leaving Saskatchewan and Prince Edward Island as the only two provinces without district offices.

In view of the fact that there are a substantially greater number of post offices in Saskatchewan than in Manitoba, spread over a far larger area, and the move will mean a loss of 103 positions with a salary of about $1¾ million per year to the city of Saskatoon alone, I move, and I should say that I had asked the hon. member for Ottawa Centre (Mr. Evans) to second this motion as he is the Liberal member twinned with Saskatoon East, but he demurred and it will therefore be seconded by the hon. member for Moose Jaw (Mr. Neil):

That this House directs the Postmaster General, in the interests of efficiency of operation of the Post Office in western Canada, to revoke the plan to move the Saskatchewan district office from the city of Saskatoon to the city of Winnipeg.

Madam Speaker: Such a motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

• (1410)

NATIONAL UNITY

PROGRAM SET OUT IN NIAGARA FALLS "REVIEW"—MOTION UNDER S.O. 43

Mr. Al MacBain (Niagara Falls): Madam Speaker, I rise on a matter of urgent and pressing necessity pursuant to the provisions of Standing Order 43. At this crucial moment in our history, all Canadians outside the province of Quebec find themselves at a loss as to how they, as individuals, can show to the people of Quebec in a tangible way their true feelings about Quebec, its culture, its language, its people and the fact that we in the rest of the country accept that a Canada without the beautiful province of Quebec is unthinkable.

All hon. members have been, or will be, supplied with a copy of the Niagara Falls *Review* of April 22 which sets forth a program for one-to-one communication between residents of Canada outside Quebec and residents within Quebec. I move, seconded by the hon. member for Guelph (Mr. Schroder):

That this House urge the press in every municipality outside the province of Quebec to forthwith establish a program similar to the one set out in the Niagara Falls *Review* of April 22, 1980, and that all Canadians outside Quebec be invited to take advantage of such programs to express to the people of Quebec their deep feelings of love and affection.

Some hon. Members: Hear, hear!

Madam Speaker: Such a motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

CANADIAN PACIFIC RAILWAY

WINNIPEG—RELOCATION OF MARSHALLING YARDS—MOTION UNDER S.O. 43

Hon. Jake Epp (Provencher): Madam Speaker, I rise under the provisions of Standing Order 43. In view of frequent statements by the Minister of Employment and Immigration that the CPR yards in Winnipeg should be relocated, and in view of the request by the city of Winnipeg that an early decision be made by the federal government on whether it favours rail relocation along with a major financial commitment by the federal government to the project, I move, seconded by the hon. member for Winnipeg-Assiniboine (Mr. McKenzie):

That the Government of Canada agree to the terms of reference as outlined by the city of Winnipeg and, further, that the federal government make its decision public by the end of May as requested by the city of Winnipeg.

Madam Speaker: Such a motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

AIRPORTS

AVAILABILITY OF EVACUATION AND RESCUE RESOURCES—MOTION UNDER S.O. 43

Mr. Les Benjamin (Regina West): Madam Speaker, I have a motion which is urgent within the terms of Standing Order 43, and I believe all hon. members will want to take action on it as of about an hour ago.

In view of the fact that Transport Canada has decided that airport firefighters will no longer have any responsibility for the evacuation or rescue of passengers or crew in the event of an aircraft crash or fire, and in view of the fact that Transport Canada has decided that these emergency actions are the responsibility of the airlines—that is, airline employees—I move, seconded by the hon. member for Winnipeg-Birds Hill (Mr. Blaikie):

That this House instruct the government to continue to maintain and provide adequate evacuation and rescue resources at Transport Canada airports.

Madam Speaker: Such a motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

[*Translation*]

THE CONSTITUTION

INQUIRY WHETHER GOVERNMENT INTENDS TO AMEND CONSTITUTION—MOTION UNDER S.O. 43

Hon. Roch La Salle (Joliette): Madam Speaker, under the provisions of Standing Order 43, I ask for the unanimous consent of the House to introduce a motion dealing with an important matter of pressing necessity.

Considering that the western premiers have unanimously stated that they are in favour of renewing the constitution; considering that they emphatically reject sovereignty-association and the status quo; and considering the recent commitment made by the Prime Minister (Mr. Trudeau) in favour of a renewed federalism, I move, seconded by the hon. member for Provencher (Mr. Epp):

That the House call on the Prime Minister of Canada to answer affirmatively to the wish expressed by his western counterparts.

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

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

[*English*]

REGIONAL DEVELOPMENT

NEGOTIATIONS WITH ATLANTIC PREMIERS—MOTION UNDER S.O. 43

Mr. Lloyd R. Crouse (South Shore): Madam Speaker, I rise under the provisions of Standing Order 43. In light of the fact that two major measures of relief for the Atlantic provinces in the Crosbie budget—that is, tax contracts for firms locating in the region and incentives for the construction of fishing vessels—have been abandoned by the present Minister of Finance, and in light of the fact that the premiers of Nova Scotia and Newfoundland have recently restated their position that revenues from offshore resources should accrue to the provinces, I move, seconded by the hon. member for Malpeque (Mr. Gass):

● (1415)

That this House directs the Prime Minister, in the interests of national unity, to take immediate steps to meet with Atlantic Canada's premiers in order to achieve a negotiated settlement of this question as an expression of the government's concern for regional development in the Atlantic provinces.

Madam Speaker: Such a motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

ORAL QUESTION PERIOD

[*Translation*]

FINANCE

DISCREPANCY BETWEEN ESTIMATES OF PRESIDENT OF TREASURY BOARD AND MINISTER OF FINANCE

Hon. John C. Crosbie (St. John's West): Madam Speaker, I would like to put a question to the Minister of State for Finance. First, I would like to congratulate him on his appointment.

[*English*]

I would like to ask the minister: In view of the discrepancy between the spending estimates tabled here yesterday by the President of the Treasury Board, of $58.4 billion, and the projections of the Minister of Finance tabled on Monday night, of $60.4 billion for total outlays—which are said to be the result of increases in the oil import compensation program, and also increases in public debt charges totalling $2 billion altogether—and in view of the inability of the President of the Treasury Board to explain the discrepancy on what the latest estimates are—he has taken it under advisement—could the minister tell us, and the President of the Treasury Board, how the Minister of Finance arrives at the estimate of total spending this year under the headings of the oil import compensation plan and public debt charges?

What are the amounts now estimated by the Minister of Finance? Would he tell us and share the knowledge with the Treasury Board?

[*Translation*]

Hon. Pierre Bussières (Minister of State, Finance): Madam Speaker, I thank the member for St. John's West for his congratulations and I would like to tell him immediately that the Minister of Finance and I have full confidence in the ability and competence of the President of the Treasury Board. I think that the member for St. John's West can see in the statement of the Minister of Finance that the amounts stated are taken from figures which he had himself anticipated and from the differences in the negotiations on oil prices now under way.

[*English*]

ESTIMATES FOR OIL IMPORT COMPENSATION PAYMENTS AND PUBLIC DEBT CHARGES

Hon. John C. Crosbie (St. John's West): Madam Speaker, my supplementary question is to the President of the Treasury Board, since the minister of state does not know what these figures are. He has greater confidence in the President of the Treasury Board than we have learned yet.

The Auditor General has pointed out that the spending figures in the estimates are incomplete and sometimes incomprehensible—which is easy to understand, when ministers cannot comprehend them. Has the President of the Treasury Board now been advised by the Department of Finance as to what the government's estimates contain under the heading of oil import compensation payments for 1980-81, which I think is $3.1 billion, from what I can read, and $10.7 billion for public debt charges? Could he confirm whether these are the figures, or what the figures are, and advise us whether the Treasury Board might be going back as a branch of the Department of Finance?

Hon. Donald J. Johnston (President of the Treasury Board): Madam Speaker, I am surprised that the former minister of finance and his colleague, the former president of the treasury board, short though their tenure was, do not seem to understand that there is a fundamental difference between an expenditure projection and the number which is found in the main estimates.

Mr. Andre: There is not supposed to be.

Mr. Johnston: That has always been the case. That always will be the case. When the former minister of finance made his projections on that infamous day in December, of $58.4 billion, those were projections; and had the estimates been tabled at that time, they would have been in the order of, say, $57 billion because the reserve to which he sometimes makes reference is not included there.

With specific reference to the oil import compensation payments, the amount provided for in the main estimates is $2.6 billion, and the current projection is in the neighbourhood of $3.1 billion. Yesterday, I indicated that with respect to debt costs, the main estimates provide for $10.275 billion and the current projections are $10.775 billion.

Mr. Crosbie: Madam Speaker, I have a final supplementary for the President of the Treasury Board. That infamous budget has been adopted holus-bolus, with respect to about two-thirds of it, by the hon. gentlemen opposite. So he should watch his epithets, because they will turn into an epitaph.

May I ask the President of the Treasury Board this: he has now got the figures for the latest projections, or estimates, for this year. Could he explain to us this statement by the Minister of Finance which says, "implementing blended oil pricing could alone reduce expenditures and financial requirements by as much as $1 billion"?

● (1420)

How will this famous blender reduce these amounts by $1 billion? Could he explain that to the House? We all await it with bated breath. If that is the case, why do not the estimates reflect it, if they are only projections?

Mr. Johnston: Madam Speaker, the former minister of finance apparently still does not understand the difference between main estimates and projections.

An hon. Member: What are our estimates, if not projections of expenditures?

Mr. Johnston: The projections clearly do not take into account whatever pricing arrangement is arrived at by my colleague, the Minister of Energy, Mines and Resources.

An hon. Member: Explain.

Mr. Johnston: If the hon. member wishes to address that question to the Minister of Energy, Mines and Resources, I am sure my colleague will be prepared to deal with the issue.

Some hon. Members: Hear, hear!

SPENDING TARGET OF GOVERNMENT

Hon. Perrin Beatty (Wellington-Dufferin-Simcoe): Madam Speaker, yesterday the President of the Treasury Board, when he tabled his estimates, was at pains to say that these estimates did not constitute a spending plan for the government. Surely the time now has come for the goverment to indicate what its spending plans really are. Will the President of the Treasury Board tell Parliament and the Canadian people what, in fact, is the spending target for this government this year?

Hon. Donald J. Johnston (President of the Treasury Board): Madam Speaker, it seems to me that these questions are a rehash of what has already been covered in the speech by my colleague, the Minister of Finance, and by the questions and answers exchanged yesterday.

An hon. Member: Then just answer it.

Mr. Johnston: The projection which the Minister of Finance gave the other evening was the figure of $60.4 billion, subject to reduction on the basis of whatever the blended oil price will be. I really do not understand—

An hon. Member: That is pretty clear.

Mr. Beatty: When the minister said he did not understand, it was the most candid statement he has made so far during his tenure.

Some hon. Members: Hear, hear!

Mr. Beatty: I want to ask the President of the Treasury Board, does he feel bound by the commitment made by his leader, the current Prime Minister, in Toronto on January 12, namely, that increases in spending would be held to less than the increase in growth in the GNP this year? "Yes" or "No"?

Mr. Johnston: Madam Speaker—

An hon. Member: That is a good start.

An hon. Member: "Yes" or "No"?

Mr. Johnston: First of all, the object of this government, since its declaration of 1975, has been to keep the annual increase in over-all government spending within the rate of increase in the GNP.

Some hon. Members: Hear, hear!

Mr. Johnston: That has always been the objective, and it remains the objective.

Some hon. Members: Oh, oh!

Mr. Johnston: I would like to point out, Madam Speaker—

An hon. Member: You are as reliable as Herb Gray.

Mr. Johnston: —something that I think the House would like to know, namely, that on the basis of the estimates that I tabled yesterday, were our friends making any kind of financial projections of the kind they made last December, their total expenditure would be almost as high, except they would not have that very important plan to provide $345 million under the GIS to our senior citizens.

Some hon. Members: Hear, hear!

* * *

ENVIRONMENTAL AFFAIRS

ACID RAIN—CANADA-U.S. DISCUSSIONS

Mr. Jim Fulton (Skeena): Madam Speaker, I should like to direct my question to the Minister of the Environment. First, I should like to congratulate him on his appointment to one of the most important portfolios in Canada.

One hundred and fifty lakes in central Canada are dead today, thousands more are dying and plant life and health are threatened. Before the minister left for Washington, we heard him describe acid rain as "a time bomb that has already gone off", and that we were "on the verge of disaster". I share these concerns, and I am sure we all do.

Given the fact that the minister returned from Washington with his tail between his legs, with no commitment whatsoever from the U.S. Administration, can he now assure the House that he views the U.S. response as totally unacceptable to him, his government and the people of Canada, and that his government will be increasing pressure on the United States to get meaningful action?

• (1425)

Hon. John Roberts (Minister of State for Science and Technology and Minister of the Environment): Madam Speaker, I thank the hon. member for his kind comments on my arrival to this ministry. I agree with him that it is one of the most important portfolios, and I am anxious to have his support as well as his good wishes in the months to come.

I would like to make clear to the hon. member and to the House that the purpose of my trip to Washington was, not to return with an agreement but to begin the process of discussion. We received a sympathetic hearing. The American Secretary of State is here today and the same kinds of considerations which I presented in Washington will be renewed in those discussions.

We are anxious to press ahead as quickly as we possibly can, not only with the movement toward an agreement on air standards which go across borders, but also for some interim assertion of political will on the part of both the United States and Canada to use, as strongly as we can, the regulations

which exist presently on both sides of the border to combat a very urgent and pressing danger.

Mr. Fulton: Madam Speaker, the question of acid rain in Canada is hardly a new one. I think some of the proposals being made by President Carter are worthy of note by this House. President Carter's plan called for 300 new coal-fired plants and 107 oil-burning plants being converted to coal, almost all of which will be in the northeastern United States, thereby affecting Canada.

Now, 48,000 lakes are threatened in Canada, and the United States emissions are proposed to increase dramatically. Perhaps the minister could advise this House and the people of Canada what precise steps the ministry is taking in considering the protection and the revitalization of these vital Canadian resources.

An hon. Member: We can put a fan on the border and blow all the air back.

Mr. Roberts: Madam Speaker, the question prompts a long response. I should like to say, simply, three things very briefly. We have already pressed on the United States our concerns over the implementation of President Carter's proposals if they were to go ahead unchanged. They must go through the congressional process, and I am confident that many changes will take place during that process.

Second, the hon. member should be as much concerned with the existing transgression of regulations, not simply about the future effects of oil conversion to coal but of the existing regulations which are not being fully applied in the United States. We have been making vigorous representations on that point as well.

The third thing of which the hon. member should be aware is that much of this problem is engendered here in Canada. I have undertaken discussions with some of my provincial counterparts. There are aspects of Canadian performance in this area which must be cleaned up. I am confident that within the next two weeks there will be significant movement on this particular part of the question, particularly in reference to the source of pollution which comes from Inco in Sudbury, as a result of joint action by the federal government and the provincial government of Ontario.

Mr. Fulton: Madam Speaker, I think a lot of Canadians are concerned about the sort of whimpering, headless horseman attitude which we have seen in the past and see in the present in terms of this type of pollution. Perhaps the minister would advise us the position he and his cabinet colleagues are taking toward the visit of Cyrus Vance today, whether it is simply going to be a back-patting gesturing—

Some hon. Members: Question.

Mr. Fulton: —or whether the minister is going to make specific representations, through the Secretary of State for External Affairs, to Cyrus Vance to make sure the type of pollution emissions which are occurring today will be terminated.

Mr. Hnatyshyn: Repeat the question.

Mr. Roberts: Madam Speaker, the hon. member refers to whimpering. I think it is clear from my answers that we have already taken considerably vigorous action. What the hon. gentleman is doing is neighing, after the barn door is closed, about proposals he would like to have made.

Some hon. Members: Hear, hear!

* * *

CONSUMER AFFAIRS

PROSECUTION FOR FALSE ADVERTISING

Mr. Geoff Scott (Hamilton-Wentworth): Madam Speaker, last week the Minister of Consumer and Corporate Affairs and Postmaster General dropped charges against 57 Ontario stores accused of selling ground beef laced with pork.

I want to ask the Minister of Agriculture if he was consulted before this decision was made; and, if so, where does this leave his department in terms of its ability to ensure Canadians that they are getting what is advertised in what they buy?

Hon. E. F. Whelan (Minister of Agriculture): Madam Speaker, if I understand correctly, these charges were withdrawn because of a previous court decision affecting the legislation. It does not in any way mean that the surveillance, etc., will not be maintained by all departments concerned making sure meat and other products in Canada are pure and wholesome.

• (1430)

Mr. Scott (Hamilton-Wentworth): Madam Speaker, my supplementary question is for the Minister of Consumer and Corporate Affairs and Postmaster General. Now that he has dropped these charges and has abdicated his responsibility to the Canadian consumer—who now has no protection against the sale of questionable ground beef—what guarantees can he offer, to the Jewish community especially, that mixing of ground beef with pork will not continue?

[*Translation*]

Hon. André Ouellet (Minister of Consumer and Corporate Affairs and Postmaster General): Madam Speaker, I would like to reassure the hon. member that indeed officers in my department continue to monitor commercial practices, and if they once more detect ground beef laced with pork they will take the appropriate action and this could mean seizure or criminal lawsuits. The hon. member has referred to dropped charges, which were based on contents and standards and had absolutely no implication of fraud, or selling or labelling in a deceitful way. So the distinction must be clear and I want to reassure not only the hon. member but all members of this

House and the public at large that officers in my department are on the watch and will take necessary measures in the future.

* * *

[*English*]

METRIC CONVERSION

REQUEST FOR PARLIAMENTARY DEBATE BEFORE SYSTEM PUT INTO FULL EFFECT

Mr. Bill Domm (Peterborough): Madam Speaker, I would have preferred to ask my question of the Prime Minister, but in his absence I shall direct it to the Minister of Industry, Trade and Commerce. My question stems from a recent government announcement to proceed in some 20 cities in Canada with the implementation of metric, affecting approximately six million people.

In light of the adverse reaction and effects to small businesses and consumers, will the minister responsible for industry, trade and commerce assure this House—and answer the question—that he will allow full parliamentary discussion on the subject of the implementation of the metric system before it is forced on business communities across Canada?

[*Translation*]

Hon. Charles Lapointe (Minister of State, Small Businesses): Madam Speaker, first I should like to remind the hon. member that there were ample opportunities for hon. members to discuss this when the legislation on metric conversion was passed in this House. If members opposite will please quieten down, Madam Speaker, I should like to tell the hon. member that the suggestion he just made will be examined.

* * *

[*English*]

OFFICIAL LANGUAGES

INEQUITIES MENTIONED IN REPORT OF COMMISSIONER

Mr. Lorne Nystrom (Yorkton-Melville): Madam Speaker, my question is to the President of the Treasury Board in his capacity as minister responsible for the Official Languages Act.

I think he knows that yesterday the Commissioner of Official Languages under the act tabled his annual report in this House and it is really a cataloguing of inequities and injustices against French Canadians in the public service of this country. In particular, it points out that Francophones are vastly underrepresented at the middle and senior echelons of the public service.

My question to the minister is this: Why has the government hesitated for so long in acting on equality of opportunity to work in French and to be served in French in the public service, especially when he is preaching every day in Quebec that that kind of equality exists which Mr. Yalden says in his report does not exist?

Hon. Donald J. Johnston (President of the Treasury Board): Madam Speaker, let me say to the hon. member that I was disturbed, and somewhat disheartened, by some of the conclusions reached by the commissioner and by what he said. But I am also heartened by many of the things which he did not say, because there have been remarkable improvements in certain areas.

With regard to some of the criticism—on pay differential, for example—if one analyses it, one finds that it is largely because English-speaking civil servants are older and in the under forty group the pay levels are the same. This kind of thing is not contained in the report. I think these are facts that should be noted. I can assure the hon. member that we are examining the report carefully, and any positive action that we can take to further the objectives of Mr. Yalden, with which we can concur, we will take.

Mr. Nystrom: The minister did not answer the question.

[*Translation*]

Madam Speaker, I would like to ask a supplementary question. Considering that Mr. Max Yalden has just shown that the problem is mainly one of attitude and action within the federal structure, the federal government, can the minister tell us what steps his government will take to achieve true equality between French and English in the federal government?

Mr. Johnston: Madam Speaker, as I have just said, we will do all that is within our power to ensure the application of this policy. We have to start with the senior civil servants and with management. We must impose our will because, according to the commissioner's report, it is lacking. So, Madam Speaker, we will manifest our will.

REQUEST THAT JOINT COMMITTEE ON OFFICIAL LANGUAGES BE ESTABLISHED

Mr. Serge Joyal (Hochelaga-Maisonneuve): Madam Speaker, considering the findings of the ninth report of the Commissioner of Official Languages, considering that last March the government tabled a motion in the House for the establishment of a joint committee on official languages, considering also that last December the right hon. prime minister, who is today on the opposition side, supported the establisment of such a committee, I wonder if the government House leader can tell us whether it is the government's intention of tabling a motion in the near future asking that the ninth report of the Commissioner of Official Languages be referred to a joint House-Senate committee.

Hon. Yvon Pinard (President of the Privy Council): Madam Speaker, that is an excellent suggestion which we could take up in the near future.

[*English*]

HOUSING

ALLEGED RIP-OFFS UNDER HOME INSULATION PROGRAM

Mr. John McDermid (Brampton-Georgetown): Madam Speaker, my question is to the Minister of Public Works, who is responsible for the CHIP program. Why is it that the government is allowing rip-offs to take place in the CHIP program, under which many operators are installing $350 worth of insulation no matter what size space there is to fill, be it 600 square feet or 1,600 square feet, and in most cases without any ventilation?

What is the government doing to educate and protect consumers on the process of checking out the firms they use to insulate their homes? Does the minister not agree that the program has attracted firms with no expertise whatsoever in the insulation business, because of its poor design and the lack of proper policing and administration?

Hon. Paul J. Cosgrove (Minister of Public Works): Madam Speaker, I can assure my friend that this ministry, in conjunction with the ministries of various provinces which have jurisdiction in the regulation of business operations, together with agencies and commissions such as the Metropolitan Toronto Licensing Commission—of which I was a member until coming into this House and the cabinet—is actively reviewing the problem raised by the hon. member opposite. I can assure him that we are concerned about the problem, and I hope to be able to respond later that these matters have been tightened up.

Mr. McDermid: Madam Speaker, has the minister talked with some of the small businessmen, as I have, who are going out of business and are pleading with the government to cancel the CHIP program? They are saying that because of this program, uncaring and large companies are providing poor quality insulation to the consumer. Has he investigated the possibility of establishing federal criteria for installers, and a bonding system designed to protect the consumer; and if not, why not?

Mr. Cosgrove: Madam Speaker, my initial response is that this is not a matter of jurisdiction for the federal government but, indeed, for provincial agencies responsible for business operations. However, it is something I will ask the legal branch of my ministry to investigate.

● (1440)

I would hasten to say, though, that this is the first time I have heard this protestation which the hon. member has raised, namely, that people are being put out of business. On the contrary, many, many constituents are saying that this is an excellent program and I am being urged, as the minister, to allocate additional funds in the budget to provide for expansion of the program.

Oral Questions

METRIC CONVERSION

REASON FOR CONVERTING TO METRIC SYSTEM—PARLIAMENTARY DEBATE

Mr. Bill Domm (Peterborough): Madam Speaker, in my supplementary question I would like to go back to the subject of metrication. I was pleased to hear that the Minister of State for Small Businesses is prepared to take under advisement the suggestion of a full parliamentary review on the implementation of the metric system. However, I would like to carry my supplementary question one step further.

In light of the throne speech, in which the government committed itself to putting people first and stated that it will not accept injustices, will the Minister of State for Small Businesses tell this House why we must force metric conversion on the people of Canada, considering the adverse effects that it has on business, particularly people in the food store business, and considering that it was implemented without the proper approval of Parliament, which the minister referred to in his first answer when he said that it had parliamentary approval?

Some hon. Members: Order.

Madam Speaker: Order, please. Since the hon. member for Peterborough is asking a supplementary question, will he please be more brief.

An hon. Member: He didn't have one.

Mr. Domm: Would the minister assure this House that he will introduce a bill for the implementation of the metric system in Canada before any other cities are forced to accept the metric system?

[*Translation*]

Hon. Charles Lapointe (Minister of State, Small Businesses): Madam Speaker, I would refer the hon. member to the Weights and Measures Act and the Consumer Packaging and Labelling Act, both passed in 1971, and I should like to tell him that the government has no intention of imposing the metric system *manu militari* and that it has always been the policy of the Liberal party and government of taking care of the people first, not regulations. I told him in my first answer to his question that I would review his suggestion, and I tell him the same thing now.

* * *

NATIONAL UNITY

REQUEST THAT FEDERAL-PROVINCIAL CONFERENCE BE HELD AFTER QUEBEC REFERENDUM

Hon. Roch La Salle (Joliette): Madam Speaker, I really do not know to whom I should address my question since the right hon. Prime Minister is absent. I would be inclined to put it to the former minister for federal-provincial relations, the Minister of Energy, Mines and Resources. Since the four premiers

of the western provinces indicated yesterday they would oppose recognition of sovereignty-association, but as categorically as the status quo that you know so well, in the circumstances, the premiers also expressed their firm intention of making the government, which promised a renewed federalism, convene a federal-provincial conference immediately after the referendum to bring about a new constitution that could perhaps be enacted in two years, is the minister in a position today to grant the wish expressed by the western provinces and also by many Canadians?

Hon. Marc Lalonde (Minister of Energy, Mines and Resources): Madam Speaker, I would like to indicate at the outset that the Prime Minister is not in the House now because he has an important meeting with the secretary of state of the United States who is visiting in Canada today. Second, as to the hon. member's question, I am very happy to notice that the four western premiers have indicated their total disagreement with the principle of sovereignty-association. I am glad to see as well, that the hon. member for Joliette also believes that sovereignty-association must be rejected.

Mr. La Salle: The status quo, too.

An hon. Member: At last.

Mr. Lalonde: The hon. member for Joliette says he is also against the status quo. So are we and we are happy to count him among those who do.

However, I remind the hon. member that there is a referendum under way in Quebec at the present time and that it is led by a government which proposes to divide the country, to cut it in half. We will see the results of the referendum. We are confident that with the support of all federalist forces in the House and in the National Assembly of Quebec, as well as among the people of Quebec, we will register a strong victory for Canada and federalism. As for the matter raised by the hon. member, I refer him to the important speech made in this House by the Prime Minister in the debate on the Speech from the Throne. He will find the answer to his question there.

INQUIRY WHETHER GOVERNMENT WILL RECOMMEND HOLDING OF FIRST MINISTERS' CONFERENCE ON CONSTITUTION

Hon. Roch La Salle (Joliette): I am rather disappointed by the minister's answer, Madam Speaker. The Prime Minister did refer to a renewed federalism. There is, however, no detail about it. The provincial premiers have rejected Mr. Lévesque's proposition, as did this federal government as well as the minister and I agree that both the status quo and sovereignty be strongly rejected. But in light of the circumstances and in view of the lack of explanation on a renewed federalism, and knowing very well that regardless of whether the Yes or the No wins there is a pressing need for a meeting among the Prime Minister and the provincial premiers, could the minister, speaking today for the Prime Minister, at least commit himself in the interest of many people wondering about the government's real intentions toward a new constitution? Is the minister prepared at least to recommend that that conference be held with the shortest delay?

Hon. Marc Lalonde (Minister of Energy, Mines and Resources): Madam Speaker, the Prime Minister has already indicated many times in this House and elsewhere that as far as the government is concerned, we are prepared to consider a full review of the Canadian Constitution, and that what is important and fundamental for us in that consideration is that it be done on the basis of a federal regime, that the constitution be federal in nature; and, secondly, that citizens' rights, especially linguistic rights, be guaranteed in the constitution. This government is ready to negotiate.

* * *

[*English*]

INDIAN AFFAIRS

CONSULTATION ON PROPOSED FINANCING AGREEMENTS

Mr. Jim Manly (Cowichan-Malahat-The Islands): Madam Speaker, my question is to the Minister of Indian Affairs and Northern Development. Will the minister table documents relating to the proposed new financing agreements with Indian bands and organizations as outlined in Treasury Board minute No. 763729; and will he inform the House whether these proposed agreements were developed in consultation with Indian bands and organizations?

Hon. John C. Munro (Minister of Indian Affairs and Northern Development): Madam Speaker, to answer the latter part of the hon. member's question first, there have been allegations that there has not been adequate consultation with the leaders of the Indian communities and Indian bands. Therefore, I have suspended the application of the directive based on a Treasury Board minute which was sent out to the bands. It will no longer apply to the bands for a limited period of time, so that there can be further consultation to determine if, indeed, the directive should be applied.

If the directive is found to be unacceptable, then we will use the time to come up with some other arrangements. The bands are no longer subject to the directive embodied in the Treasury Board report to which the hon. member has referred.

Mr. Manly: Madam Speaker, considering that native Indian bands find the three-month suspension inadequate, and that they have expressed fear that the proposed agreements are yet another attempt by the government to implement policies from the 1969 white paper which would lead to assimilation, would the minister act to prevent further demoralization both to Indian people and to Indian Affairs personnel?

Specifically, would he assure the House that he will continue to negotiate with the Indian bands of New Brunswick and

Prince Edward Island to reach a mutually satisfactory funding agreement before April 30, 1980?

Mr. Munro (Hamilton East): Madam Speaker, I met with the NIB two or three days ago and the head of the provincial organization of the Indians of New Brunswick was present. I indicated fully to him, and to all the others at that time, that that is precisely what I wished to do, just as the hon. member has identified the situation.

I wish to enter into the fullest type of consultation to determine if we can come up with a solution in a joint way which would cover the real objections to these types of procedures which are embodied in the directive. I hope we can do that. I am quite optimistic that we can arrive at an agreement and that the more offensive aspects of this type of directive can be deleted.

* * *

NATIONAL UNITY

FEDERAL-PROVINCIAL MEETING ON RENEWED FEDERALISM

Hon. Jake Epp (Provencher): Madam Speaker, I would like to ask a supplementary question of the Minister of Energy, Mines and Resources. I would prefer to direct this question to the Prime Minister, but it is supplementary to the questions asked by the hon. member for Joliette.

I am sure that all members of this House welcomed the statement by Canada's western premiers which urged an overwhelming No vote in the referendum and which favours discussions on renewed federalism. I ask the minister, is the government considering convening a meeting with the premiers for a discussion of renewed federalism shortly after the May 20 referendum date?

● (1450)

Hon. Marc Lalonde (Minister of Energy, Mines and Resources): Madam Speaker, the referendum campaign is in progress at the present time. We will have to see what the results are. If the answer is a clear No in the referendum, we will all certainly be very happy. There will then be the possibility for all the premiers—I hope, including the premier of Quebec—to sit down and talk about the renewal of the Canadian Constitution in terms of a federal regime.

If, for some unfortunate reason, the result was to be a Yes vote in the referendum, you would end up with a situation in Quebec where you would have a government that has already indicated clearly that if it receives the mandate it is asking for, it would not be interested in debating the renewal of our Canadian Constitution.

An hon. Member: How do you know?

Mr. Lalonde: It would be interested in breaking up Canada. This has been stated, and repeated, by the premier and the minister of intergovernmental affairs for Quebec. This is why the Prime Minister has said, and repeated, that this would lead Canada into an impasse.

[*Translation*]

In short, a Yes vote at the referendum will result in a complete deadlock regarding the possibility of renewing Canadian federalism, for the simple reason that the Quebec government will have been given by the population of Quebec a mandate to do nothing else but try to negotiate the breakup of the country.

As a government, we have already said that we have no mandate to negotiate the breakup of this country, that we are not interested in asking for one, that our role is to preserve the country's unity and that is why we are fighting back now.

INQUIRY WHETHER GOVERNMENT WILL MAKE STATEMENT ON AMENDING CONSTITUTION

Right Hon. Joe Clark (Leader of the Opposition): Madam Speaker, on a supplementary: The Prime Minister has spoken of a renewed federalism; that has stirred considerable interest among Quebeckers, as does, now, the statement of the premiers of the four western provinces, about exactly what the present federal government means by a renewed federalism.

The question put by the hon. member for Joliette was meant to let us find out whether, as the western premiers have asked, the government is willing to consider convening, immediately after the Quebec referendum, a federal-provincial conference to study the renewal of the federal system.

I should like to know whether this government will make a statement or at least give us an indication, either before or after May 20, of exactly what the renewed federalism described by the Prime Minister would entail?

Hon. Marc Lalonde (Minister of Energy, Mines and Resources): Madam Speaker, I find it amazing that the Leader of the Opposition, who had the chance of being prime minister for at least a few months, should put that question when his own party was unable to define anything at all while he was in power. Even today one wonders exactly what thesis it defends.

The question the Leader of the Opposition asked me concerns the general and constitutional policy of the government. I suggest that the answer should come from the Prime Minister himself who will be in the House before the end of question period today, or tomorrow.

INQUIRY WHETHER GOVERNMENT WILL ESTABLISH TASK FORCE ON AMENDING CONSTITUTION

Right Hon. Joe Clark (Leader of the Opposition): Madam Speaker, I regret the partisan tone used by the hon. member because this matter concerns the security of Canada as a whole and is in the interest of all members of the House. As

the minister suggested, we had the opportunity to govern the country and we made a lot of progress in showing the need for a renewed federalism. We also established a small task force presided over by Senator Tremblay to determine what this renewed federalism should involve. We made a firm commitment to publish our position. I now ask the minister if this government shares our view that it would be helpful for the federalist cause at least to establish a task force on the renewal of the federal system to show that the federal government is determined to consider seriously the changes requested by federalist Quebeckers and the people of western Canada.

Hon. Marc Lalonde (Minister of Energy, Mines and Resources): Madam Speaker, I am very happy that the hon. Leader of the Opposition established this committee presided over by Senator Tremblay. We were very happy about this and we look forward to seeing the results of its work. The government does not need to establish a task force. The issue of constitutional reform is one which concerns us deeply and on which we have been working for many years. This is the responsibility of government departments, including the Department of Justice and all the people concerned in the administration of this government. This work will continue in the months and years to come.

* * *

[*English*]

REGIONAL DEVELOPMENT

DATE OF SIGNING ONTARIO RURAL DEVELOPMENT AGREEMENT

Mr. Keith Penner (Cochrane): Madam Speaker, I have a brief question for the Minister of Regional Economic Expansion. As the minister knows, this past weekend the North Clay Belt Economic Conference was held in Kapuskasing, Ontario. One of the resolutions from that conference concerns the minister's department and its programs.

I wonder if the minister is able to tell the House when the Canada-Ontario rural development agreement will be signed. This is not a highly expensive program, but it is vital to a region like northern Ontario because of the variety of projects such an agreement would be able to assist.

[*Translation*]

Hon. Pierre De Bané (Minister of Regional Economic Expansion): Madam Speaker, I have visited this area of northeastern Ontario and, as the hon. member has stated, everyone would like the federal government to assist this region through some type of an agreement. All I can say to the hon. member is that I shall make representations to the cabinet on his behalf and on behalf of the people he represents in this House so that this unanimous request he is now supporting can receive a favourable reply.

[*English*]

METRIC CONVERSION

REQUEST METRIC COMMISSIONERS BE RELIEVED OF DUTIES

Mr. Gordon Towers (Red Deer): Madam Speaker, my question is to the Minister of State for Small Businesses and it is supplementary to a question asked by my colleague, the hon. member for Peterborough.

In view of the tremendous resentment against any further metric conversion in Canada, would the minister be prepared to relieve all the metric commissioners of their duties until such time as the whole issue has been amply debated in this House of Commons and a need proven for any further enforcement of that regulation?

[*Translation*]

Hon. Charles Lapointe (Minister of State, Small Businesses): Madam Speaker, I would like my colleagues opposite to have a somewhat longer-term vision of the economic future of this country. One has only to look at—

Mr. La Salle: A metric vision.

Mr. Lapointe (Charlevoix): A metric vision, as the hon. member for Joliette says. Maybe. One has only to look at what is being done in Australia and how the introduction of the metric system is being carried out very rapidly over there. One has only to look at the progress made in this area and in certain major industrial sectors in the United States, such as the automobile industry. I know certain Canadians find the introduction of that system difficult and we are prepared to give them all the sympathy and understanding needed so that introduction will be carried out as smoothly as possible for both consumers and users.

[*English*]

Mr. Towers: I wonder if the minister, through you, Madam Speaker, would answer my question. Will he fire the commissioners until there is a need proven for their presence?

[*Translation*]

Mr. Lapointe (Charlevoix): I think, Madam Speaker, that there is no answer to be given to such an irresponsible question.

* * *

[*English*]

CANADA MORTGAGE AND HOUSING CORPORATION

RENTAL HOUSING IN DOWNTOWN MONTREAL

Mrs. Margaret Mitchell (Vancouver East): Madam Speaker, my question is to the Minister responsible for Canada Mortgage and Housing Corporation. Last May, CMHC purchased 720 units of rental housing in downtown Montreal with the express purpose of selling these back to residents for non-profit, co-op housing.

● (1500)

Since long delays and CMHC roadblocks have resulted in bitter disappointment and frustration for residents, can the minister tell us what he intends to do, hopefully by tomorrow, to resolve this impasse which is endangering a long-established community.

Hon. Paul J. Cosgrove (Minister of Public Works): Madam Speaker, I will indeed consider this notice and attempt to have the answer by tomorrow.

Mrs. Mitchell: Madam Speaker, I think the minister is unaware that a delegation of eight people from Montreal came to his office yesterday and has a crucial meeting tomorrow. Since, contrary to usual policy, CMHC is requiring a 50 per cent average increase in rents, which is unacceptable to local residents and will cause mass departures and convert this area to high-income housing, will the minister explain why CMHC is causing rents to jump by an average of 50 per cent, and what he intends to do about this to prevent the destruction of the Milton Park community of 2,000 moderate and low-income tenants?

Mr. Cosgrove: Madam Speaker, this problem no doubt is symptomatic of many of the problems facing the corporation for which I report to Parliament—the problem being simply one of finances. On one hand, we have the official opposition saying that we should not be increasing budgets and increasing deficits. We have to consider, on the other hand, that there are expressed needs as indicated by the question. That is the problem. We have to try to balance the means that we have available with the needs that are expressed. I can assure the hon. member that the officials of CMHC are sympathetic to these needs.

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PRIVILEGE

MR. BAKER (NEPEAN-CARLETON)—TABLING OF MAIN ESTIMATES

Hon. Walter Baker (Nepean-Carleton): Madam Speaker, I rise on a question of privilege. It relates to questions put to the President of the Treasury Board (Mr. Johnston) and answered by him today, arising out of his statement to the House yesterday on the tabling of the main estimates. If I may say so, it is rather fundamental that the minister indicated to the House yesterday that what he was tabling were estimates, and I quote him from page 290 of *Hansard*:

—without any changes to reflect the policies this government is in the process of elaborating.

The lead questions to him today were designed to find out exactly what he meant by that and whether there was any explanation that he had to give to indicate that, by adopting the procedure being proposed, we would be giving the government a blank cheque with respect to the main estimates and that we would have to wait for some future time with respect to its future expenditure plans.

In the course of his statement yesterday, and he alluded to it again today, the minister indicated that there were several specific cases in which future supplementary estimates will reflect the changes in programs in these main estimates. He went on at that point to indicate that there was a $2.6 billion provision in the 1980-81 estimates for oil import compensation which was based on something that apparently is not akin or related to what the present government intends to do. He said they were reviewing the capital financing arrangements for Petro-Canada. He also said there were matters concerning the unemployment insurance program. Then he said this:

Madam Speaker, these are a few of the items which may have their main estimates funding level adjusted to reflect this government's policies and programs.

What he is really saying is that these main estimates in terms of the programs and policies of this government are absolutely meaningless. He is in effect asking Parliament to accept this process blindly. Frankly, I think it is a fetter on the rights of Parliament and the right of the public to know what the government intends to do. It is a trespassing on what I consider the legitimate concerns of members.

To cement it even further he went on to say, as reported at page 292:

They are being recommended for adoption subject to such modifications as may subsequently be made thereto through tabling supplementary estimates to give effect to policy changes which this administration may wish to introduce.

What the minister is really saying is that the consideration of the government's programs in these estimates in this House of Commons is meaningless. Frankly, I do not think we should put up with it. That is the position I take. It is about time the government realized that if there is a problem, it has to innovate some way to change it.

As reported at page 296 he said:

They do not represent an expenditure plan by this government.

Estimates are important to members of Parliament. They are either considered in this House in Committee of the Whole or in a standing committee of the House of Commons. It is only through consideration of the spending programs of the government that we can make an appropriate judgment with respect to the relevancy of those programs to the needs of Canadians. Indeed, it is the only way that members of Parliament can hold the government accountable for what it says to the Canadian people about what it intends to do.

In answer to the second question put by one of my colleagues, the minister indicated that it is always the objective of the government to fulfil this commitment with respect to maintaining a certain level of expenditures. That answer is quite different from one which he gave at the press conference. I quote from *The Globe and Mail* of April 23, 1980:

—Treasury Board president Donald Johnston admitted he could not predict when the Liberals might meet their election promise to hold down the annual increase in government spending to the nominal rate of increase in the gross national product.

That can have a dramatic effect on the deficit, on the administration of government programs, and on the delivery of government services to the people we represent. Quite frankly,

I do not think this Parliament should be asked to deal with a meaningless blue book, a book of figures that, in terms of this government's policy and this government's expenditure plans and programs it says it wants to put forward, is absolutely meaningless.

I raise this because it is important for Parliament in the consideration of the estimates by Parliament. I raise it for the purpose of saying to the President of the Treasury Board and to the President of the Privy Council (Mr. Pinard), whom I deal with quite amicably, that it is important before we get into this too far that there be a statement made to catch up with what has been laid out in the estimates, i.e., the plans and programs. It is important. It will be against that program, that statement of expenditure plans that we will be able to make appropriate judgments as to the propriety of the government's programs. Those are judgments we want to make. Whether the government likes them or not is irrelevant.

I raise this to give my friend, the President of the Treasury Board, an opportunity to consider a course of action which will allow him to give more precise answers to Parliament than the estimates which he tabled yesterday, and much more specific answers with respect to the questions put to him today. It is important to the people that the estimates process not be rendered meaningless and not be watered down like a number of other processes around here.

● (1510)

[*Translation*]

Hon. Yvon Pinard (President of the Privy Council): Madam Speaker, my hon. colleague has raised this issue as a question of privilege but I think it would have been more appropriate to have risen on a point of order. But if his purpose in rising was to make sure that the House will have the opportunity to study thoroughly both main estimates and the supplementary estimates, then I can reassure him immediately. We have had consultations together—he is aware of that—to ensure that the estimates of previous years can be reviewed by the opposition within reasonable and fair time, taking into account the two elections that took place in the last 12 months. I want to point out publicly to the House that we are prepared to allot the same period of time to the opposition parties as provided for under our Standing Orders, if these provisions could have been applied and if the estimates had been tabled on time last March 1. So I would like to give that assurance to the leaders and again to the House leader of the official opposition and I definitely see nothing wrong with what the President of the Treasury Board (Mr. Johnston) did yesterday.

What the President of the Treasury Board did was to table the main estimates and he clearly said the following, as reported at page 292 of *Hansard* in response to a request for clarification made by the hon. member for York-Peel (Mr. Stevens), and I quote:

> They are being tabled legally as our estimates but, as I indicated, we will be bringing forward supplementary estimates to give effect to those changes—

All these supplementary estimates, Madam Speaker, are subject to consideration by committees of the House. Yesterday, after the President of the Treasury Board had tabled supplementary estimates (A) in addition to the main estimates, I presented a motion to refer these supplementary estimates to the appropriate committees of members of both sides of the House so that there be an opportunity of scrutinizing them thoroughly. So in the procedure that has been followed everything is legal and in conformity with Standing Orders 58 and 59 which are the only ones applicable and pertinent and nothing irregular has resulted from the attitude and the approach taken by the President of the Treasury Board.

This being said, Madam Speaker, again I want to assure hon. members opposite that we on the government side intend to allow them at least as much time as that which is provided for under our Standing Orders for the main and supplementary estimates, just as if the main estimates had been tabled at the proper time. My hon. colleagues are aware that we are operating under exceptional circumstances, having had to go to the people twice within a year, which does not happen every day.

We are therefore faced with the following situation: the 1979-80 estimates have never been approved by the House, and what matters even more, the 1980-81 estimates were not tabled on March 1 last as they were supposed to be under our Standing Orders, and this, for reasons which are clear. And because the main estimates were not tabled on March 1, the normal time limits for the debate on these estimates which are set under our Standing Orders cannot apply, so that we are entirely at the mercy of the opposition which, in theory, could cause the debate to drag on for years, if it wanted to, and therefore prevent the government from dealing with both the main and supplementary estimates.

I know this is not the official opposition's nor the New Democratic Party's intention. There has been in our negotiations up till now a spirit of co-operation that leads us to be optimistic that an agreement can be reached to reinstate so to speak a procedure allowing for serious consideration both of these main estimates and supplementary estimates. No dilatory consideration of course, or one that would leave the feeling that the official opposition is acting irresponsibly. I am convinced on the contrary that the official opposition will act responsibly, it will not use this truly exceptional situation to prevent Parliament from operating normally and disposing of the legislative work accumulated as a result of two successive elections in a year, as called for by His Excellency the Governor General in the throne speech last week.

This being said, Madam Speaker, I give to my hon. colleague the assurance he will have at least as much time as that provided by the Standing Orders were they applicable. This indeed is the formula we are negotiating on, and on which I am expecting an understanding from my colleague within the next two days if at all possible.

So, we will allow ample time to the official opposition, and on the other hand, the procedure followed up till now and in the future will be strictly and absolutely consistent with Standing Orders 58 and 59, which are relevant in the matter.

[*English*]

Hon. John C. Crosbie (St. John's West): Madam Speaker, the government House leader has addressed himself to some other question of privilege. He has not addressed himself to the question of privilege raised by the opposition House leader. It is not a question of how much time there is in which to study the estimates or of how much time the government House leader, in his generosity, is going to mete out to us. The question is, what are we going to study? Are we going to study estimates which the government is standing behind, or are we going to study estimates just thrown in to us like a dog to a bone, or a bone to a dog, so that we will be kept busy playing around and the government can get interim supply?

Neither the President of the Treasury Board nor the government has made it clear that these main estimates are anything but a fiction. Let me refer you, Madam Speaker, to the speech on Monday night by the effervescent Minister of Finance (Mr. MacEachen) who is now effervescing in West Germany—I hope his message there is accepted in a better way than it was here the other night. This is what he said—I am not referring to *Hansard,* I am referring to the prepared speech:

> The information on the current 1980-81 fiscal outlook will serve as a supplement to the main estimates which are to be tabled tomorrow.

That is a piece of impertinence in itself, to suggest that a speech by him is going to be a supplement to the main estimates. He goes on to say that the main estimates are those prepared by the former government which were ready for printing when the present government took office. He tells us:

> It was judged best not to attempt to revise this massive compilation of expenditure figures, but to table the existing material without delay—

Why, Madam Speaker? As a basis upon which interim supply could be sought. It was a frank admission that these estimates will be brought into the House in an attempt to get interim supply through, not as estimates for 1980-81 but just as something thrown as a bone to a dog so that we can chew on it and vote interim supply while the government carries on with the real estimates, whatever those estimates are.

He went on to say:

> The expenditure figures in the fiscal forecast I am tabling are based upon the main estimates but contain, in addition,—

Then he gives his own estimates of what the outlays are likely to be. He disagrees totally with the outlays contained in these main estimates. Then, two pages further on, he says this—this is contempt, Madam Speaker; the man should be brought before the bar of this House in shackles:

> I would further like it to be understood, however, that these projections do not in any way constitute the expenditure plan or the planned financial requirements of this government for fiscal year 1980-81.

He wants us to understand that these estimates, his projections, are not in any way the expenditure plan or the planned financial requirements of the government. One loses one breath at the audacity of it. These estimates are tabled and we are baldfacedly told that they do not contain the expenditure plan for the projected financial requirements of the government. Surely we have the right to ask what are the planned financial requirements for the government, and what is the expenditure plan.

• (1520)

If the government is not recommending these estimates except in a technical sense, what are its estimates, and should this House accept estimates—they were tabled as main estimates—that two ministers frankly tell the House are not the estimates they are going to go by? We are being asked to vote money that the government is telling us in advance it is not going to spend in accordance with how we voted. Ministers are going to spend the money just as they feel they want to spend it, with no further reference to this House until they come back with supplementary estimates later in the year or next year. The bald-faced effrontery of those statements demands that this chamber rise up on its hind legs and say, "This is enough; we are not going to vote main estimates which ministers tell us do not constitute their expenditure plan, do not constitute their planned financial requirements". In other words, it is a piece of fiction which they are putting before us to get interim supply—not likely—and then ask us to co-operate in doing it.

So, Madam Speaker, if you look at what is said by the Minister of Finance and what was confirmed yesterday by the President of the Treasury Board (Mr. Johnston), he could not be forced into an admission that he supported these estimates. He gave all kinds of examples of where they are going to change the estimates. In fact, they already had them changed before he tabled them. We do not know what authority he had for any of that. I do not want to give the quotations that my hon. friend has already given, but there is another quotation or two that I want to give. He could not give us answers, of course, in any event, on some of the questions that we asked him. I think that the quotations I am looking for have already been given, so I do not want to repeat that, but when he was questioned by the hon. member for Wellington-Dufferin-Simcoe (Mr. Beatty), he would not say that they were putting these expenditure plans forward or that—oh, here it is. Page 292:

> They are being recommended for adoption subject to such modifications as may subsequently be made thereto through tabling supplementary estimates to give effect to policy changes which this administration may wish to introduce.

I say fine, Madam Speaker. If there are policy changes not now decided upon that occur later in the year, which the government cannot foresee, then that is a proper use of supplementary estimates. They come in with supplementary estimates. They say to the House of Commons, "Sorry, members of the House of Commons and the Senate, we did not know when we put the main estimates before you that certain events were going to happen. There was a catastrophe. We did

not know we had to spend money. There was a flood here, there was something unexpected there, or there is a massive change in policy on, say, the oil import subsidy program", or whatever the policy is, "and therefore we now have to ask you for forgiveness and to give us supplementary estimates". That is the procedure. You do not come in with the main estimates and say, "Disregard these main estimates; they are going to be whatever we say they are when the time comes that we feel suited to tell you what they are".

So, Madam Speaker, this is in line with the point of privilege that was before you yesterday. Because this government has a majority, it thinks it can do exactly what it likes, and what it now wants to do is to have this huge blue book referred to all the House standing committees and get all the backbenchers and members on this side busy examining the estimates and questioning the officials. Then the lordly ministers will come down every once in a while with their satraps around them or whatever, the flapdoodlers. They are experts. They will come in, the swarms, like they are going to the hive. They are honey bees, queen bees. The swarms of advisers will come down occasionally. We will spend all our time questioning them on these estimates, and after we are through with all that and report back and they are passed by the House, while this is going on they are back in their offices changing the estimates all around because these are not their main estimates.

So what is the point of our having these estimates referred at all to any of these committees? The parliamentary assistant to the Minister of Finance is one of the worst offenders. He is already busy changing these estimates, and his minister has admitted it, so for them to come before this House in this disgraceful manner—it was not bad enough that they disrupted and ruptured the whole budgetary process; they are now gouging the whole system of considering estimates, and we have to appeal to you, Madam Speaker, for protection and to put a stop to this.

When the House leader goes on about how much time he is going to give, we want time to consider real estimates. We do not want time to consider fictional estimates. We want time to consider the government's real spending plans. That is what we want the time for.

Just look at the outrageous speech of the Minister of Finance, who has gone off now ringing the gong in Munich, or whatever he is doing in Munich. I hope it is only a gong he is ringing. He said that he wants us to understand that the projections do not in any way constitute the expenditure plan or the planned financial requirements of this government. "Do not in any way", Madam Speaker. Well, of all the brazen effrontery that has ever been put before a House of Commons, that takes the cake, and that is why we bring up this point of privilege, and that is why we ask you, Madam Speaker, to consider this, as I know you will, extremely seriously with the other piece, the other—for whom the bell tolls. The bell is tolling for this House of Commons in this session and in the next four years, because already in the House we are here only six days and two of our cherished traditions have been done away with.

Hon. Perrin Beatty (Wellington-Dufferin-Simcoe): Madam Speaker, I would have deferred to the President of the Treasury Board (Mr. Johnston), but I want to say a few words in support of the position taken by my two colleagues.

There is no more fundamental right and responsibility of Parliament than control of the public purse. This very institution developed because of a concern among the people of Britain that proper control over the public purse was not being exercised. This is the central function which we, as parliamentarians, are asked to discharge as part of our responsibilities.

What the government has done by putting forward estimates that it will not stand behind, and which it disavowed any responsibility for at the very time they were tabled, has been to make a mockery of our attempts to discharge our responsibilities on behalf of our constituents. What happened yesterday when the President of the Treasury Board tabled the 1980-81 estimates was that he not only denied paternity but also disinherited the child at the same time. He said in the course of his remarks that there were going to be substantial changes made. He made it very clear that these estimates did not constitute the spending plan of this government. My colleagues have quoted that statement on his part.

Madam Speaker, if you take a look at *Hansard* pages 290 and 291 yesterday, you will find that fully one-half of the minister's remarks were designed to indicate changes that he intended to make from these estimates and to indicate why these estimates did not represent the spending intentions of the government. He concluded that section by saying, and I quote:

> Madam Speaker, there are a few of the items which may have their main estimates funding level adjusted to reflect this government's policies and programs.

Clearly, the implication of that is that this is only a portion of the changes, and that what Parliament knows about today when it is asked to approve this blue book of estimates is only a portion of the changes which this government intends to make. So I ask you, Madam Speaker, how can we be called upon to discharge our responsibility to guard the public purse when the estimates which are being presented to us are patently phony, even on the basis of the testimony of the minister who introduces them?

When I tried to question the President of the Treasury Board to ask him what the spending plans of the government are—because this is central at the time we are approving the estimates; what else are the estimates for?—his response today was to refer me to the statement by the Minister of Finance (Mr. MacEachen) two days ago. Well, in that statement the Minister of Finance expressly said that that statement did not constitute the spending plans of the government either.

The central question here is, what are the estimates? What is the purpose of estimates? If we cannot get the spending plans of the government from the estimates, where does Parliament get them? What is our job? What is our responsibility? What is the point of these estimates we are being asked to

approve? What does the government intend to do with the money we approve if we go ahead on the basis of these estimates which hon. members opposite themselves say are false and do not represent their spending plans?

The issue which my colleague, the House leader, was raising, was not that which was raised by the government House leader, a question of how much time we would have to examine these estimates. We want adequate time, but the central question is this: are the documents being put before the House? Is the recommendation coming at the request of the President of the Treasury Board for the appropriation of funds meaningful, or are we being asked to appropriate funds for programs which this government already has no intention of carrying out?

I submit that unless there is some candour shown by the government very soon in terms of indicating what its full spending plans are and in terms of setting for us a target for its spending for this year—because that is what the estimates are designed to do—if the government does not do that, Parliament is rendered meaningless and irrelevant, and there is no way we can continue to consider estimates which, on the testimony of the minister presenting them, are false.

That is the central issue here, and it is one to which the President of the treasury board has the responsibility to address himself. When will he be candid with this Parliament? When will he table the government's spending plan? When will he in fact give us the information that is essential before we are asked to approve one penny of the spending estimates which are before us today?

These estimates would have been relevant if the budget of the former minister of finance had been passed on December 13, instead of being defeated. If we had not had an election on February 18, these estimates would have been relevant. But all of that has happened, and this government indicates that it does not stand by these estimates, that they do not represent its spending plans, which means then that before ministers ask us to appropriate the funds for which they are asking they have a responsibility to level with the Canadian people and with Parliament, and say what in fact their spending plans are. That they have not done, Madam Speaker.

● (1530)

Hon. Donald J. Johnston (President of the Treasury Board): Madam Speaker, I find that this whole performance by my friends in the opposition to be quite extraordinary. This righteous indignation is coming from the hon. members who last year retabled the estimates which had been tabled by the Liberal administration in the spring—they retabled them in the autumn. I do not have the specific statement made by the then president of the treasury board in front of me, but my recollection is that all he said was that he was tabling these estimates and that he had no comment to make.

When I tabled the estimates yesterday, I said that we were recommending their adoption, subject to certain changes, and I tried to give the opposition every indication of which way we would be moving.

These estimates are not at all irrelevant. I realize that the gentlemen opposite were not in government for any great length of time, nor have I been, but at leat I know that the process of developing main estimates is one which extends over even more than one year. So it is perfectly obvious that these estimates have validity and that they should be adopted subject to the kind of modifications which we will be bringing forward.

When the hon. member for Wellington-Dufferin-Simcoe (Mr. Beatty) says to us that these estimates would have been relevant had the budget put forward by the former minister of finance been adopted, I say to you, Madam Speaker, that that is an interesting observation because a number of events have taken place since that night in December which would have made these main estimates, in their view, also outdated and outmoded, for several reasons.

First of all, as I think I indicated earlier, subsequent to the budget address there was an oil price increase. The oil price increase wiped out the so-called reserve to which reference was made by the former president of the Treasury Board yesterday, and, accordingly, the $58.4 billion projection—which was a projection and did not represent the estimates—became irrelevant. Subsequently they would have been faced with further oil price increases and public debt charge increases, and all of these would have had to be taken into account in the very hypothetical situation of their having been returned to power. It would have been necessary for them to bring forward supplementary estimates at the time of tabling the main estimates, and it would have been necessary for them to bring forward supplementary estimates during the course of the year.

In fact, it seems to me that we have been particularly candid in indicating in the message which I delivered yesterday, in my capacity as President of the Treasury Board, the specific areas in which we would hope to make particular and important policy decisions and changes. The guaranteed income supplement is one, and hon. members opposite are fully aware of it.

I must say that I find this performance extraordinary, in light of their own established precedents last year and in light of the fact that this government was elected on February 18 and we have already tabled these estimates. Obviously we have had no opportunity to make technical amendments to estimates of this size and complexity which have been developed over a multi-month period. I find no basis for the seeking of privilege, or for their protest, or for whatever comes forward from my hon. friends opposite. It seems to me that we have been candid. We have given a full explanation, we have tabled the estimates in a timely manner, and, as the President of the Privy Council (Mr. Pinard) has indicated, opposition members will have ample time to consider these estimates in committee. The President of the Privy Council has given that commitment to the opposition.

Some hon. Members: Hear, hear!

Hon. Ron Huntington (Capilano): Madam Speaker, I just wanted to offer a few comments in reply to the comments of the President of the Treasury Board (Mr. Johnston). There is an essential difference between us. The former president of the treasury board in the previous government tabled the estimates as our spending plans. That is, the estimates were the spending

plans of the previous government. The plans the present President of the Treasury Board tabled in the House yesterday are not, on the admission of both the Minister of Finance (Mr. MacEachen) in his speech, and of the President of the Treasury Board, the spending plans of this government. Therefore, they attack, as my colleague, the hon. member for Wellington-Dufferin-Simcoe (Mr. Beatty) has said, the very basis of supply.

Just what is it we are being asked to study and on which we are being asked to deliver comment and opinion? There is a fundamental difference between what was done by the former president of the treasury board in tabling the estimates at that time without comment, and the estimates that have been tabled with major comment and qualification from two senior ministers in the present government. I think that is an essentiel point, Madam Speaker, that you have to consider in deliberating on this important question.

Mr. Don Blenkarn (Mississauga South): Madam Speaker, I have just a comment on this matter. It is a pretty serious matter that this House is being asked to consider, followed by committee consideration. We are already asked to consider something that will not in fact be the spending plans of the government. The President of the Treasury Board (Mr. Johnston), however, says that there will be minor alterations. Therefore, it should be possible for him, I expect, to table immediately amendments, or an addendum to his tabling yesterday of the blue book, indicating the alterations.

I can understand why he would not want to go through the problems of printing and segregating by page and reference number the details in that monster telephone book we call the blue book, but surely it would be possible for him to provide us with an addendum, not a supplement, so that we could really see what the spending plans of this government are. If they are what he says they are, that is, only minor alterations, small changes in interest expense of a billion dollars or so, small changes in the cost of oil subsidy of maybe a couple of billion dollars, then it should be possible for him surely to table addenda to this blue book so that the committees of the House can study the estimates properly and know what the spending plans of the government are. But he does not seem to want to do that. He says that here is something that was prepared back in December, that it does not mean anything, that they are not going to follow it, that they have changed their direction, that they defeated the budget of December 11.

The President of the Treasury Board says he does not stand behind the estimates completely and that they are subject to change. If they are subject to change, and if he wants the House to study them here and in committee, if he does not want to waste the time of members of Parliament, and if he wants to treat Parliament honestly, then surely he will come clean with Parliament and, before these estimates go to the committee, he will give us an addendum to them. The tabling he did yesterday is clearly wrong. I cannot see how members of Parliament can be asked to study something that the government itself says is wrong. If the government says that it is wrong, then the government should point out the corrections. Clearly there will be changes.

• (1540)

These estimates were prepared in December, and there has been an election in the interval. The government has clearly indicated a totally new direction for Canada. The spending that Parliament is being asked to approve on that new direction for Canada, surely should be reflected in the changes filed with the work that was done last fall. We appreciate the problem in preparing estimates. We are not trying to hold the House up; we are not trying to hold the government up. But we want some honesty from them, just some simple honesty. As members of Parliament, we will have to study the estimates. Surely we want to study what the government really intends to spend.

[*Translation*]

Madam Speaker: It seems to me that the House is entering into a debate on a grievance related to the validity of the estimates. There will be other opportunities to discuss this matter in the House when a supply order is tabled. I must therefore conclude that there is no prima facie question of privilege, and with the consent of the House, I shall now proceed to call the orders of the day.

ROUTINE PROCEEDINGS

[*English*]

EMPLOYMENT TAX CREDIT ACT

MEASURE TO AMEND

Hon. Lloyd Axworthy (Minister of Employment and Immigration) moved for leave to introduce Bill C-19, to amend the Employment Tax Credit Act.

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

* * *

[*Translation*]

SENATE AND HOUSE OF COMMONS ACT

REPORT OF COMMISSION APPOINTED TO STUDY SALARIES AND INDEMNITIES OF MEMBERS AND SENATORS

Hon. Yvon Pinard (President of the Privy Council): In accordance with section 34, subsection 8 of the Senate and House of Commons Act, Madam Speaker, I wish to table the report of the commission responsible for reviewing the salaries and indemnities of members of Parliament and senators and at the same time to thank Mr. Hales. This same act requires that we appoint a new commission and we shall do so in the near future.

* * *

HOUSE OF COMMONS

LIST OF DESIGNATED ACTING MINISTERS AND PARLIAMENTARY SECRETARIES

Hon. Yvon Pinard (President of the Privy Council): Always on the tabling of documents, in accordance with Standing Order 41(2), I have the honour to table in both official languages copies of the orders giving the list of designated

acting prime ministers, acting ministers and parliamentary secretaries, namely, orders, 1980-824 and 1980-663.

* * *

[*English*]

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. D. M. Collenette (Parliamentary Secretary to President of the Privy Council): Madam Speaker, I ask that all questions be allowed to stand.

Madam Speaker: Shall all questions stand?

Some hon. Members: Agreed.

* * *

MOTIONS FOR PAPERS

Mr. D. M. Collenette (Parliamentary Secretary to President of the Privy Council): Madam Speaker, I ask that all notices of motions for the production of papers be allowed to stand.

Madam Speaker: Is it the pleasure of the House that the notices of motions for the production of papers be allowed to stand?

Some hon. Members: Agreed.

GOVERNMENT ORDERS

[*English*]

IMMIGRATION ACT, 1976

MEASURE TO INCREASE LOANS TO IMMIGRANTS

Hon. Lloyd Axworthy (Minister of Employment and Immigration) moved that Bill C-2, to amend the Immigration Act, 1976, be read the second time and referred to the Standing Committee on Labour, Manpower and Immigration.

Mr. Knowles: Madam Speaker, I rise on a point of order with respect to Bill C-2. I believe it is appropriate for me to say that there was some discussion about the possibility of our dealing with this bill after second reading in Committee of the Whole rather than sending it to the Standing Committee on Labour, Manpower and Immigration. Speaking for our party, I may say that if that proposal were made we would agree to it.

Mr. Pinard: Madam Speaker, certainly we have no objection if it is proceeded with in that manner and the hon. member for Nepean-Carleton (Mr. Baker) agrees.

Mr. Baker (Nepean-Carleton): Madam Speaker, there have been those discussions, and we are prepared to deal with the bill in that way. I think it is eminently sensible.

Madam Speaker: The House has heard the suggestion. Is the House prepared to make an order by unanimous consent?

Some hon. Members: Agreed.

Motion amended.

Hon. Lloyd Axworthy (Minister of Employment and Immigration) moved that Bill C-2, to amend the Immigration Act, 1976, be read the second time and referred to the Committee of the Whole.

Madam Speaker: Is it the pleasure of the House to adopt the motion?

Some hon. Members: Agreed.

Madam Speaker: Accordingly Bill C-2 stands referred to the Committee of the Whole, and I do now leave the chair.

Mr. Nielsen: Madam Speaker, that was not the intent. The usual course, if I might suggest, would be to debate second reading, and at the end of that debate the bill is referred to the Committee of the Whole.

Mr. Baker (Nepean-Carleton): That is correct.

Mr. Nielsen: I believe that would be the proper way to proceed.

Mr. Knowles: The minister was slow at getting up.

Madam Speaker: I want to inform the House that nobody stood up. If the House wishes to debate second reading, I will now recognize the hon. member for Yukon (Mr. Nielsen).

Mr. Knowles: The minister should stand up.

Madam Speaker: The hon. Minister of Employment and Immigration (Mr. Axworthy).

Mr. Axworthy: Madam Speaker, I apologize for my tardiness in that I did not rise to my feet. It is one of those afternoons, but I thank other hon. members of the House for their agreement to move this particular measure along with some dispatch. While it is simple in its purpose and intent, it is very urgent in its result and consequence. Bill C-2 is something which has been required for a long time and without its passage it would result in very severe consequences for the refugee program in this country.

Simply what the bill intends to do is to raise the loans ceiling in the immigration loans fund from the present level of $20 million to $60 million. As members will know, the loans fund goes back a long time in terms of the immigration programs of this country, back to about 1951. The basic principle of it is that the Government of Canada sets up a revolving loans fund and advances moneys to refugees and

immigrants coming to this country to help pay for their transportation, and those funds are then repaid.

I am pleased to report to the House that over that period the return and repayment factor has been exceedingly high, somewhere in the neighbourhood of 95 per cent. Thus, the revolving loans fund has proven its validity and its soundness as a financial measure, and carries with it very little extra cost to the government. The only extra cost is encountered in terms of the actual money that we borrow to advance to refugees, which is lent to them at no cost during the time of repayment. But I would hasten to add that the repayment is exceedingly quick and that the turn around time is very little time at all.

● (1550)

I would like to illustrate that by the example of a letter I received from Mr. John Derkson, who is a representative of the Mennonite Brethren in my own province of Manitoba, and who has been very active in the sponsorship of refugees. He sent me a note with a letter he received from one of the refugees who had received a loan from our fund, and pointed out that in a mere four months from his arrival in Canada that particular refugee had paid back the entire sum of the $750 loan we advanced him. That is only illustrative of the general pattern of responsibility and obligation that those who receive loans from this fund have shown.

An hon. Member: It just happens to be in your constituency.

Mr. Axworthy: It just happens to be in my constituency, as the hon. member for Yukon (Mr. Nielsen) illustrates.

We have to increase the ceiling at this point in time, Mr. Speaker, because of the substantial numbers of additional refugees who have been brought into this country since 1979. In saying that I would pay some tribute to my predecessor who did initiate the refugee program in 1979 and was able to establish the program of matching grants to induce and provide a strong incentive for a very large contribution by the private, voluntary sector in this country. In fact I would say that what we have witnessed in Canada over the past years, in terms of the enormous outpouring of generosity by private Canadians through church organizations and voluntary organizations, is one of the great success stories in this country.

The reason we have added to those numbers is just to go back to the original formula established by my predecessor, where there would be some degree of equity or matching between government and private sponsors. It is our feeling that we want to encourage the continuation of that kind of generosity and contribution the private sector, or the volunteer sector, has been giving us in helping us deal with the very vast and major refugee problems which will continue to plague this world, and in respect of which our own country can be of major assistance.

As a consequence of those additional 60,000 refugees coming from South Vietnam, obviously the loan fund was over-extended. For the past several months in order to maintain the program, during the time of dissolution, the election, and delay in Parliament being called, the program has had to be operated under the requirement of warrants by the government. Because Parliament is now sitting, the time within which we can ask for a warrant will expire sometime in early May. Therefore I want to point out to members the urgency of moving this bill through as quickly as possible.

If we are not able to pass it and raise the ceiling in order to bring the loan fund up to its proper maximum, this would mean substantial cancellation of the airlift that is presently going on. It would mean we would have to break many commitments with the chartered airlines, and it would mean that the entire refugee program would be severely disrupted over that period of time, and would not provide the continuity that is required. What that does in terms of damaging our reputation internationally is obvious. I think far more severe is what it does in terms of the opportunity to provide continued placement of refugees in this country. Therefore I would say it is very important for this House to treat the matter with expedition and dispatch.

I would say to those members in this House who want to use this as an opportunity to raise greater questions about the direction and thrust of refugee programs and immigration policy, I personally welcome that kind of contribution, and it has certainly been my intention, and the intention of the government, to review the over-all question of refugee programs. I hope to come to grips with a larger and more comprehensive commitment so that we will not simply be forced into ad hoc responses year after year. This is something that will provide a program that will incorporate the newfound contribution of the voluntary sector with our own efforts as a government. I would hope that any comments of that kind could be restrained and perhaps restricted until another time, certainly on estimates or when we make statements in the House, because I think the urgency of getting this bill through is so great that such a debate, which I would welcome and in fact invite, might be delayed until a somewhat later date. In saying that, I will follow my own advice and recommend this measure to the House. It is an important measure, its urgency is great, and I hope that we will be able to dispatch it within this day's sitting.

Mr. Chris Speyer (Cambridge): Thank you, very much, Mr. Speaker, for recognizing me.

There has not been a large measure of agreement throughout this session, at least from where I sit, but I suggest that this is one of those occasions when we are happy to co-operate with what the minister suggests in terms of the urgency of this bill and the appropriateness of it, in terms of it being a constructive measure.

May I say that many of the assertions made by the minister are in fact correct. The loan program has been a constructive and useful vehicle. We know there has been repayment on a prompt basis, and the statistics, as I understand them, show almost 95 per cent in terms of repayment.

I also point out that it is necessary, in terms of the expenses which have increased dramatically since the last time, to support it. The summation of what I am really saying is that we constructively support this bill.

I will be reasonably brief, but there are a couple of comments I would like to make about immigration and immigration policy generally. Immigration policy, and especially the levels of immigration into Canada, represent one of the most sensitive and important social issues that this House will have to face. It is important, as with any issue, that we understand what are the facts. Before we can come to any type of reasoned conclusion, it is important that we all take the time to ascertain what are the correct facts.

Many people in Canada, and many people in this House, would be surprised to know that in 1978 net immigration into Canada was less than 15,000 people. I myself found that astonishing, and people I have spoken to since have found that to be astonishing. This is something I think many people should understand.

The second thing I should like to point out to other members in this House has regard to the fact that we should have some sense of realism as to the capacity of the country to absorb the numbers of people who come into the country. The refugee program, which I am happy to say my predecessor implemented, is an imaginative program. It is a program that brought a spirit of generosity to it. It is a program that I wholly support and endorse. I do point out and caution that, no matter what good will exists within this House, there have to be certain realistic limitations as to what this country can absorb. I think there will be a day when we can debate exactly what those limits are.

The final matter I should like to bring to the attention of this House is contained in the annual report to Parliament for 1980, which was tabled in November of last year. On reading the levels of immigration, in particular at page 28, I was somewhat amazed to find that between 1974 and 1978 the family class category of admission of immigrants had risen from 24.8 per cent to 53.5 per cent. Over that same period the independent category of people had dropped from 50.8 per cent to 25.6 per cent. There is no doubt that in certain of the western provinces there is a need for skilled people. I hope that at some point in time we will have an opportunity to debate whether the program should be more balanced. We should have an opportunity to discuss whether we should have more independent people who have trades and come in by merit, or at least reassess the balance in respect of the family category.

I know there is some urgency in getting this matter through, and in the interest of brevity I will conclude my remarks. Thank you very much, Mr. Speaker.

● (1600)

Mr. David Orlikow (Winnipeg North): Mr. Speaker, I rise on behalf of my party to support the principles enunciated in this bill. My party has done so on each occasion such a bill has been brought forward.

I have been looking at the record of Canada in the area of immigration. It is a record which, I believe, cannot be matched by any of the other industrialized countries of the world. Since the end of the World War II, over 4.5 million people have come to Canada as immigrants or refugees. I am happy with that fact and the fact that, unlike the period just before and just after World War II, the immigrants who have come to Canada have not only been from northern Europe and western Europe, but from all parts of the world, areas such as southern Europe, Africa, Asia, the West Indies, and South America. They are not just people who are white Anglo-Saxon protestants, but people from all races and of all religions.

My party is also proud of the fact that in every one of the recent crises in which refugees have been driven from their countries, whether it was Hungary, Czechoslovakia, Poland, Uganda, Chile or, as it has been for the last couple of years, from the Indo-Chinese countries, Canada has been in the forefront in accepting and in willingness to accept these refugees.

I do not wish to prolong the debate, but my party is happy with the fact that the Immigration Act which we now have recognized refugees as an admissible category, that procedures have been established for the selection of refugees abroad, and that there is a procedure in Canada for applying for refugee status. These applications are now considered by the Refugee Status Advisory Committee. We are also happy with the fact that Canada has ratified the United Nations Convention on Refugees. We are not happy with the fact that we have not incorporated all of the provisions of that convention in our own legislation. My party believes that the time has come for Canada to reconcile our acceptance of the UN convention with our laws and regulations with regard to immigration.

We approve of this bill because, as the minister has said, there are a large number of refugees who have come to Canada, and more who will be coming, and because money is needed to help these people resettle. We join with the minister and with the official opposition in expressing our satisfaction with the way in which the refugees and immigrants have been fitted into this country once they have arrived. This has been demonstrated to a large extent by the number of these people, 95 per cent or more, who have repaid the loans advanced to them to assist them in resettling in Canada.

Having said that, I would like to say to the minister, as I said on the occasion a bill of this type was last debated in 1967 and on other occasions, that I think it is time that we look at the practical problems which we face in Canada, partly as a result of our constitution. It is the federal government—this minister and his department—which decides how many people will be allowed into Canada, from where they will come, and who will come.

As I look at the immigration figures, I cannot help but be amazed at the wide fluctuations between them. Let me give a few illustrations to indicate what has happened. In 1967 222,000 people were permitted to come into Canada. Just three years later in 1970 that figure dropped to 147,000 people. Then in 1974 it went up to 218,000 people, and in 1978 the figure was down again to 86,000 people. The hon. member for Cambridge (Mr. Speyer) put the number much lower. He must have deducted the people who left the country from the people who came into the country.

These figures denote a very pragmatic policy, and that is putting it nicely. It certainly does not indicate that we have made much progress toward a well thought out consistent policy to which we could adhere from year to year. I recognize that the question of immigration and of permitting refugees to enter this country is a very sensitive question and brings out very conflicting emotions. On the one hand there are people who have arrived fairly recently and who still have friends and relatives in the countries from which they came. Naturally, they want their friends and relatives to come to this country.

On the other hand, there are many people in this country whose parents, grandparents or great grandparents may indeed have been immigrants to this country, but they are now looking at the one million people who are unemployed and saying to their members of Parliament that we ought to go slow on the number of immigrants we permit to enter the country. As long as we have that kind of unemployment, it will be difficult to get a real consensus on this question. I suggest to the minister that in order to develop a policy which will meet with the approval of a very substantial majority of Canadians, we must move away from the kind of economic situation which we are in now with one million people unemployed.

I would like to deal with one specific point before I sit down, and that is with regard to the problem of the federal government being in control of deciding how many people will come to Canada. The federal government also decides what countries these people will come from, but I do not disagree with that. I am very happy with the fact that so many of the immigrants in recent years have come from countries in which the official languages were not either English or French, the official languages of Canada.

Once these people get to Canada, and because education is the responsibility of the provinces, the federal government to a large extent forgets about these people. This, I feel, is a serious defect in our system. I say this because people who cannot speak the language will not only find it difficult, if not impossible, to obtain jobs, but will find it difficult to live in Canada except in a very closed society.

The minister grew up in the part of Winnipeg which I represent, and I am certain that he is not surprised when I say that I still meet people, particularly women, in their sixties and seventies, who have been in Canada for 30, 40 or 50 years and who still cannot speak English. Even if they can speak a little English, they are not comfortable with the language. These people came to Canada at a time when their husbands worked 60, 70 and even 80 hours a week. As a result, they have lived in their little communities and have not become familiar with the language.

Canada has done better in this area in recent years than it did 40 or 50 years ago. We now have programs which encourage people to learn the language and to learn a great deal more about Canada. However, these programs are far from covering all the needs.

On Monday of this week the Ottawa *Citizen* published a story headed, "Boat People Strive to Overcome Aches". The story goes on to say:

> Their tales vary from loneliness and discouragement to pride and achievement.
>
> For a handful of the Vietnamese boat people, the burdens of settling into the Canadian lifestyle have resulted in bouts of alcoholism and in a few cases, wife-beating.
>
> But most of them agree with social agencies that their key frustrations are learning English or French, finding a job to support their families—

I know that there are programs and that the federal government pays for a certain number of people to take courses in a second language, either English or French, but the numbers for which the federal government pays are far short of the numbers who wish to take these courses. This is particularly true of married women who are not going out to find jobs and who are staying home. I say this is a very serious matter. Morally we have no right to put that burden on the provincial governments or on the municipalities.

● (1610)

Some years ago, I believe back in 1967 when we were discussing this matter, I pointed out that the city of Toronto estimated that it would cost that city $1.5 million a year to provide programs to educate the children in the Toronto schools who did not speak English at home. But now more than 50 per cent of the students attending schools in Toronto come from immigrant families where the language at home is not English. This has created tremendous problems in Toronto.

In my own city of Winnipeg—as I am sure the minister knows—where we have not experienced the number of immigrants as have cities such as Vancouver and Toronto, there are many classes in the core area where the majority of students are either from immigrant families or native families who do not speak English at home. This is a very serious problem for the people of Winnipeg as it is for the people in every city where this situation arises. I do not want to prolong the debate, Mr. Speaker, but I do want the minister to take note that at the appropriate time we certainly do intend to pursue this and other questions which we feel are very important if we are to look forward to a time when immigrants who have come to Canada will be able to fit into our society and play their full role.

Mr. Peter Stollery (Parliamentary Secretary to Secretary of State and Minister of Communications): Mr. Speaker, I will be very brief because I know we all want to have this bill passed quickly this afternoon. However, I would like to make one or two points because it is our first opportunity in some time to discuss a few immigration questions that have been building up because of some steps that have been taken resulting from the green paper discussion of a few years ago, and resulting from the long and interesting hearings that went on regarding the new Immigration Act.

First, I think we all agree with Bill C-2, and the question of raising the limits for assistance to refugees is something that we all support. I publicly supported the previous government's program last year when it was first introduced. My position has not changed since. I think the program to bring in the southeast Asian refugees was consistent with Canada's approach to refugee problems. There will be more and more

refugees in this era of world conflict in which we live, and I hope that the present government will be generous in its assistance to future refugee movements.

I believe it was this week when the minister announced that he was bringing in some of the people from the Peruvian embassy in Havana. I think he should be congratulated for that move.

On the broader question of our immigration policy, and the point raised by the hon. member who spoke a few moments ago, we learned at the committee hearings in the fall that the net intake of immigrants into Canada in the past 12 months was less than 15,000 people. Those of us who learned about that when the figure was made public in the fall were shocked.

Members of the House should again question a system that, in my view, has become so inflexible that it is impeding the growth of this country. I do not think a net intake of immigrants into Canada of 15,000 is enough to keep this country growing.

In my own area, the inner city of Toronto, I have noticed the effects the halt on immigration is having on small businesses, on the construction industry, on the appliance industry, and on all of the manufacturing jobs that were doing very well in the sixties and the early part of the seventies. I think it can be argued that the reduction in some of these areas is directly due to the fact that we now have such a small movement of immigrants into Canada. In my view, it is having grave consequences to large elements of our manufacturing sector.

I know that we do not want to go on too long this afternoon, but I am using this opportunity to flag a few of the things that I think we should be looking at as this Parliament progresses.

The hon. member who spoke earlier mentioned that the independent class over the past few years has become smaller in proportion to the family class. Certainly in the evidence that was presented to the various committees during our hearings, it was clear that people in the Department of Immigration were very concerned about it. Personally I think that we have to remember that members of the family class who come to Canada have to comply with occupational demand requirements. I think we tend to forget that. A person cannot come to Canada unless that person is a direct member of the immediate family, unless that person complies with occupational demand requirements. The problem has been that the occupational demand requirements are very stiff and inflexible.

The occupational and area demand report, that I believe is published four times a year by the department, say—for those who may have forgotten or who are not aware—that no matter what you do, what qualifications you have, or no matter what kind of contribution you can make in terms of being an industrious person who has abilities, if your particular occupation is rated zero, on a scale from zero to 15 in occupational demand in Canada, you are automatically excluded. That is the reason we have had only a net immigration flow into Canada of less than 15,000 people. I suspect that most members of this House would never be able to come into Canada under the current immigration requirements, in fact I doubt if 5 per cent of members of the House of Commons would be allowed into Canada as landed immigrants under the current regulations.

In the search for a system we have effectively stopped the kinds of people who traditionally made the immigrant movement into Canada—enterprising people, people with a sense of adventure who always came to Canada because they were fed up with where they were. They had something to offer but they did not know what. They just set out, and by the millions made good in Canada. They contributed to the Canadian life and in a major way to the Canadian economy. We have now said to those people,"Stay home, you cannot come to Canada." That has very serious implications.

• (1620)

The attitude is all very well if someone says that because we have unemployment in Canada, we cannot bring in more people. However, the problem with that argument is that it does not point out that many of the people who are employing Canadians are people who were immigrants. They create jobs. The argument should be made that they create more jobs than they take away from Canadians and others in this country.

The system has to be reviewed. It has gone much too far in restricting the movement of enterprising people into Canada. In fact it has not only restricted but stopped it. It has made it zero. The large immigrant movement into Canada in the seventies has resulted in a tremendous contribution to the Canadian economy. We have now put a stop to that. I hope that hon. members, the minister and the officials will take note, look into this question, and use a little more common sense than saying to those who would make good Canadians, with their initiative and sense of adventure, that we do not want them. I do not think that is very good.

Mr. Don Blenkarn (Mississauga South): Mr. Speaker, the use of funds loaned to people who are immigrants into Canada, whether they are independent immigrants—and I have had instances of loans in those cases—or whether they are refugees, has been a good investment for Canada. It is the kind of thing that Canada has done for a long time. Away back in pioneer days immigrants to this country were given assistance by our government, sometimes in terms of just a cow or a horse or some farm equipment. Helping a person to come to this country is important. The history of these loans has been that the vast majority of them have been instantly repaid. Therefore this has been a first class program, and the extension of it to $60 million is very appropriate.

The bill before us gives us an opportunity that we have not had for some time, namely, to say a few words with respect to immigration. It is important for members of Parliament. Mississauga is a city that has a great number of people who were born in other countries. Indeed, our city probably has people from every land in the world, not just nominal representatives but great numbers of people with different ethnic origins, cultures, and backgrounds. Therefore the whole question of immigration and how it is handled is important to the people of my city.

The community dialogue that I sent to my constituents last March dealt entirely with immigration. As the replies to this questionnaire are received, I will be sending the material to the minister. I thought that today I would give the minister what we found in an analysis of the first 1,000 replies to that questionnaire, some of the problems raised by my constituents, and some of their attitudes.

It is important that we look at the question of immigration. How this or any other government handles immigration must depend on the feelings of those already here, particularly the feelings of those in a riding that is very much made up of immigrants. Their feelings and how they feel about further immigrants are something that must be considered in handling the whole matter of immigration into Canada.

Something I find very difficult is the fact that people somehow feel that their member of Parliament has great influence with the immigration minister. Indeed, last Saturday alone three sets of constituents came to see me on immigration matters. I do not think a week goes by that I do not write a letter to the minister. My executive assistant is probably on the phone to our immigration offices almost daily. Therefore this whole problem has to be resolved.

Some things must be done within the ministry. Some things should be done about the way it handles the over-all quota system required under the act. We should try to change the attitude of subjectiveness held by some people. My constituents firmly believe that the immigration officer who made the decision either liked them, did not like them, somebody had pull, somebody had drag, or that I, as a member of Parliament, could do something about it. I can assure them all I like. I certainly assured them in my newsletter that a member of Parliament might be able to tell them what the law is and to some extent the occupational demand and so on, but there is really not much I can do with respect to determining their points under the point system. Nonetheless the feeling persists, particularly for people who wish to bring their relatives to Canada.

The reason the number of family sponsored immigrants is up so dramatically is that the young, aggressive person wanting to come here as an independent may be turned down, but when it is a family matter, the family here and the immigrant in the other country keep pressing and eventually figure out how to accumulate the magic number of points in order to come here. It may well be the persistence of family sponsored immigrants that led to the situation where in 1978, 74.3 per cent of the immigrants were family sponsored whereas only 25.6 per cent were independent immigrants.

I agree with the hon. member for Spadina (Mr. Stollery) that the independent immigrant who comes here to create and build in Canada, who has the pioneering instinct to come out on his own, is probably the kind of immigrant that will create a new industry and new opportunity for Canadians. That type of immigrant may not come in with the exact occupational skills we want, but his entrepreneurial abilities would go a long way toward creating jobs in this country.

There is another matter that must be brought to the attention of the minister. I am sure he knows about this because I wrote to him only yesterday. I refer to the way certain immigration offices throughout the world operate. I may be telling tales out of school about key immigration officials from the Toronto area, particularly Mississauga, but I am told, and I know from my own experience, that if you have a problem with the office in New Delhi or with the office in Port of Spain, forget it, because even telexes sent from the ministry itself to the ministry's own offices do not get answered. People can wait to be interviewed for two and three years; they will get no response to letters written, and clearly this creates social problems.

● (1630)

I am going to get into the question of ethnic origin and all the rest of it because I believe we have to pay attention to what people think. It may well be there is a hidden or isolated quota system in each office around the world and that the way to enforce a quota system is through bureaucratic delay. If that is the case, it is totally reprehensible. I have discussed this matter with all sorts of immigrant groups and it would not be reprehensible to them if they were to know in advance that the quota for the New Delhi office was 1,000 or 2,000, or whatever it was, and that once that office had accepted that number of people, no matter how it was arrived at, whether they were family sponsored or whatever, that office had fulfilled its function for the year and if you wanted to apply you had to wait until the following year or until there was a quota open for that office.

The global quota which, this year, is 120,000, seems like a lot, but in fact it may not be that many. It seems there is a tendency among our people, the constituents I represent—and I am speaking today almost entirely on behalf of my constituents, and I am not necessarily giving all of my own views, although some of mine are certainly included—to feel that certain offices are being used to ration, if you like, the Third World people who want to come here.

Getting into the question of ethnic origins, I did ask these questions in the questionnaire and I think the minister would be interested in the answers. I think we should look into the balance of how our population is made up. That is the kind of response I have received from people from China, from Kampuchea, from India, Pakistan, Uganda and so on. They say the same thing: we have got to keep some sort of balance in the country. That is not a racist remark; it is a question of how they have perceived the country to be made up. I think the minister should seriously consider publishing a breakdown of his quota, allowing certain percentages for each office so that people may know where they can apply and, if they have to come from one part of the world to that office. It certainly would lessen the difficulties encountered by members of Parliament in trying to get an answer out of an office which does not seem to want to reply.

Dealing with the criteria the minister follows at the present time under the act, there seem to be basically three criteria.

One, of course, is family unification. A second would be manpower needs in Canada and then, as the minister is aware, there is special provision for refugees, the ones we are taking from the Vietnam area and certain refugees from certain countries in Latin America plus self-exiled people who happen to come here from one of the communist countries. I sent all those details out to my constituents and received some interesting replies.

First of all, people in urban Canada have a perception that there are too many people coming into the country. As was pointed out by the hon. member for Cambridge (Mr. Speyer), maybe there are a lot coming in but there are a lot going out. The net result, as was pointed out, was only 15,000 this year. When I asked my constituents whether they thought 120,000 was too high or too low or just about right, 13 per cent of them said it was too low, 25 per cent said it was about right, and 62 per cent said it was too high. That may be a question of communication by the department because as was pointed out by the hon. member for Winnipeg North (Mr. Orlikow) it may be that the perception that immigration is too high may be a bad communication problem by the ministry and by those involved in immigration, by those looking at the demographic requirements of Canada.

As was pointed out by the hon. member for Cambridge, the net figure may be ridiculously low. Nonetheless, the percentage by people in Mississaugua is on those lines. No less than 62 per cent say that the figure of 120,000 allowed in under the present quota is too high. The minister must bear in mind that this perception is what really counts when we are trying to govern a country, and questions of immigration do, of course, bring out the whole problem of the integration and multicultural attitudes of our society.

It may seem strange, but the overwhelming proportion of people replying said that the manpower requirement was number one. Some people said that if we do not need the people to work here, they should not come in at all. It should not matter who they were related to, we should not let them come in at all. Ninety per cent of the respondents listed manpower requirements as the number one priority under which people should be allowed into the country.

The next item, of course, was the question of ethnic origin. That became rather an interesting situation. The question of ethnic origin came second and the question of humanitarian or family relationships came down low on the list, and that seems to be different from the attitudes which are expressed in the way things are happening. You ask these questions and then you begin to doubt the answers perhaps. You begin to say, well, you know, maybe the ministry knows best. But when you are looking at a question of immigration and you find that people are saying something dramatically different from what is really the practice or the happening in the Department of Employment and Immigration, you begin to wonder whether the department should not perhaps alter what it is doing.

Earlier this session the Leader of the New Democratic Party asked the Prime Minister (Mr. Trudeau) a question with respect to some pollings. It might well be appropriate for the minister to do some polling on attitudes with respect to immigration. The minister is continuing to get things like "Overview" from the National Citizens Coalition saying a number of rather tough things about the immigration program followed not only by this government but by the former government and by the government before that. It is not just the present minister who is getting it in the ear. The former minister of immigration got it in the ear from them, and I gather the present policy of the department, the way the minister is handling things, is essentially no different from the way the former minister was handling things. May I say the department is quite good at getting replies back to members of Parliament. I am quite pleased with the efficiency of the department. Perhaps there is an improvement in the efficiency. But the minister's approach is no different from that of his predecessor. Yet there is a lot of stir out there in the country on this matter. The coalition stirs it up. Undoubtedly the minister has been getting letters from a William Kelly, founding an organization known as Friends of the United Kingdom.

● (1640)

The minister knows that if we do not pay attention to the way people are reacting, we are going to have a very unhappy population. Surely to goodness it is the responsibility of his department to react and to run an immigration policy the way the people who are here as Canadian citizens want it run. It is not a question of some high faluting theory of people who are either far right or far left in their political ideology. It is a question of running immigration policy in accordance with the way the people who are in Canada right now seem to want it run. I therefore recommend to the minister that he do some private polling on this matter and perhaps make the attitudinal results available to members of Parliament.

My questionnaire went on to deal with attitudes with respect to the provision in the Immigration Act that five points are given if you decide to settle in an area of low unemployment. For example, as I said to a constituent on Saturday, "If your sister would only move to Calgary, I would bet she would find a job as a typist, and she would get in here instantly". That may be the case, but the situation is clear that there are extra points under the point system for where you happen to go in the country.

In an area like Mississauga the reply I get from 67 per cent of the people is that the minister should direct where immigrants go. He should make a form of contract with them, with some sort of a bonding system, and have people go to the north, to farms, and to certain places outside the great metropolitan areas. There may be a feeling that there are too many people in the cities and that the frontiers of the country should be expanded and developed. I do not know exactly where that feeling comes from, but I can say to the minister that enormous numbers of people replying convey that type of attitude. A typical reply is that simply giving an immigrant extra points to locate in a designated area does not accomplish

the task because, if it takes extra points, all we have achieved is to admit an immigrant we do not really want in the area. If the immigrant is otherwise acceptable, he should not need extra points.

It is suggested that the government should facilitate viable settlements in the Yukon and Northwest Territories, for some reason, or the clay belt region.

I want to say to the minister that he should pay attention to these types of attitudes. The responses I am getting convey the attitude that there should be some direction to settle in a particular area, and that is with particular reference to the refugee program. There might be much more willingness to take more refugees if the refugees brought in were directed to certain specific outlying areas of the country as farm labour and so forth, and not allowed to come to the large cities.

The next question I raised was a question regarding appeal proceedings. The minister will remember that during the last election the former minister deported an East Indian lady after an alleged approximately $80,000 worth of expense. There is no question that that deportation was probably legally proper and all the rest of it, but the thing which bothered a great number of people—and it was brought to their attention—was the enormous amount of money which was expended on what people perceived to be a very extended appeal process. I want to tell the minister that some 65 per cent of the people responding indicated that they either wanted no appeal procedure at all or that the appeal procedure be a very brief and limited one, and directed only to one issue, whether the person is improperly or illegally in Canada, and no other issue, and they wanted no long string of appeals.

The other day there was a situation when I was involved with the minister where I suspect the minister issued a deportation order. The person being deported will appeal under the present law—quite properly, I think the minister will agree—and may well appeal right up to the Supreme Court of Canada. The question really boils down to whether Canada should finance a system of justice that allows persons who are not citizens, and who in many instances are illegally in the country or in the country only by permission, to use the court system, and the delay system that the court system we have in the act allows, to carry on with appeal after appeal and eventually use up, as was the case in the matter which came up during the election, some $80,000 in costs. That type of thing is just not acceptable to the vast majority of Canadians.

To summarize, I think there is a strong desire to see more strictness and some real selectivity, to make sure that manpower considerations are paramount and that when we bring in large numbers of people we have a policy which directs them more or less to new areas of the country so that we do not ghettoize people in the large cities. The interest of Canada in matters of immigration should come first.

I commend the new minister on the taking over of his portfolio, and I wish him luck with that portfolio. It is a portfolio which causes great concern and heartache, and which sometimes is not too politically rewarding. I wish the minister well.

Mrs. Margaret Mitchell (Vancouver East): Mr. Speaker, I support the minister's feeling, as he stated it today, that it is time we had a planned, rational refugee policy rather than the emotional ad hockery that seems to be fairly common in our non-policy and which tends to favour some refugees while ignoring others.

If anything, I think we need a fair, impartial, and planned refugee policy which considers international needs and which, of course, is based on Canada's ability to accommodate people. We need a refugee policy which is humanitarian and not political. Therefore I suggest that our policies should be seriously studied and redefined, and that we support United Nations refugee policies on a regular basis and not just react to emotional crises which arise from time to time, which often make us feel like short-term do-gooders but which really do not make much impact on the problems of this world.

I would like to mention just two or three examples which I think dramatized this during the period when I was the critic on immigration for the New Democratic Party. Last year Canada generously sponsored some 50,000 political refugees from southeast Asia. We speedily processed their applications. There was a minimum of delay. Yet, at the same time in Argentina when there was a desperate situation with political prisoners in jails—some of them were waiting in Brazil to get out of their first country of asylum—the Government of Canada promised one hundred visas. We ended up by taking only nine people, refugees from that country who arrived in Canada later. The people who tried to enter Canada from Brazil had to wait for at least six months because our processing was slow. The Brazilian government required, of course, that they leave before that time.

● (1650)

So it appears that we could speed up the processing when we want to, but perhaps at the expense of refugees in other parts of the world, in this case particularly in Latin America.

I should like to point out also the case of a young Chilian refugee, Galindo Madrid, well known in British Columbia. He jumped ship and came to Canada as a political refugee. It was later established by the UN authorities that he could not return to his country without facing injustices there. After two years in Canada, during which he worked as a dishwasher and proved himself to be a responsible person—dishwashing was probably the only job he could get—he was refused asylum in Canada from the very same government—at that time it was a Tory government—which went overboard with election emotionalism because when two young Russian lovers jumped ship in Vancouver, they were welcomed to Canada, in contrast to Galindo Madrid, and were given asylum immediately.

I mention these examples to illustrate the unfairness and the emotional and reactionary policy which we have at present, and I urge the new minister to be as open hearted in his approach to refugees from right wing regimes as he is to refugees from left wing regimes. I hope his criterion for admitting refugees will be humanitarianism, not political

prejudice. Of course we support the humanitarian needs of refugees who want to come to Canada at this time.

I should like to point out also that it is not good enough for us to consider only admission of refugees and immigrants without looking at what happens to them and what happens to Canadians, and looking at some of the feelings of Canadians once these immigrants and refugees come to Canada. It is very important that we have well planned immigrant services which will assist refugees and immigrants in general in adjusting quickly and in becoming established in Canada following their arrival. It is important that immigrant services be financed in a more flexible way—and I hope at some time to talk to the minister about this—and that these kinds of financial arrangements with immigrant service agencies be adopted in a flexible way over a three-year period at least.

As my colleague has mentioned, it takes longer than a three-year period for women to adjust. Immigrant women who come to Canada and who cannot speak English, who often raise children and cannot go out into the community as quickly as men, are now deprived of services if they have been here longer than three years. That means they will never adjust in this country, and that is why there are cases of grandmothers whose only contact is with their own family because they have been cut off from the Canadian community at large. That is another aspect we should consider.

Furthermore, there is a great need for the expansion of services for immigrant women who suffer double discrimination. If we look carefully and study the cases of immigrant women who are able to find jobs—many of them have to work in order to survive in Canada—we find them in jobs providing the lowest wages and very little in the way of benefits or protection. Often immigrant women are unable to obtain child care services, which prevents them from taking language classes. Often they are deprived of the possibility of participating in training programs, orientation programs and pre-employment opportunities, all of which are important to their adjustment in Canada.

Our Immigration Act discriminates against immigrant women, treating them as spouses rather than as people with rights of their own as human beings.

I think we should consider also the particular problems of immigrant workers who are working as domestics and farm workers, people who are brought to Canada because Canadians are not willing to do these jobs. These people have no rights when they come here, they have no benefits, and they are open to exploitation and intimidation by their employers. Domestic workers, many of whom are immigrant women in Canada, receive no UIC benefits, have no Canada Pension Plan, and are fearful of being deported if they complain about their work situation. They are unprotected by either federal or provincial labour legislation. Often they are overworked, having to work seven days a week, and underpaid. They have no recourse to appeal. I think the federal government should take leadership in developing policies and legislation to protect immigrant workers. After all, it is the federal government which brings them to Canada. It should prevent that kind of exploitation from taking place, rather than saying this comes under provincial jurisdiction.

It seems to me that if a domestic worker has worked for six months, or perhaps even longer, and has fulfilled the requirements, she should be entitled to receive landed immigrant status so she can have the protection that other workers have in Canada. The services of domestic workers are still needed here. So the federal government should take leadership in this area and not just leave it to the provinces to offer protection to immigrant workers whom we bring in to meet labour market demands in our country.

In British Columbia our farm workers, most of whom are of East Indian descent, have a terrible work situation. They receive low wages and are exploited by middle men who take their wages from them. They receive far below the minimum wage in many cases. Fortunately some of them are working for collective bargaining rights. This is something I would hope our government would support.

I know we are running short of time so I will be brief, but there is one very important and critical issue which I should like to raise at this time. It has to do with the current concern of many Canadians because of the infringement of human rights, and this could apply to either refugees, immigrants or Canadian-born citizens who are so-called visible minorities.

Our party, as I am sure are many members of the House, is seriously concerned at the repeated examples of racism and stereotyping which we have witnessed in the media in recent months, media that are supported by our tax dollars and are supposedly educating our citizens, and I shudder to think of the kind of education that some of these programs are giving to our children as well as to adults. Such programs inflame public prejudice and discrimination, attitudes that are only too prevalent among our citizens in times of economic stress.

Last year, a CBC program portrayed organized crime in such a way as to imply that most Italian Canadians have Mafia connections. At about the same time the National Film Board produced a very insensitive documentary on the Chinese community. It was produced largely in Vancouver. The misinformation and stereotyping in this film, which was called "Bamboo Lions and Dragons", was offensive not only to many Chinese people but to us non-Chinese who viewed it as well.

Most recently we had the incident of media misinformation and outright racism which was made public in the program called W5, entitled "Campus Giveaway". I hope that all hon. members are aware of the gross exaggeration in the stated number of foreign students in university programs, students who are not admitted unless there are spaces which are not required by Canadians. That program was a disservice to foreign students, and an insult to Canada's commitment to train young people for leadership roles in Third World countries. Much more serious, however, was the deliberate attempt to pick out and smear a group of Canadian students, probably many of them second or third generation Canadians of Asian descent. Because they were not Caucasian, Canadian-born citizens were accused of being foreigners with no right to a university education. In a country that stands proudly for

multiculturalism, this is a national disgrace. It is not good enough, after denials over a seven-month period, that the CTV president apologized a few days ago. This was only two days before a national protest meeting was held.

● (1700)

I should like to quote one of the protestors who spoke at a meeting in Vancouver as follows:

The battle may be won but this does not remove the hurt.

An apology will not remove the insult and disrespect to thousands of Chinese Canadian citizens, nor will it assure that there will be no repetition of such incidents in the media. I am pleased that in this case an ongoing group has been formed called the "Chinese Canadian National Council for Equality". I know that this group plans to meet with other ethnic groups to form a strong coalition to do something about this discrimination and infringement of human rights. They are working to protect human rights for all and toward a true multicultural Canada. But this is not just the duty of those who are the victims of racist attitudes.

Those who are hurt should not be the only ones to object and have to defend themselves alone. Human rights are the responsibility of our country as a whole, and the responsibility of every citizen. Surely it is a particular responsibility of our media—the press, television, radio, columnists and film. Therefore I should like to present to the House and to the Minister of Employment and Immigration (Mr. Axworthy) several recommendations which were made at the meetings I attended in Vancouver.

First, media members should establish a code of conduct for their own industry and their own colleagues. Second, stronger legislation with teeth must be introduced to protect human rights and to be a deterrent to the kind of programming that we saw on W-5. Third, we should have a public ombudsman and positive programs on the media produced with advisory people from ethnic communities. Finally, members of Parliament must demand that there will be no more racist programs such as "Campus Giveaway" on Canadian television, particularly Canadian productions.

In the interest of time, I should just like to mention that there are a number of issues connected with the Immigration Act which very much require review and which I wish we had time to debate at this time. If we shorten our presentations, I would ask the minister if he would consider a time, perhaps during the hearings before the Standing Committee on Labour, Manpower and Immigration, when these issues could be discussed at some length.

Some of the aspects of the Immigration Act which I felt as immigration critic in the past really needed review were the following: the powers given to immigration agents to decide who is or is not desirable to come to Canada; appeal procedures, which certainly are very poor in regard to refugees but need improvement for other immigrants as well; discrimination against women immigrants, which I have already mentioned; policies which really disregard cultural differences, particularly the cultures of Asian countries where extended families are considered to be families and where our policies tend to break up families. I know of many cases—and I am sure other members do as well—where children as they turn 21 must be left in their home country while their parents come to this country. This is quite unacceptable to many immigrants from India and from Hong Kong. We give special concessions to entrepreneurs and to people with capital, yet we make it very difficult for many other immigrants to come to Canada.

Of course our immigration policy must take first account of the concerns of Canadians. We must have jobs and housing for all. In times of economic stress, in many ways it is understandable that people who are finding it hard to find jobs, to find a house or shelter for themselves and their children, are resentful of newcomers who seem to find homes and jobs more easily. We know that it does not work that way. Immigrants create jobs. We are all immigrants. We must have positive programs to help create understanding. The best way to do this is to ensure that Canadians and immigrants alike have jobs, housing, and the services which they need in our communities.

Some hon. Members: Hear, hear!

Mr. Chas. L. Caccia (Davenport): Mr. Speaker, it is our ardent hope and desire, on this side of the House at least, to see Bill C-2 given second reading this afternoon. Therefore my remarks will be rather short.

In speaking in support of the bill, I should like to say that the concept which it embodies confirms that the immigrant in economic terms is a valuable asset to this country. There is a long-standing tradition to this effect. This is a program which started early in the 1950s. It is my understanding, as others have already said, that Canada has done this before then in order to attract people to this country.

It is a fact, although this belief is not shared by everybody in the country, that an adult immigrant arrives in this country as a productive individual. Having been raised at the expense of another jurisdiction, and being in good health at the expense of another jurisdiction, he becomes almost immediately upon arrival a participant in the community, not only as a consumer and producer but also as an active member of the community and therefore a highly valuable, positive asset in the community, centre, town, region, province, or nation as a whole. This is what Bill C-2 means to us. Evidentally all of us in this House support it. The amount reflects the fact that there are certain projects and programs which require more immediate support because of increasing costs in the world. It is a fact of life that we not only recognize but support.

However, this bill raises in the minds of those of us who are familiar with the pattern of immigration and settlement in Canada the fact that there is a weak link in the chain which is beyond the scope of this bill but is implicit in its wording. The weak link in the chain is the fact that in this country we have a service or network of so-called immigrant settlement and adaptation programs which are not adequate. In analysing this bill and in passing it, it is important that we make reference to the desirability of a successful adaptation of immigrants brought into the country under the auspices of the bill, in other

words, that we pay more attention to the needs of immigrants upon settlement.

The budget devoted to this particular program, the adaptation program, was in the neighbourhood of $2 million in the previous fiscal year. It runs in the same neighbourhood this fiscal year, with a slight decrease. I look at that fact in a very distressed manner. It seems to me that if we are embarking upon a program of this kind, we must increase the funding of this program, in particular the funding of volunteer agencies which are active in the communities across the country, mainly from Montreal to Vancouver, in facilitating the adaptation of the immigrants.

The hon. member for Vancouver East (Mrs. Mitchell) made reference a moment ago to the three-year rule. I do not know whether the time frame is accurate, but whatever the time frame is, I would urge the government to reconsider it and to remove it entirely.

● (1710)

There are situations in which immigrants who arrive and settle never require services. There are cases and instances when services are required upon arrival, and there are in the last instance situations in which this need arises well after the so-called three-year rule. Therefore, the services ought to be made available in a flexible manner as the need arises and not with time limits imposed, of course, through bureaucratic criteria that really do not take into consideration the facts of life and the process of integration of the individual into the new community.

The next point I would like to make briefly has to do with the receiving society, Canadians born here and Canadian citizens by adoption, who see the arrival of new immigrants and who make the necessary adjustments in absorbing those new arrivals into the neighbourhoods and into the new communities.

Here again, as I understand it, the Secretary of State (Mr. Fox) has an important responsibility to perform in somehow facilitating and encouraging, on the part of the so-called host society, an attitude of understanding and adaptability so as to encourage and make the welcome of the newly arrived immigrant warmer and more cordial.

It is quite clear that this task again is one that needs to be urged upon the government through the facilities of the Secretary of State which, as I understand it, is the department that keeps the pulse of Canadian society as a dynamic entity, in continuous change and in continuous adaptation as a result of the constant yearly immigration of individuals from various continents who come to settle in this country.

In order to make Bill C-2 effective, and in order to make the process of the adaptation of new immigrants in years to come not only easier but more successful, there are two ingredients required; one is a stronger immigrant settlement and adaptation program, and the second has to do with the preparation of the host society so as to be better equipped in receiving the newly arrived individuals.

Before I sit down, I would like in my intervention to reply briefly to a suggestion made earlier by the hon. member for Mississauga South (Mr. Blenkarn) who, in his long deliberation, which actually deserves perhaps the yearly top award to the politician who most successfully manages to talk out of both sides of his mouth, made one point clearly. He recommended that immigrants be sent to specific destinations for employment purposes, and that they be, if I understood him clearly, destined to such places for a certain period of time.

We on this side of the House reject this notion because it would create in Canada two classes of individuals, those who are free to move and those who are not. That is unacceptable. The strength of Canada's immigration policy has been that as a nation Canada has achieved something rather unique, namely, that it has treated and continues to treat immigrants, except for the right of voting, in the same manner as those who were born here and who are Canadian citizens. In humanistic terms that is a very rare and highly commendable achievement. We do not want to have this record spoiled by a suggestion of the kind made by the hon. member for Mississauga South.

Finally, if ever the Canadian government were to adopt a measure like this it would contravene both the spirit and the letter of the Helsinki Agreement which we signed in 1975, and which contains as a very strong premise the freedom of movement within countries and between countries. We would like to see that respected and implemented by other countries around the world as well.

Mr. Gordon Taylor (Bow River): Mr. Speaker, I do want to make a short contribution to this debate, and I hope it will be a contribution.

Most blanket policies have severe weaknesses, and I would endeavour to prove this afternoon to the hon. Minister of Employment and Immigration (Mr. Axworthy), particularly, if he indeed requires that proof, that blanket policies of the Department of Employment and Immigration also have very severe weaknesses.

Let us take as an example the view of many people in Canada who say we should not bring immigrants in because we have 900,000 or one million people unemployed. That has a very severe weakness. It may well be sound that we should not bring immigrants in who are going to be in heavily unemployed areas where there is much unskilled labour. It is totally in error when we suggest that we should not bring unskilled labour into other parts of the country.

I want to point out two or three places in my own constituency of Bow River where there is a need for unskilled labour. When I receive letters from officials of the department of immigration refusing excellent applicants simply because they have not learned a trade or do not have a profession, I have difficulty explaining that to those people who want this type of worker.

For instance, let us consider our small towns, and I will use Bow River as an example. I suggest this would be applicable to

almost any other rural riding in much of western Canada. There is no unemployment in our small towns and villages. The Canadian of Chinese origin who operates a restaurant in a small town many times works 14 hours a day while trying to raise his family, yet he cannot get help. It is useless for him to go to the manpower office in Calgary because most of the people will not go to a small town or village. As a result, the people in the small towns or villages have no one available.

When that Canadian of Chinese origin makes an application on behalf of a nephew or a niece in Hong Kong or mainland China who qualifies in every other way, I suggest it is not wrong to bring that person in even though he or she may be unskilled. I think that is in line with what the hon. member for Spadina (Mr. Stollery) was suggesting. These people are members of a family. This family will teach them the language, if that is required, and will make sure they continue to get their education, with the result that the Canadian of Chinese origin will not have to work 14 and 16 hours a day. That is the situation in many small towns, and I think it is applicable in many areas.

The next example I should like to give relates to farm work. There is an application before the department at the present time in respect of two young men from Bermuda who were met by the son of a farmer when he was there. They said they would like to come to Canada on a temporary basis to see what it was like, and work on a farm. This man has 2,000 turkeys arriving in a very few days and he cannot find anybody to help with the work. It requires a lot of work to care for 2,000 turkeys, and that is not particularly skilled work. The immigration officials interviewed one of these men—I have not heard about the second one—who was an hotel man, and they turned him down. That one man, at least, could have done that job on that turkey farm.

● (1720)

Many other farmers have been trying to obtain labour, but people will not come out and work on farms. There are many young men in Denmark, Sweden, Norway and countries like that, who would love to come and work in Canada. In many cases these are men of integrity but have no farming experience. In other cases these are men who were raised on a farm and who understand cattle and know the soil, the difference between loam and gumbo. Unfortunately many of these potential immigrants are turned down.

There are many farmers who are frustrated and discouraged because they cannot get help. The blanket policy of, "let's not bring people to Canada because we have unemployment", has several weaknesses with regard to small towns and our farms. There are many hon. members in this House who would agree that it is difficult to get certain types of labour in beautiful resort areas like Lake Louise and Banff. One of the motel operators in Lake Louise had to close early last year because he could not find workers. Lake Louise is not a large settlement of people from which to draw labour, and people will not come from Calgary. Here is a need for immigrants.

In referring to the situation in Lake Louise, I do not have particular types of immigrants in mind as I did in the other two cases. Surely there are people in this world today who want to work at this type of job. I would like to see the minister put the boots to some of the people who hang around the unemployment office in Calgary and who will not go out on some of these jobs. The blanket policy is not sound, and I urge the minister to reject it and utilize a more flexible policy.

For example, if there is an unskilled member of a family who wishes to immigrate to a small town where his or her relatives are, then I think that we should have a policy to allow such a person to enter Canada. This person will become just as much a Canadian as his relatives have been, and I think that we can bring the right kind of people into the country in this way.

The other point I would like to make is with regard to the restaurant business in small towns. It is difficult to find Canadians who wish to do the menial tasks demanded by our society. Many immigrants would come to Canada and perform these menial tasks. They will take these jobs and try to work themselves up in society. So where Canadians are not available for these menial tasks, let us bring in immigrants who want to work. They can be of any colour or creed. I do not care whether they are black, yellow, pink, blue or white. The main thing is that they be people of high integrity, people who want to become Canadians and who will be loyal to this country.

The other point that I wish to mention is with regard to the refugee problem. I believe that we are our brother's keeper, and I think that it is a splendid thing that Canadians are prepared to take those who are suffering in other countries and who have no home and nothing to live for. I spoke to a recent refugee in Calgary, shortly before I returned to Ottawa. He spoke broken English, but I was amazed at his ability, for a man who had just come from a foreign country a few days before, at speaking English. He said, "Wonderful, wonderful; I have a job". The job was very menial, but he was happy that he had a job. He said in his broken English, "I love Canada". That man will become an excellent citizen. I think that we should encourage refugees to come to Canada. I have some people in my constituency who say we should not bring in too many. Perhaps we are bringing in a proper quota right now.

There are many Canadians who would like to better themselves through training in language and many other things, as do the refugees, and I hope that our policy is flexible enough to allow these Canadians the same advantages as the refugees, and thereby enable them to become good Canadians because, after all, charity begins at home.

[*Translation*]

Mr. André Maltais (Manicouagan): Mr. Speaker, I am pleased to rise in support of this bill. I want to remind the House that since the World War II, that is in the last 35 years, Canada has opened its doors to some 350,000 refugees. In other words, within the scope of our over-all immigration program, one immigrant in ten has come to Canada in that period, under the immigrant status. It also means that, in 35 years, 350,000 refugees have chosen to come to Canada, 350,000 new Canadians are Canadians by choice.

The importance of interest-free loans to allow the transportation of refugees cannot be doubted but it is important to point out to our people that after those refugees come to Canada, they have to reimburse the transportation costs. Generally speaking, Canadians think they pay to bring in the refugees to Canada, but the truth is totally different: the refugees reimburse their transportation costs at a later date.

Some of those who have benefited from that interest-free transportation loan later on expressed their gratitude concretely and in moving terms to the Canadians for the chance they have been given, through that free loan system, to start a new life in Canada, to find new hope and to prosper with their families in a free and welcoming land.

Throughout the years, several ethnic groups have benefited from those loans. For instance, the Hungarians, the Czechoslovaks, the Chileans, the Ugandans or, more recently, the Indo-Chinese. In truth, one of the main advantages of the loan system is that Canada can react more quickly to situations that are very complex and demand immediate action. It must be noted that, in this the twentieth century, in democracies such as the one in which we live, the main difficulty often lies in reaching a decision. To have substantial sums in readiness for interest-free loans gives the minister or Parliament the possibility of acting very rapidly and, as a first consequence, often those swift decisions allow us to bring people here fast, saving them from pressures or even simply from death, when the political or economic situation in the countries they must leave is critical.

The successive movements of refugees into Canada have proven clearly that each group could settle permanently in this country and contribute generously to the economic and cultural life in Canada. We all know, because we all have immigrants or refugees among our constituents, that those people have become full and active members of our communities.

My constituency of Manicouagan is 600 miles long by 1,250 miles wide and the co-operation and engineering competence of these refugees or immigrants has contributed greatly to the success of the important mining and hydroelectric projects that we have witnessed on the north shore in the last 20 years.

It can be said that those who came to the north shore to meet this challenge have been greatly appreciated, and this applies as much to the engineers as to the simple workers. As the hon. member for Bow River (Mr. Taylor) said earlier, it is extremely important to realize that refugees and immigrants are a first-class work asset and wonderful even as simple citizens because they have chosen Canada while we have had the luck to be born here. These people make extraordinary efforts to come here and adapt to our country and they add a diversity to the Canadian community which can only enrich our nation.

I would like to take this opportunity to underline the very important work done by two mayors in my area, the mayor of Schefferville and the mayor of Sept-Îles, to help the Indo-Chinese refugees who had requested admission to Canada. The Manpower and Immigration employees in Sept-Îles also did an extraordinary job, and I would like the minister to take good notice of this fact because it is often said that public servants are too slow, that they are not really sensitive to the needs of the people. This afternoon, I want to emphasize that in our area, the reaction of the public servants to the plight of the Indo-Chinese refugees was marvellous and that the reception given to these people by the residents of Schefferville and Sept-Îles was extraordinary.

The bill now under consideration will enable Canada to maintain its considerable efforts to solve the problems of refugees throughout the world. Even though our attention has been focused mostly on the transfer of the Indo-Chinese refugees, which was probably the most important such operation ever undertaken in this country, the increase in the funds to be used for transport and which will be always available will enable Canada to pursue its humanitarian work in other parts of the world and allow us to receive in Canada, this land of freedom and prosperity, men and women seeking peace and justice.

I would also like to add that by opening our doors to refugees we seize the opportunity of having men and women who become the bulwarks of our rights and liberties. Often, these people have lived through extremely complex and difficult experiences in their country, which they must leave very quickly, and when they come here they enable us to detect in our system statutes or legislation which may constitute misuses of our rights and freedom. Often, as Canadians, we have never had the opportunity of expressing the fact that our rights and liberties are highly important values. These people make us realize that we can be proud of the level of freedom and rights that we enjoy, even though we may not be aware of it. These newcomers can make us realize this and by that token make us appreciate better our country.

As the minister said in his speech, this bill requires no financial commitment. But it is one step towards the creation of a world of sharing and openheartedness and I expect all members of this House to support the bill. I thank the minister for it and I hope we will grant it speedy passage.

• (1730)

[*English*]

Mr. Donald W. Munro (Esquimalt-Saanich): Mr. Speaker, I think Canada and Canadians welcomed with great joy in their hearts the decision of the previous government to accept such a large number of refugees from Indo-China. I think also it was a masterly stroke, given the notion that there are some tendencies in Canada—and we must admit this—to wonder whether we are accepting too many persons who may not fit in culturally. It was a masterly decision to decide that the number sponsored by the government would correspond and match the number sponsored by individual Canadians and groups. Therefore, of the 50,000 that were accepted, it meant

that 25,000 would involve Canadians themselves individually or in community groups bringing in refugees to this country, looking after them for a certain time, and knowing what the responsibilities in so doing were.

Now we learn that an additional 10,000 have been accepted. It is not clear to me—perhaps the minister may be able to make this clear in his statement—whether the same conditions will apply or whether this additional 10,000 will be accepted and sponsored by the government itself.

However, there are a number of fallouts from this admission of 50,000, now 60,000, individuals from Southeast Asia, which had not been anticipated and which are causing some concern that I believe ought to be brought to the attention of the minister. I brought it to the attention of the previous minister in correspondence, but I do think the matter requires underlining because that concern has not been put to rest. It has to do with some of the non-North American diseases, or diseases that have been brought into the country that up to now have been unknown here. A fair number of them have been diagnosed and brought to the attention of hospital authorities. This is all the more worrisome for those who have these misgivings and concerns, and they are legitimate. A great number of these refugees have gone into the food-handling business.

Some of the diseases are transmittable by contact with the skin, by breath, and also, I believe, perspiratory glands. For example, there is a new type of flu that apparently has been introduced, also a new type of hepatitis which is most peculiar. Canadian dentists have been warned about this particular type of hepatitis. Hepatitis is a fairly disastrous type of disease. I had to spend about six weeks of my life recovering from it. I know that it is dangerous and that it comes from habits that we in Canada have managed to overcome, but this strain may well have been brought into this country by some of these refugees.

Tuberculosis has also been identified. I believe we had eliminated tuberculosis from the Canadian medical scene. Malaria is one of those extraordinary things that has cropped up. There may not be any anopheles mosquitoes in Canada. I hope that these types of mosquitoes were not brought in via luggage because malaria is a most debilitating disease. I was fortunate enough, though living in the tropics for many years, to have avoided that disease. However, I did see a number of people who suffered long-lasting disabilities because of the effects of malaria.

Then there is a form of gonorrhea that I believe is peculiar to Southeast Asia, which has been introduced into this country. I was assured by the authorities three or four months ago that proper medical attention was being paid to these people before they came into Canada.

I wonder whether the minister has had this matter brought to his attention and whether he feels that it is sufficiently worrisome to issue new instructions, or renew the instructions concerning medical examination of these refugees before they arrive in Canada.

I hope there is no doubt in anyone's mind that these are cooked-up excuses by people who are unwilling or are resisting the introduction of these refugees from southeast Asia. I think it is worth noting that there have been alerts circulated to hospitals urging all medical personnel to make a note of any unusual diseases that come to their attention, and to bring them to the attention of the provincial authorities. Furthermore, in the budget which was introduced in the legislature of British Columbia about two or three weeks ago, an additional $2.5 million was provided for the examination of the health of those refugees who are now in the country. It is not to check them as they come in because, and the minister should know this, it is assumed that there is a medical examination before they come.

● (1740)

True, they come from very desperate situations. That is understood. However, the fact remains that if there are illnesses or diseases, they should be diagnosed before the individuals arrive so that they can be properly treated once they arrive here. I did mention, and I think it is worth repeating, that some of these diseases of which I spoke are transferred by contact. Therefore the concentration of so many of these refugees in the food handling business has added to the concern of those who have expressed it to me.

Aside from that, there are a couple of matters I feel I would like to mention on this occasion. I doubt that there are many members in this House who have not had problems brought to them by persons from Britain seeking to emigrate to Canada to join members of their families. It may be a distant relative, an elderly sister or a married sister. This might be a widowed sister in Britain. I have in mind one such case.

There is another case where a person wanted to find out whether the social and physical climate was one to which he could accustom himself. He was very enterprising. He found a job. He found a prospective bride. That was fine. However, when the things were being processed, delays were encountered that would defy the imagination. The local immigration authorities would say, "It has just gone to Ottawa for processing, because we need this, that and the other thing." When it came back there would be another excuse. The bureaucratic excuses in this area of having British-born people emigrating from Britain into Canada have been a problem, and I would bet money on it, for every single member of this legislative body. I am sure everyone has had at least one case. I have had dozens of them.

All you have to do is try to emigrate from Britain and you are in trouble. I do not know why it should be, but it happens. Others come in. You would think there are the same rules, but I have had to write to the High Commissioner to have some matters looked into and have them put aside. I raise this, not because I want to but because it has been my experience. I do not get these problems with other countries, but I get them from Great Britain.

I find this difficult to believe having been in the public service, but I find there is a suggestion of bias against British born coming into this country.

Mr. Collenette: Nonsense.

Mr. Munro (Esquimalt-Saanich): Say nonsense if you like, but that is the suggestion my experience is leading me toward. I do not want to accept it. I hope it is wrong. But the minister should know there is this feeling among the public in Canada. That feeling does exist.

In conclusion, someone took a dig at one of the speakers from this side. Perhaps I should also take a little dig. On our return here before the Speech from the Throne, we were picked up at the airport by a taxi driver and driven in. The man said that he was pleased that the Liberals had been returned to office because he had been told that had the Conservatives been returned they would cut off the right or the openness in Canada for relatives from these countries. He had been told that by some of the candidates during the election. Lies were being circulated. I find that deplorable. It was being done. The remark was unsolicited. The man did not even know I was a member of Parliament. He spontaneously came out with that. I find it regrettable that any party would descend to that sort of prevarication in order to win votes.

Mr. Bob Ogle (Saskatoon East): Mr. Speaker, I rise to speak on Bill C-2, an amendment to the Immigration Act of 1976, whereby the amount of moneys will be raised from $20 million to $60 million. I wish to support this amendment, and at the same time offer a few thoughts about the question of immigration.

I would first like to extend to Madam Speaker my own personal congratulations on her new appointment. I remind the House that she is one of our native Saskatchewan daughters, having been born in Prud'homme, Saskatchewan. The people of her local community are extremely happy with the appointment.

I would also at this time extend my sincere congratulations to the Minister of Employment and Immigration (Mr. Axworthy). It is my sincere hope that he will have the basic concern and sensitivity to what I consider to be a most difficult assignment, an assignment which will have an historical reality in the lives of millions of people in generations yet unborn, many times on his own personal decisions as to who will come and who will not come to our country.

During the last year Canada has responded to the needs of the "boat people" in what I believe was a very fitting and humane way. The "boat people" were special among immigrants because they received a very high media image. Television, radio, and other media coverage showed the unique way in which they escaped and became refugees. Millions of other people who are in a refugee state do not get the same kind of publicity, and therefore do not get the same kind of care. I believe that the "boat people" have already had a unique influence on Canadian life. I believe that Canadians, groups of them in communities or church groups, have responded to this new event in our history in a most generous and open way.

During the last week as I was visiting my constituency and other areas of western Canada, I met some of these new families, and I spoke to a number of Canadians who were sponsoring them. I can see a good overflow, a good interchange beginning to take place as prairie towns and villages have taken it upon themselves to integrate into their lives a family that a year ago they did not even know existed.

● (1750)

The "boat people" though, are only symbolic of what is taking place in the world as regards the migration populations. Never before in the history of the world has population pressure been at the intensity that it is in many sections of the planet at this time. Open lands and spaces are just not available as they once were even in our century. Today, millions upon millions of people are being pressed into situations of life which, because of lack of space, lack of food growing land, lack of places to live, have turned cities and other areas into great squalor and slums.

The social and political conditions which have brought this situation about cannot all be mentioned at this time, but the basic fact remains that millions in ever-increasing numbers are now living on the face of the earth in conditions which are not of a minimum human standard.

I say these things because I think that we, as Canadians, have been blessed in a most unbelievable way with great areas of land and possibilities and have to look seriously at a principle which states that "people without land have a right to land without people". Many, of course, can argue that this statement pertains to national lands, but as we enter this decade and the ones which are to come, I think we have less and less right to bar people from access to a better life because of the technicality of having been born in the wrong place. So I foresee in the future great migrations of people to land which is now vacant or, at least, underused, and this will come about either in a peaceful, bargained way, or it will come about by force. This is a principle that has descended through the ages of humankind. People without resources will finally take over the means they need for a better life.

To reflect on ourselves, I believe that most of the people sitting in this House are themselves immigrants, or else certainly the children of immigrants who came here within the last 372 years—excluding my hon. friend from the constituency of Nunatsiaq (Mr. Ittinuar) whose relatives arrived some 20,000 years earlier. In my own case, my family originated in Ireland and came here because of a population explosion and famine some 150 years ago. In the generations which have followed we have had the benefits which that first great tragedy brought indirectly through the migration of my ancestors.

My forefathers, like the forefathers of many other Canadians, were, of course, looked upon as strangers, as aliens, and there were prejudices against them when they came. Later on, they themselves developed prejudices against others who were

either here before them or who came after them. The problem of having a prejudiced viewpoint remains true of everybody with human blood in their veins. It is a prejudice we have constantly to work against, particularly today when the peoples of the world, by circumstances and history, are forced to live outside their traditional, natural communities, and to mix as a planetary people. I believe the basic prejudices which people carry within themselves have had much to do with immigration laws and restrictions which, even today, work against certain groups who wish to enter into Canada.

I trust the minister and his department will seriously take account at all times of laws which have built into them a prejudice against a certain type of person simply because such persons happen to be of a special colour or religion or political leaning, and will see that a bias of this kind is, as far as possible, eradicated from our immigration laws.

In just a moment I would like to speak about a particular instance which has come to my attention, having been raised by some of my constituents. It is an example of bias built in to our Canadian legal system. It specifically concerns Canadian families of Chinese origin who wish to bring in, from their former country, a relative who, according to Canadian standards, is not a relative because of differing marriage practices in China. In this particular case, a Chinese woman living in my constituency has been trying for a number of years to bring to Canada a man whom she considers to be her brother. However, in the Chinese tradition, her father had two wives. She belongs to the first wife and the brother belongs to the second. In these circumstances the brother has been refused entry. I hope that in future legislation we can be sensitive to the cultural norms of other peoples and respect them in bringing their families to our land, even though they may not truly fit the family standards which Canadian law lays down.

Finally, I would like to say that the immigration policies of Canada must be tied very closely to the whole of our foreign policy and that is why I believe there ought to be a complete revision and review of our foreign policy, tying it in very closely with the needs of populations around the world and how Canada will respond, not to the particular needs of Canada but to the particular needs of the planet.

Mr. Bill Clarke (Vancouver Quadra): Mr. Speaker, in the few moments remaining I want to make a few remarks on Bill C-2. My hon. friends have expressed support for this bill and I think it will make Canada's welcome to immigrants much better than it was before.

As I sat listening to their remarks, I wanted to bring to the minister's attention a problem which the government's policies have created particularly for the city of Vancouver and, no doubt, for other regions where there are high immigrant levels. The problem is known by the call letters ESL, which stand for "English as a second language". It is one which has been created by the immigration policy of the federal government. It has been brought to the attention of both the federal minister and his predecessor by myself and, I am sure, by others.

We heard earlier about immigrants who do not learn the language, and we understand how that happens at times. The problem arises when children who speak no English attend Canadian schools. The total education program is, of course, delayed while the children are tutored in the English language, and the education of Canadian English-speaking children is held up while that process is taking place. The penalty falls upon those children whose education is delayed, and also upon the taxpayers of regions where immigration is high, because school boards are required to pick up the tab for this "English as a second language" instruction. In the case of Vancouver, the cost complained of by the school board amounts to something like $2 million a year. I just want that to be on the record. There is this problem, and the burden is a heavy one. It is an unfair situation, and the federal government owes it to the regional areas to come up with a solution.

The Acting Speaker (Mr. Blaker): Is the House ready for the question?

Some hon. Members: Question.

Motion (Mr. Axworthy) agreed to, bill read the second time and the House went into committee thereon, Mr. Blaker in the chair.

• (1800)

On clause 1—

Mr. Siddon: Mr. Chairman, in the context of Bill C-2 and the whole question of immigrant assistance programs, I would like to raise a rather sensitive issue which leads to some questions which I would like to put to the minister while we have him present.

The matter relates to a quotation that has been brought to my attention in a recent issue of the *Indo Canadian Times,* published in Vancouver, and dated March 1, 1980. The front page of that issue shows a photograph of the present Prime Minister, and a translation of that article leads to some remarkable information which, to my surprise, never was put before the Canadian people during the recent election campaign. A partial transcript of that article, which is entitled "Efforts to free people who came to visit and gone underground", reads as follows:

> Readers would remember that in the last issue at the time of the federal elections some prominent politicians stated that it is the policy of the Liberal Party to free (to grant landed immigrant status) to thousands of visitors who have gone underground, in case they get in power. Now the Liberal party is in power and we are going to form a committee who should take responsibility and in consultation with the heads of various organizations, take a deputation to Ottawa to meet the government and put pressure upon them to achieve this task by this summer.

The task, as rumored within the minister's own department, I understand, is to encourage the government to grant a general immigration amnesty, and to grant it by this summer.

I raise this at this time as a rather sensitive issue, and I hesitate to raise it because all of the speakers this afternoon, myself included, feel that we have much room in this country and much opportunity to continue to attract more and more

peoples from other parts of the world to enjoy the bountiful goodness of the Canada we know.

However, we have immigration laws in this country which demand respect. Our public servants are required to enforce these laws, and such a political promise or undertaking makes a travesty of those laws and, in fact, seriously complicates the whole question of all of the antagonisms which surround the immigration policies of our federal government. I do not at this time have the names of the prominent Liberal politicians, but I would be very anxious to hear the minister respond and indicate the extent to which he has knowledge of these undertakings, which were never discussed with the public but which, apparently, were used for the sole purpose of gathering votes, making a travesty of our immigration policy in the last general election.

Is the minister aware of an undertaking or a commitment to a general amnesty by certain Liberal politicians; who are these Liberal politicians; and is this not a flagrant abuse of innocent humans in encouraging them to come to this country illegally for the purpose of breaking an existing law which might be changed should a government be replaced?

The Assistant Deputy Chairman: Order, please. I see that it is now 6.05. It may be the wish of the House to allow the Chair not to see the clock or that I call it six o'clock.

Mr. Collenette: Mr. Chairman, I rise on a point of order. I believe there may be some disposition to dispose of this bill today. Perhaps unanimous consent might be requested for proceeding to third reading after the bill is reported.

The Assistant Deputy Chairman: The parliamentary secretary suggests that there may be unanimous consent to proceed through all stages of this bill. Is that agreed?

Mr. Knowles: Mr. Chairman, I believe the unanimous consent about third reading would have to be obtained with the Speaker in the chair. At the moment I simply suggest that you not see the clock. We shall co-operate.

Mr. Siddon: Mr. Chairman, I have two or three questions I would like to ask of the minister. He may want to reserve his response until a future meeting of the standing committee, but I would like the questions placed on the record now.

The first question which I asked of the minister was, does he have any personal knowledge of certain undertakings made to various ethnic communities in this country, to the effect that some form of amnesty would be granted after the February 18 election to persons coming to this country on visitors' visas, for the purpose of overstaying their presence?

The second question relates to an apparent upsurge in advertising within some countries encouraging the peoples of those countries to apply to Canadian immigration authorities or Canadian consular offices for visitors' visas. Apparently the word going around beneath the surface is that, having come to this country on the basis of such permits, they would then overstay their privilege. I am informed that there is a significant upsurge in travel advertising for that very purpose in some parts of the world.

Third, is the minister aware of this situation through any internal departmental communication? In other words, have his officials advised him about their concern about an upsurge in advertising which is being used to attract people to come to visit in Canada, since February 18?

Finally, would the minister condone a situation which would appear to reward those who enter this country with an illicit purpose, and is he aware that this kind of politicizing of the immigration policies of this country is not only distasteful to many ethnic groups, but also tends to polarize and aggravate the whole question of immigration and strained racial relations which exists in this country?

Mr. Axworthy: Mr. Chairman, I am somewhat taken aback by the questions raised by the hon. member because this is certainly the first that I have ever heard of any such suggestion or commitment. Frankly, I do not believe it. I have never heard anybody in our party state that there would be a general amnesty for any special group.

I recall—and this is simply from memory—that there was an amnesty declared several years back, prior to the passage of the Immigration Act, with respect to those who had been in the country for a long period of time, but that was a very clean cut period, and it came to an end.

I can give the hon. member every assurance that there is no amnesty being planned, nor is there one in the planning process, nor is there one being contemplated. I have never heard any reference by anybody in our party or in my department to suggest that that was the case. I would be very pleased to receive from the hon. member a copy of the article to which he referred, to have it examined further and to see what the sources may be. I can give the hon. member the assurance, to ease his mind and the minds of others, that that is certainly not the case.

We do have an immigration law, and we are attempting to uphold it. As the hon. member well knows, with the large number of people coming to this country, enforcement is not always easy, but we do have a very effective enforcement branch. I heard in debate today from several other hon. members that some tend to think that our enforcement is too zealous at the present time and that we should, if hon. members will pardon the expression, liberalize it. At the same time, I would say that the amnesty question is something I would not want to contemplate, and we do not contemplate it.

As far as the other question about travel advertising is concerned, as the hon. member knows, that is not within the jurisdiction of my department, but I do believe—and this again is recalling from when I was sitting on the other side of the House—that there were some very strenuous attempts made by the previous government, as well as by the government previous to that, to encourage more visitors to Canada in order to provide some offset to the balance of payments losses that we have, and I suspect that there is a certain kind of ambition to bring more people to Canada to spend more

money so that the money spent by tourists who leave Canada to go down south can be offset.

Again I assure the hon. member that there is certainly no illicit or ulterior motives behind that, other than to deal with the fiscal balance of payments problems. I will certainly take the matter up with the Minister of State (Trade) and the Minister of Industry, Trade and Commerce to ascertain what the advertising is, but I would say on the first hand that that would be the purpose of the advertising, not to do anything more than that.

As far as any other illicit purposes are concerned, one of the primary requirements under this act is to ensure that there is an impartiality in the application of the law. That is really the standard I intend to apply.

As the hon. member well knows, discretion has been exercised on a variety of grounds, and that is something that is treated with a great deal of care. Various ministers and governments have approached it with somewhat different philosophies, but that is a question of philosophy, not a question of any intention to break the law. It is simply a matter of applying different interpretations. Again I give him every assurance that in the enactment of this provision visas are not given out to visitors with a great deal of abandon. In fact they are given out very charily. As he knows, the changes to the Immigration Act in 1978 require any landed status to take place in a territory outside of Canada, which does provide a substantial check and balance against any abuse.

• (1810)

I think there should be some review. I have heard some very interesting and very helpful comments from members during this debate about how we might ensure that those laws do not abuse people or discriminate against them in reverse. I will take those under close recognition. I am very pleased to have those comments, but any other further purposes I would deny and simply say that we will enforce the law as it is written and try to provide the enforcement of that law with all the compassion we can bring to bear.

Mr. Siddon: Mr. Chairman, I should like to close off this intervention by stating that I will be most pleased to table with the minister copies of the newspaper article. It refers to previous articles or advertisements placed during the election campaign. Apparently certain Liberal politicians made certain undertakings. I would recommend that the minister examine those undertakings to see if they are in accord with the policy of the Liberal party.

It is my understanding from the commitment he has given us today that, as a matter of policy, the Liberal party and this government will not be contemplating any sort of amnesty, general or otherwise, within the tenure of its office. I think there are a lot of people within the country who will appreciate having that assurance, as much as we want to find ways to modify our current immigration policies along the lines suggested by several hon. members this afternoon. I thank the minister very much for that confirmation. I will see that he gets a copy of as much of the transcript as I have, as well as the original article which is in a language that I cannot read.

Mr. Munro (Esquimalt-Saanich): Mr. Chairman, it was my hope that the minister would have wound up the debate on second reading and provided some sort of answers to questions which were not actually in question form. There were a number of comments made to which I think replies were at least suggested. Particularly I am thinking of the medical examination situation which I brought to his attention during the debate, whether he has had this brought to his attention by his officials and what assurances he can give us. I do not know whether he is able to do that at this particular time. I would be prepared to leave it to another occasion so that we could receive those assurances. Perhaps the minister could get them overnight from his officials and we could continue Committee of the Whole stage tomorrow.

Mr. Axworthy: Mr. Chairman, I do not think it is necessary to extend the discussion much further because I can give every assurance to the hon. member that I took notice of his comments.

On the question of medical examination, anyone who applies to come into the country, whether through the normal route of immigration or by the special refugee program, is required to have medical examinations while outside the country. Usually they are given by Canadian doctors or people from the health services. Those are most rigorous and are applied to most tests. I am not sure that medical science is at a stage where it can detect all the exotic strains of viruses to which he referred, but I know that the kinds of medical examinations which are required are very, very rigorous. Also I can tell him that once refugees are landed in the staging areas in Canada, they are further subjected to additional medical examinations. In fact, when I visited the staging area at the Greaseback medical base outside of Edmonton, I witnessed the kind of medical review which is required of refugee families coming in there.

Also I should indicate to the hon. member that there is a high degree of consultation with the provincial health services because they have expressed these kinds of concerns. We have had several discussions with them, and they are prepared to provide special facilities or treatments when they are required. I would say to the hon. member it is not always the case that every refugee family or individual that we take is going to be totally able-bodied and totally well in all life and limb. Some of them suffer certain kinds of handicaps. As part of our refugee program, we think that we should have our fair share of those refugees who have those kinds of problems. Provincial health authorities have been most co-operative in ensuring that those kinds of facilities will be available. In fact in discussion with both the health minister in Ontario and the health minister in Alberta, it was indicated that they were prepared to take additional measures above and beyond the normal ones to ensure that there would be proper care facilities available for refugees who have special problems.

I would want to give the member every assurance that to the extent medical science offers us proper detection, we are

applying it. If there are further problems which he wants monitored, I will take it up with the department to see if there has been any evidence of anything special occurring. I would be quite glad to communicate that at a later date.

Mr. Munro (Esquimalt-Saanich): I did not want the minister to leave the impression that it was handicaps or disabilities which were causing the concern. There are actual exotic diseases which are being brought into the country. This could reach proportions which could be rather frightening. For example, internal parasites are something which I would like to think we have been free of in this country, but they could very easily spread with the type of work in which some of these people have been engaged.

I am glad of the assurances. I hope he will go on monitoring and making sure that there is this particular care in the medical health field for these people before they are admissible, and as they come in, to find if there are other diseases that were not detected during the initial investigation. I hope that the co-operation with the provinces will continue as he mentioned.

Mr. Axworthy: The hon. member raised the issue of whether there would be a full response to a variety of comments, questions and suggestions that have been made. For the sake of time and the need to get the bill through, I do not intend to provide a response to every individual, although I would say that as the new minister I certainly welcome their contributions. It was a learning experience for me and it will help me in my own duties. I should like to say to members of the House generally that I am glad this bill provided us with an opportunity to air this. What is quite clear is that there are a number of people in this House who not only have an interest but have a great deal of knowledge.

I hope we will be able to have the opportunity at a later stage in the life of this Parliament to have a full discussion on immigration and refugee policies. I remind hon. members that under the new Immigration Act one of the requirements is for this government to consult with the provincial governments in establishing new quotas. Also I indicated publicly that I intend to initiate a variety of consultations with the volunteer sector and other interested parties throughout Canada in order to discuss the general question of the new refugee program or policy and what we should do about immigration. I am pleased to note today with the good will that has been expressed by members that members of the House of Commons will be able to provide the kind of change of attitude and outlook which will provide us with a base to establish a longer-term immigration and refugee policy. I would say to the member that I hope we will have future opportunities after those consultations are finished.

Clause 1 agreed to.

Title agreed to.

Bill reported.

The Acting Speaker (Mr. Blaker): When shall the bill be read the third time?

Mr. Knowles: By leave, now.

Hon. Lloyd Axworthy (Minister of Employment and Immigration) moved that the bill be read the third time and do pass.

Motion agreed to, bill read the third time and passed.

* * *

• (1820)

BUSINESS OF THE HOUSE

Mr. Knowles: Mr. Speaker, on a point of order, may I ask the government House leader if he will tell everyone what he has told some of us, that we will be on the employment tax credit bill tomorrow?

Mr. Pinard: Yes, Mr. Speaker. First of all I should like to thank hon. members for letting this bill go through all stages today. Tomorrow we will proceed, as I stated yesterday, with the employment tax credit bill.

Mr. Knowles: As you said the day before yesterday.

Mr. Pinard: And the day before, also.

The Acting Speaker (Mr. Blaker): I understand there are no further discussions in the House. It being after six o'clock p.m., this House stands adjourned until tomorrow at two o'clock, pursuant to Standing Order 22(1).

At 6.20 p.m. the House adjourned, without question put, pursuant to Standing Order.

HOUSE OF COMMONS

Thursday, April 24, 1980

The House met at 2 p.m.

● (1405)

ROUTINE PROCEEDINGS

[*English*]

REGIONAL ECONOMIC EXPANSION

PROPOSED GRANT TO MICHELIN TIRE IN NOVA SCOTIA—MOTION UNDER S.O. 43

Mr. Ron Stewart (Simcoe South): Madam Speaker, I rise, under the provisions of Standing Order 43, on a matter of urgent and pressing necessity.

In view of the fact that the General Rubber and Tire Company of Barrie, Ontario, has already laid off 50 workers and that a great many of the remaining 850 workers face a similar fate, even though the company is in the middle of a $16 million, privately-funded expansion program involving new equipment for the manufacture of radial tires, I move, seconded by the hon. member for Mississauga South (Mr. Blenkarn):

That the government not allow the proposed $55 million regional economic expansion grant to Michelin Tire in Nova Scotia which will do nothing to create new employment but will, at the expense of the Ontario taxpayer, transfer jobs from Ontario at a time when the tire industry is operating below capacity.

Madam Speaker: Such a motion requires unanimous consent. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

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NATIONAL UNITY

REQUEST THAT FIRST MINISTERS' CONFERENCE BE HELD AFTER QUEBEC REFERENDUM VOTE—MOTION UNDER S.O. 43

Mr. Bill J. Yurko (Edmonton East): Madam Speaker, I rise, under the terms of Standing Order 43, on a matter of increasing urgency and pressing necessity.

In view of the mounting anxiety of many Canadians with regard to the possible adverse implications of the Quebec referendum vote on May 20, and the increasing need to provide the nation with assurance of economic, social and political stability and continuity following the referendum, I move, seconded by the hon. member for Provencher (Mr. Epp):

That this House instruct the government to take immediate action to schedule a first ministers' conference at the earliest opportunity after the Quebec referendum vote on May 20 to discuss fully and evolve an economic, social and political strategy to deal with the consequences of the referendum vote on the nation and its international relations. Furthermore, that all official leaders of the oppositions in the ten provinces and the federal House of Commons be invited to fully participate as members of the conference.

Madam Speaker: Such a motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

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INDUSTRY

MEASURES TO SAFEGUARD AUTO INDUSTRY—MOTION UNDER S.O. 43

Mr. Ian Deans (Hamilton Mountain): Madam Speaker, I rise, under the provisions of Standing Order 43, on a matter of urgent and pressing necessity.

In view of reports that United States trade representative Reuben Askew has indicated that no major overhaul of the Canada-U.S. auto pact is likely, and in view of Mr. Askew's statement that the pact is not perceived to be fair and helpful in spite of the $3 billion deficit which Canada now endures, all of which reflects an attitude toward the concerns of Canadian auto workers which could at best be described as unacceptable, I move, seconded by the hon. member for Winnipeg-Birds Hill (Mr. Blaikie):

That this government place before Parliament immediately the measures it intends to take to safeguard the Canadian auto industry and its workers from the continued losses which are occurring.

Madam Speaker: Such a motion requires unanimous consent. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

CALL FOR REMOVAL OF EXCISE TAX ON NORTH AMERICAN-BUILT AUTOMOBILES—MOTION UNDER S.O. 43

Mr. Otto Jelinek (Halton): Madam Speaker, I, too, rise on a matter of urgent and pressing necessity under the terms of Standing Order 43.

In view of the continuing deterioration of the automotive industry in Canada, and in view of the reluctance of the Minister of Industry, Trade and Commerce to bring this whole

matter before the appropriate standing committee—indeed, the reluctance of the government to do so, as witnessed by the previous motion proposed on the subject under Standing Order 43—and since this government has failed in every way to ease the uncertainty within this vital industrial sector, I move, seconded by the hon. member for Brampton-Georgetown (Mr. McDermid):

That this House direct the Government of Canada to immediately consider the removal of the 9 per cent federal excise tax on North American-built automobiles in order to stimulate the industry and at the same time assure continued employment for the thousands of Canadians who are threatened with massive lay-offs.

Madam Speaker: Such a motion requires the unanimous consent of the House. Is there such consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

• (1410)

GRAIN

PROVISION OF ADDITIONAL HOPPER CARS—GOVERNMENT POLICY—MOTION UNDER S.O. 43

Mr. Gordon Towers (Red Deer): Madam Speaker, I rise, under the provisions of Standing Order 43, on a matter of urgent and pressing concern to western Canadian grain producers.

It was the declared policy of the previous government to expedite the delivery of western grain by the acquisition of 2,000 additional hopper cars. Reliable reports from grain handlers in western Canada indicate that this figure will be reduced to 1,250 hopper cars by this present government. I therefore move, seconded by the hon. member for Wetaskiwin (Mr. Schellenberger):

That this House requests the Minister of Transport to clarify the government's hopper car policy either by appearing as a witness before the Standing Committee on Agriculture or by making a definitive statement to this House.

Madam Speaker: Such a motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

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NATIONAL REVENUE

TAX BENEFITS FOR REMOTE AREAS—MOTION UNDER S.O. 43

Mr. Doug Neil (Moose Jaw): Madam Speaker, I rise, under the provisions of Standing Order 43, on a matter of urgent and pressing necessity.

In view of the uncertainty that exists in the remote regions of Canada regarding the stand of Revenue Canada to tax certain benefits which traditionally were tax exempt, I move, seconded by the hon. member for Western Arctic (Mr. Nickerson):

That the Minister of National Revenue take immediate steps either to bring in amendments to the Income Tax Act or a ways and means motion to ensure the exemption from taxation of the benefits as promised by government spokesmen during the campaign.

Madam Speaker: Such a motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

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TRANSPORT

ALLOCATION OF FUNDS FOR RAPID TRANSIT SYSTEMS—MOTION UNDER S.O. 43

Mr. Ian Waddell (Vancouver-Kingsway): Madam Speaker, I rise, under the provisions of Standing Order 43, on a matter of urgent and pressing necessity.

In view of the plans of the British Columbia government to build a new bridge at Annacis Island over the Fraser River to allow more automobile and other traffic to flow into already congested neighbourhoods in Greater Vancouver, including the Boundary Road area, and in view of the fact that in this energy-conscious age it does not make any sense to build commuter bridges and ignore rapid transit, I move, seconded by the hon. member for New Westminster-Coquitlam (Miss Jewett):

That this House notes that there was no mention of rapid transit in the Speech from the Throne, remembers previous government promises in this area and directs the government to allocate $300 million immediately to Vancouver and other cities for rapid transit, and not one penny at all to projects like the Annacis Island crossing.

Madam Speaker: Such a motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

[*Translation*]

ETHNIC GROUPS

REQUEST THAT CONTRIBUTION OF ARMENIANS IN THE DEVELOPMENT OF CANADA BE RECOGNIZED—MOTION UNDER S.O. 43

Mr. Marcel Prud'homme (Saint-Denis): Madam Speaker, under the provisions of Standing Order 43, I ask for the unanimous consent of the House to discuss an undoubtedly urgent and pressing matter, that is the presence today on Parliament Hill of Canadians of Armenian extraction.

[*English*]

I therefore move, seconded by the hon. member for St. Catharines (Mr. Reid):

That this House takes note of the presence of Canadians of Armenian origin here on the Hill today and takes this opportunity to express its appreciation and admiration for the contribution of Canadians of Armenian descent to the development of Canada.

Some hon. Members: Hear, hear!

Madam Speaker: Such a motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Madam Speaker: Is it the pleasure of the House to adopt the motion?

Some hon. Members: Agreed.

Motion agreed to.

* * *

● (1415)

HUMAN RIGHTS

CONDEMNATION OF CONDITIONS IN GUATEMALA—MOTION UNDER S.O. 43

Mr. Benno Friesen (Surrey-White Rock-North Delta): Madam Speaker, I rise, under the provisions of Standing Order 43, on a matter that follows the spirit of the previous resolution.

Whereas there is a pattern of violence, repression, kidnapping, torture, murder and assassination in the Republic of Guatemala; and whereas in the first three months of this year alone it has been estimated that 1,000 individuals have been found murdered, many of whom had been tortured; and whereas the rule of law is not generally upheld, I move, seconded by the hon. member for Manicouagan (Mr. Maltais):

That this government formally express to President Romeo Lucas Garcia its profound concern and disapproval of such conditions in the Republic of Guatemala and urge him to do all in his authority to reinstate to the people of that country the human rights and fundamental freedoms to which they are entitled.

Madam Speaker: Such a motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

ORAL QUESTION PERIOD

[*English*]

ENERGY

FORMULA FOR BLENDED OIL PRICING

Right Hon. Joe Clark (Leader of the Opposition): Madam Speaker, my question is for the Minister of Energy, Mines and Resources. The government has spoken about a $1 billion saving as a result of blended oil pricing. If the government can calculate the anticipated saving, it must have a formula. I wonder if the minister will tell the House whether the government now has a firm formula for blended pricing.

Hon. Marc Lalonde (Minister of Energy, Mines and Resources): Yes, Madam Speaker, the formula is indeed the blended price formula, including the price for old oil, or traditional oil, another price for non-conventional oil, and the progressive blending into those prices of imported oil.

Mr. Clark: Madam Speaker, I wonder if I might ask the Minister of Energy, Mines and Resources if that firm formula has been communicated to any or all of the provinces.

Mr. Lalonde: Yes, I had discussions with the producing provinces when I visited them shortly after my appointment. Obviously, they were all aware of this formula since it was a formula on which this party campaigned and was elected.

Some hon. Members: Oh, oh!

Mr. Clark: The Minister of Energy, Mines and Resources must have been answering a question I did not put. My interest is in knowing whether there is a detailed formula—not simply a general formula involving algebra and involving the main components—on which the Government of Canada has now calculated it will realize savings of $1 billion, and whether their detailed formula has been communicated to the provinces. The first question is: is there a detailed, specific formula? The second question is: Has that detailed specific formula been communicated to the provinces?

Mr. Lalonde: Madam Speaker, the formula is as detailed as I have just stated it to the Leader of the Opposition.

Some hon. Members: Oh, oh!

An hon. Member: "X" plus "Y" equals zero.

FUTURE PRICES OF OIL

Mr. Harvie Andre (Calgary Centre): If the minister will not inform us, or does not know the formula, will he at least admit that, given the statement by the Minister of Finance that he will save $1 billion on this formula, given the statement by the province of Alberta that they expect net benefits from this new agreement equivalent to last December's budget, and given the statement by the Minister of Energy, Mines and Resources on April 16 that the federal government expects to receive the

same benefit as it would have had from the December budget, these three conditions can only be met with price increases this year, and each of the next three years, in excess of the $4 and $4.50 that was promised by him and his leader during the election?

Hon. Marc Lalonde (Minister of Energy, Mines and Resources): No, Madam Speaker.

Mr. Andre: The reality is that in fact his statement is impossible. His formula, plus these conditions, means a price increase of $6. Will the minister at least have the honesty to admit that this blended formula to which he referred will mean that consumers in Canada will immediately feel the effects of any future increases in OPEC or Mexican oil prices?

Mr. Lalonde: Would the hon. member repeat the last part of the question?

Mr. Andre: My question is: will the minister at least admit that this blended formula will result in Canadian consumers of heating oil, as well as transportation fuels, immediately feeling the effects of any future increases in world prices, OPEC or Mexican; in other words, they will no longer be sheltered from that, in fact, and they will feel the effect immediately on their monthly heating bill?

Mr. Lalonde: No, Madam Speaker.

* * *

● (1420)

THE CONSTITUTION

QUEBEC REFERENDUM—CONVENING OF FEDERAL-PROVINCIAL CONFERENCE

Mr. Lorne Nystrom (Yorkton-Melville): Madam Speaker, my question is to the right hon. Prime Minister. It comes from a statement made in Alberta by the western premier a day or two ago where they called upon the Prime Minister to convene a conference of the continuing committee of ministers on the constitution, regardless of whether the referendum comes out Yes or No.

I say to the Prime Minister that I agree with the western premiers that we cannot accept sovereignty-association nor the status quo. But in light of the request, will he accede to it? Will he accept the request of the western premiers and convene a conference after the referendum, regardless of the results of that referendum?

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, if the hon. member agrees with the position taken by this party for at least 12 or 15 years, that sovereignty-association is not acceptable nor is the status quo, that is why since 1968, when Mr. Pearson was prime minister, we began a series of proposals for amending the constitution in many ways. Most of those proposals are still on the table.

I believe the other part of the question was commented upon by the Minister of Energy, Mines and Resources, on my behalf, yesterday and I support him in his answer. If the answer is No, as we hope and expect, then it will be important to convene a meeting of all the premiers and discuss the various proposals for renewed federalism, those that we have made as a government in the white paper entitled "The Way Ahead", the Pepin-Robarts—

An hon. Member: "A Time for Action".

Mr. Trudeau: I am sorry, the white paper entitled "A Time For Action".

Mr. Clark: "The Way Ahead" is better forgotten.

Mr. Trudeau: Also, there are other proposals made by some of the premiers, and they will all be up for examination. But if the answer to the referendum is No, as we do not expect—

Some hon. Members: Oh, oh!

Mr. Trudeau: —is Yes, as we do not expect, and would regret, then of course the question would arise whether the premiers would want to meet in the absence of Mr. Lévesque. I think that had better be left for discussion.

Mr. Nystrom: Madam Speaker, the western premiers have made it very clear that they want a conference, whether the answer is Yes or No in Quebec. Allan Blakeney, speaking on behalf of the premiers, when talking about Quebeckers said the following:

> We are prepared to attend any conference. Bring along your ideas on sovereignty-association, and we'll bring along our ideas.
>
> We will not accept your idea, but, nonetheless, that is the nature of discussion. We clearly agree to have a conference to negotiate a new confederation.

My question to the Prime Minister is, why is he being so intransigent? Why is he hiding behind the referendum? Why is he letting Lévesque set the timetable? Is he going to use the same excuse and hide behind the next Quebec election as well? Why is he letting Lévesque determine the pace of change in this country?

Some hon. Members: Hear, hear!

[*Translation*]

Mr. Trudeau: Madam Speaker, I do not understand why the hon. member is asking his question in such a hard tone. Perhaps it is because some of his NDP supporters in the province of Quebec are PQ sympathizers who say they will vote Yes. I would urge the hon. member not to ascribe to our party the confusion of his own party.

What I said in reply to the first question, Madam Speaker, is that the western premiers cannot force Mr. Lévesque to come to discuss with them and us, the federal government, the issue of renewed federalism, if his mandate is to discuss sovereignty-association. I cannot speak on his behalf, but I should be quite surprised that with the authority of a mandate secured under a hypothetical Yes he would agree to discuss

anything but sovereignty-association. Under these circumstances, it would serve no purpose to call a conference of the other first ministers who would want to deal with other things, for Premier Lévesque could say: "Sorry, I am not interested. You may discuss these issues among yourselves, but I will come when you are ready to talk about sovereignty-association".

But this is only a hypothetical situation, Madam Speaker, and I do not see what interest there is for the hon. member to try to force us to make a commitment based not only on the hypothetical results of the referendum vote, but also on the attitude Premier Lévesque might adopt following these results.

● (1425)

[*English*]

Mr. Nystrom: Madam Speaker, the Prime Minister seems to be more concerned about whether or not Mr. Lévesque will come, and that is my concern. Why is he letting Mr. Lévesque determine the pace of the future of this country?

In *Hansard*, yesterday, the Minister of Energy, Mines and Resources is reported as having said that we will have to see what happens in the referendum campaign and see what the result is. My question to the Prime Minister is the following: Why does he not agree now to the calling of a conference of first ministers, or the calling of a conference of ministers talking about the constitution after the Quebec referendum, regardless of whether the *Oui* or the *Non* wins? That is the position of the western premiers, taken unanimously at their conference in Alberta, and I maintain it is also the position of a majority of the people in this country.

Mr. Trudeau: Madam Speaker, I can understand that the western provincial premiers say what they would like to do, and that the hon. member would say what he would like to do. What I am saying is that neither he nor they know what Premier Lévesque would like to do. If he should decide not to come to such a federal-provincial conference, I would ask the hon. member, is it the proper thing to do to convene a conference at that point?

Some hon. Members: Sure.

Mr. Trudeau: Well, the parties opposite say "yes". That is not my view, Madam Speaker. I will wait and see.

* * *

NORTHERN PIPELINES

OIL—STEPS TO PREVENT CONSTRUCTION OF NORTHERN TIER TRANSMISSION LINE

Mr. Thomas Siddon (Richmond-South Delta): Madam Speaker, my question, also, is for the right hon. Prime Minister. Perhaps he will have less difficulty with this question.

During the recent federal election campaign, the Prime Minister and several Liberal candidates promised the people of British Columbia that under their government there would be no increase in oil tanker traffic along the B.C. coast. Would the Prime Minister inform this House, today, what initiatives he has taken to prevent construction of the U.S. Northern Tier pipeline, a pipeline which would bring super-tanker traffic into the Juan de Fuca Strait, and what initiatives has he taken to ensure that B.C. waters will be spared the disastrous consequences of a major oil spill?

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, the hon. member will recall that the government of which he was a member, the last government, flummoxed the negotiations which we had begun.

Some hon. Members: Oh, oh!

Mr. Trudeau: We stated during the election campaign that if we formed the next government, we would do our best to undo the mess that had been perpetrated by his government. The Minister of Energy, Mines and Resources has begun discussion of this with his opposite number in the United States. We have reopened the question, and I hope we will be more successful than was the hon. member's party.

Mr. Siddon: Madam Speaker, the Prime Minister knows full well that the former Conservative government expressed its clear opposition to the Northern Tier pipeline and urged President Carter to opt for an all-Canadian overland route.

Some hon. Members: Hear, hear!

Mr. Siddon: He knows that full well. The people of British Columbia, if not all of Canada, expect strong, decisive action by the Prime Minister, now, to press this matter with the United States government.

During his meeting yesterday with Secretary of State Vance, did the Prime Minister press this important issue, and will he confirm that a strong ultimatum has been delivered in accordance with promises made to the voters of British Columbia?

Mr. Trudeau: Madam Speaker, I did, and so did the Secretary of State for External Affairs, raise this subject with Secretary Vance. I must remind the hon. member that our government, when it was in power, had indicated to the United States more than a year ago its preference for the all-land pipe route. The Tory government waited from June 4—

An hon. Member: That's not true.

Mr. Trudeau: —to the end of September to state its position on that. As a result of that, the Americans made a decision for the overseas route. We are trying to redress that horrible mistake by that party when it was in power.

● (1430)

ENERGY

INQUIRY WHETHER LEGISLATION DRAFTED ON ENERGY CONSERVATION

Mr. David Kilgour (Edmonton-Strathcona): Madam Speaker, my question is to the Minister of Energy, Mines and Resources. Will the minister confirm to the House that he has asked the officials in his department to draft legislation dealing with energy conservation matters which now normally fall within provincial jurisdiction?

[*Translation*]

Hon. Marc Lalonde (Minister of Energy, Mines and Resources): No, Madam Speaker.

Mr. Kilgour: That does not correspond to our own information on the matter, Madam Speaker. However, in light of the commitments made in the throne speech on the issue of conservation, can you tell the House whether you will be discussing this issue with our provincial partners in the near future?

Mr. Lalonde: Yes, Madam Speaker.

* * *

[*English*]

NORTHERN PIPELINES

PROMOTION OF OVERLAND ROUTE

Hon. John A. Fraser (Vancouver South): Madam Speaker, my question is supplementary to the question which was just put to the Prime Minister. Would the Prime Minister tell this House why in December, 1971, his government decided to take no action to promote an overland oil pipeline at that time, the consequence of which assured the Alyeska pipeline, and that is why we have tankers on the west coast today?

Some hon. Members: Hear, hear!

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, if the hon. member were to inform himself through the officials in the United States who were concerned with energy in those days and, more recently, through the minister of energy of the United States, Mr. Schlesinger, he would know that the Alyeska line was a choice made by the United States regardless of Canadian attitude. They were determined in those days to build the Alyeska pipeline, come what may, and they have said so in so many words.

* * *

ENERGY

PRICE OF NATURAL GAS FOR EXPORT

Mr. Ian Waddell (Vancouver-Kingsway): Madam Speaker, my question is for the Minister of Energy, Mines and Resources. Let me tell him, before I ask the question, that he is allowed to answer with more than a *Oui* or a *Non*; it is not a referendum question.

According to a report in this morning's *Globe and Mail*, as the result of personal intervention to the Prime Minister by Mr. John G. McMillian, chairman of Northwest Alaskan Pipeline Company of Delaware, the government ordered the Department of Energy, Mines and Resources to impose a moratorium on a scheduled price increase on natural gas exports to the United States.

Can the minister explain to this House how he reconciles this action with a "made-in-Canada" energy policy as bruited in the throne speech?

Hon. Marc Lalonde (Minister of Energy, Mines and Resources): Madam Speaker, I would be glad to answer with more than a Yes or a No. I am not aware of any such presentation having been made to the Prime Minister, and I am not aware of any representation coming from the Prime Minister's office or the Prime Minister to my department in this respect. I do not know of any such representation made by Mr. McMillian. If the hon. member wishes to ask the Prime Minister whether any such representation was made, obviously that is up to him.

I can tell the hon. member that the decision was reached following strong representations by the authorities of the producing provinces as well as by the private sector in this respect. I made the decision to impose the moratorium on the basis also of consultations that I had with my department on the matter.

Mr. Waddell: Madam Speaker, I will ask the Prime Minister. By my calculations, that is a $75 million letter, in lost revenues to the people of Canada, that went to the Prime Minister. The government has already, by international treaty, bargained away the right to impose a throughput tax on the Alaskan pipeline, they have allowed the National Energy Board to reopen the whole matter of pre-building, and then there is this instance where it has responded rather hurriedly—within a day or so—to the urgings of a chief pipeline executive from the United States.

Is the Prime Minister prepared to acknowledge receipt of this letter and table it in the House and, further, to explain to the House just how far he is prepared to go in compromising Canadian energy policy in order to facilitate the building of this American pipeline?

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, we do not call it an American pipeline. We have negotiated for the building of that pipeline which will have untold advantages for Canada, not only in terms of building the pipeline but in terms of bringing our own gas in the Arctic down to central and western Canada; so I do not think it is fair to say that it is an American pipeline. It is in the interests of both countries. The reasons given by the Minister of Energy, Mines and Resources as to why we made this decision and announced it last week are the correct ones.

Mr. Waddell: Will you table the letter?

REGULATIONS GOVERNING DISPOSITION OF CROWN-OWNED OIL

Mr. Dave Nickerson (Western Arctic): Madam Speaker, my question is to the Minister of Energy, Mines and Resources. Since it is ten years this month that the oil and gas regulations governing the disposition of Crown-owned oil and gas lands in northern Canada were withdrawn, leaving industry operating in a regulatory vacuum, and since because the ground rules—for instance, those dealing with royalties and tenure—are not defined, investments by exploration companies, particularly by privately-owned Canadian companies, have been seriously curtailed, can the Minister of Energy, Mines and Resources advise this House when, in order to expedite the goal of energy self-sufficiency—which was a policy of the previous government and, I would hope, is a policy of this government—he intends to bring before this House the long-awaited new legislation?

Hon. Marc Lalonde (Minister of Energy, Mines and Resources): Soon, Madam Speaker.

Mr. Nickerson: Madam Speaker, that is the same answer that the Hon. J. J. Greene gave ten years ago this month, in 1970.

Some hon. Members: Hear, hear!

Mr. Nickerson: What assurances do we have that this time they will be put into effect?

Mr. Lalonde: Madam Speaker, then my answer has to be "Very soon".

Some hon. Members: Hear, hear!

PLANS FOR EXPLORATION IN NORTH

Mr. Doug Neil (Moose Jaw): Madam Speaker, my question is to the Minister of Energy, Mines and Resources. In developing plans for energy self-sufficiency, has the minister, or his department, determined to what extent Canada is looking to oil and gas reserves north of the 60th parallel? In particular, has his department developed a timetable and target date, or dates, for exploration activities in the north and completion of the necessary delivery systems, whether they be pipelines or LNG tankers?

Hon. Marc Lalonde (Minister of Energy, Mines and Resources): Madam Speaker, the answer to the first part of the hon. member's question is yes, and the answer to the second part of the question is no.

Mr. Neil: Madam Speaker, I had hoped that the minister would elaborate in his answer. My supplementary question is with respect to the expansion of the oilfield at Norman Wells, and the application filed by Interprovincial Pipe Line to build a pipeline and to move oil to the south.

Will the minister assure the House and the people of Canada that, assuming approval by the NEB, his government will give speedy approval to the construction of this line in order that we may quickly move toward energy self-sufficiency?

Mr. Lalonde: Madame Speaker, I had the pleasure of meeting recently with the president of Imperial Oil and I asked him about their plans in this regard. I was very interested indeed in learning that they are very eager to proceed with this particular plan.

The matter is before the NEB, or it will be very shortly. It would be inappropriate on my part to comment on a matter which is before the board. I will await the recommendations of the board, and I can assure the House that whatever the recommendations, the government will give them very speedy examination.

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AIRPORTS

AVAILABILITY OF EVACUATION AND RESCUE RESOURCES

Mr. Les Benjamin (Regina West): Madam Speaker, I would like to direct a question to the Minister of Transport. I have a telex from the transport employees' section of the Public Service Alliance in Winnipeg which reads:

● (1440)

Transport has decided airport firefighters will no longer have any responsibility for the evacuation of passengers or crew in the event of an accident or fire involving planes at any airport. The responsibility for rescue or evacuation has been transferred to the airlines.

In view of the fact that job specifications for the firefighters includes rescue and evacuation, I should like to ask the minister whether it is correct that this requirement has been omitted from the policy of the Department of Transport and that firefighters are no longer responsible for evacuation and rescue of people in aircraft that have crashed.

Hon. Jean-Luc Pepin (Minister of Transport): Madam Speaker, much as I do not like to take a question as notice, I shall have to do it this time because I am not aware of that change. I shall look into it immediately.

Mr. Benjamin: A supplementary question, Madam Speaker. I gave the minister's office notice of this question yesterday and I was advised that the minister would be in the House for the question period, but he was not.

Some hon. Members: Shame.

Mr. Benjamin: The matter was reported in the Winnipeg press three or four days ago, the statement has been made by a branch of the Public Service Alliance, and I should like to ask—

Madam Speaker: Order, please. Would the hon. member put his question, please.

Mr. Benjamin: I should like to ask the minister if he will assure the House that he will instruct his officials that, under all circumstances, in addition to extinguishing fires and having fire-free paths from all aircraft, the firefighters will continue to do all they can—since they are the people equipped and trained to do it, not the airline personnel—to evacuate and rescue passengers from aircraft accidents at any airport in Canada.

[*Translation*]

Mr. Pepin: Madam Speaker, everyone knows how industrious I am. The reason I have not had time to read the papers in front of me is that up to 2.15 today I was meeting with delegates from Winnipeg, as a matter of fact. Last night I was in Toronto discussing other issues with the Ontario government. There are only 24 hours in a day, Madam Speaker, and I always try to make the best use of them.

[*English*]

Mr. Nielsen: If you can't stand the heat, get out of the kitchen.

* * *

FISHERIES

POLICIES FOR ATLANTIC CANADA

Mr. Lloyd R. Crouse (South Shore): Madam Speaker, I have a question for the Minister of Fisheries and Oceans. In view of the announcement by National Sea Products Ltd., of Halifax, Nova Scotia, that it is launching a $25 million integrated fishing and fish processing operation in Uruguay, which is prompted by doubts about the way Canada's east coast fishery is being directed, is the minister contemplating any review of present fisheries policies with a view to retaining this type of investment in Atlantic Canada? If so, when can we anticipate an announcement by him, or the Prime Minister for that matter, on this question which is of great economic importance to the region?

Hon. Roméo LeBlanc (Minister of Fisheries and Oceans): Madam Speaker, I assume that if the company in question has decided to invest in a foreign country, it must be doing so for obvious economic reasons. I might say to the hon. member that one of the reasons they have money to invest abroad is because the policies we have put in place have allowed them to accumulate such profits and to have such increases in their shares that they are now able to venture elsewhere.

Mr. Crouse: A supplementary question, Madam Speaker. The Uruguay operation is only one of several recent international diversifications announced by this company, with the new plant to be initially served by six Danish-built, stern trawlers ordered some two years ageo while the minister was in power. The plant will use mostly Norwegian fish processing equipment financed by the Norwegian Export Development Corporation.

Did the minister, when he and his government were in power during the period when these steps were being taken, make any effort to encourage the construction of these ships in Canada in order to provide needed employment in our shipyards and all the ancillary, related industries?

Mr. LeBlanc: Madam Speaker, I hope the hon. member checks his facts very carefully. To my knowledge, the company in question has ordered six new trawlers, three of which were built in Japan and three of which are scheduled to be built in Nova Scotia with the help of the Nova Scotia government. They are scheduled to fish in Canada. The disposition of other seiners or trawlers, of which the hon. member speaks, escapes me.

* * *

ENERGY

DEVELOPMENT OF TAR SANDS AND HEAVY OIL RESOURCES

Mr. Jack Shields (Athabasca): Madam Speaker, my question is for the Minister of Energy, Mines and Resources. Is the minister still committed to the development of tar sands and heavy oil resources in western Canada?

Hon. Marc Lalonde (Minister of Energy, Mines and Resources): Yes, Madam Speaker.

Mr. Shields: Madam Speaker, I should like to direct my supplementary question to the same minister. In view of that answer, will the minister inform the House whether an analysis was done to determine the cost, not only to the local economy but to the Canadian economy, of a minimum of a one-year delay in either the Alsands or the Imperial Oil projects to the economy of Canada, due to the uncertainty caused by his unilateral decision on freezing the price of tar sands' oil?

Mr. Lalonde: Madam Speaker, I am afraid that the hon. member has got his facts wrong again. The price of oil from tar sands has not been frozen. At the present time we are paying the international price, and I said that we would continue to pass on the increases while the negotiations were going on with the producing provinces—in this particular case, Alberta.

As I indicated the other day, the president of Syncrude had indicated that the decision had no impact on its current operation. As far as the future is concerned, we never said that the price would be frozen. We said the price would be increased gradually without being tied to the international price.

As far as any delay is concerned, I would remind the hon. member that it is not this government that has delayed the establishment or the starting of this plant. It is the government of Alberta that has refused to give approval to Alsands to proceed, and they have said that they would not do anything at least until they have an agreement on price. The decision all along has been for the government of Alberta. That decision

was taken well before we announced our decision concerning the price of tar sands oil.

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PUBLISHING

FOREIGN TAKE-OVER OF CANADIAN COMPANY

Mr. Simon de Jong (Regina East): Madam Speaker, my question is directed to the Secretary of State. I should first like to congratulate the minister on his appointment. At this time, when Canadians are attempting to expand and even retain their sense of identity, we need a strong minister who will fight for Canadian artists.

Last week, Madam Speaker, it was announced that one of our oldest and most distinguished publishing companies, MacMillan, will be purchased by a foreign-controlled textbook company, Gage, a company that has shown no interest whatsoever in carrying on the proud tradition of publishing and distributing the works of major Canadian authors. I should like to ask the minister what is going on. These two companies received over a million dollars from public funds over the last year. Is the minister aware of this situation, and what is he prepared to do to stop this type of take-over?

Hon. Francis Fox (Secretary of State and Minister of Communications): Madam Speaker, I thank the hon. member for his good wishes. I should like to tell him that I am, of course, aware of the take-over. I have asked my officials to examine it and to report to me as soon as possible.

Mr. de Jong: Madam Speaker, I have a supplementary question. I hope the minister will announce some policy on the intentions of the government. Gage will receive a million dollars in subsidies this year, yet it has enough money to buy MacMillan. This will cause lay-offs and restrict even further the opportunity of Canadian authors to distribute their works.

Are we going to allow foreign-controlled companies to use Canadian money to buy Canadian firms? Is this what taxpayers are paying for?

Mr. Fox: Madam Speaker, I should like to draw to the attention of the hon. member the fact that the two companies involved are Canadian companies acting under Canadian law.

I have indicated my concern and the concern in general of the government about the future of MacMillan and the type of publishing in which they have been involved in the past. We are looking into the matter and will see what possibilities for action are open to the government.

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MINES

PROMOTION OF GROWTH IN MINING INDUSTRY

Mr. Bill J. Yurko (Edmonton East): Madam Speaker, I wish to address a question to the Minister of State for Mines to give her an opportunity to rise and pleasantly dazzle this House with her person and her knowledge of the mining industry.

● (1450)

Can the minister assure this House and the mining industry that her government is planning no regressive taxation, regulatory or legislative initiatives which will inhibit the orderly growth of the mining industry as her government did during the early 1970s.

Hon. Judy Erola (Minister of State, Mines): Madam Speaker—

Some hon. Members: Hear, hear!

Mrs. Erola: Please let it be noted that I have no trouble at all with the prefix "Madam Speaker". I welcome the opportunity to use it.

I would like to thank the hon. member for his discovery. I thought for a moment I would need to have my officials prepare a geological survey in order to come to this discovery. No, indeed, I am not aware of any of these measures at present. In fact, I met with officials yesterday from British Columbia, who asked the same question. There are no moves at present to increase the tax base.

Mr. Yurko: I have a supplementary question of a more specific nature. On June 29, 1978, first reading was given to Bill C-64, an act respecting uranium and thorium mines, which would have required companies proposing to extract uranium in commercial quantities to obtain an extraction permit from the Foreign Investment Review Agency in addition to any permits required by the Atomic Energy Control Act. Can the minister assure this House that her government will in no way reinstate or revive this bill and bring it to this House?

Mrs. Erola: I cannot give the hon. member that assurance at this time because the entire matter is under review at the moment.

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CONFLICT OF INTEREST

GUIDELINES FOR MEMBERS OF CABINET

Hon. Ray Hnatyshyn (Saskatoon West): I wish to address my question to the Prime Minister. At the outset of this Parliament, the Prime Minister indicated, as I understood him, that within a fortnight he would be bringing down and tabling in this House conflict of interest guidelines.

I suspect that the Standing Committee on Privileges and Elections will be meeting rather soon. Can the Prime Minister tell the House whether he has any specific date when these conflict of interest guidelines for cabinet ministers will be brought down, and confirm that he will, in fact, table those guidelines in the House?

Right Hon. P. E. Trudeau (Prime Minister): Yes, Madam Speaker. I would inform the hon. member that the matter was discussed for the final time in cabinet this morning. As a result of that discussion I will be sending the guidelines in their final form to the ministers, probably on Monday. I would hope that they could be tabled one day next week, and no later.

* * *

GRAIN

FINANCIAL ASSISTANCE TO OFFSET LOSSES OF PRODUCERS

Mr. Stan J. Hovdebo (Prince Albert): Madam Speaker, my question is for the Minister of Transport. I pass on my condolences to him on his workload, and my apologies for adding to it. Since the minister responsible for the Wheat Board does not have the right to sit in this House, I have no alternative.

In light of the fact that export grain prices in countries supporting the U.S. boycott have fallen between 80 cents and $1 per bushel, and in light of the fact that non-embargo supporting countries are receiving as much as $1.35 per bushel over our current price, what support program by way of government assistance is the minister proposing to implement in order to keep the right hon. Prime Minister's promise of April 15, 1980, to offset any losses to grain producers?

Hon. Jean-Luc Pepin (Minister of Transport): Madam Speaker, the concept of compensation in this case—I am sorry, I have to do a bit of a Paul Martin on this one.

Some hon. Members: Oh, oh!

Mr. Pepin: The concept of compensation is not easy to assess; the justification for it, I mean. Canada, because of its policy with respect to the U.S.S.R. invasion of Afghanistan, has committed itself not to a boycott or an embargo, but a restraint. Present sales to the Soviet Union are at a fairly good level; until March, two million tons.

Some hon. Members: Oh, oh!

Mr. Pepin: Well, we committed ourselves to no "normal and traditional" levels. What is that? It goes from two to five million tons. We are trying to reach a happy medium and to honour our obligations with respect to our policies on Afghanistan.

* * *

HOUSE OF COMMONS

PRESENCE IN GALLERY OF ATTORNEY GENERAL OF AUSTRALIA

Madam Speaker: I would like at this time to draw the attention of the House to the presence in our gallery of Senator Peter Durack, Attorney General of Australia.

Some hon. Members: Hear, hear!

GRAIN

INITIAL PRICE OF WHEAT AND FINAL PAYMENT TO PRODUCERS

Mr. Stan J. Hovdebo (Prince Albert): Madam Speaker, my second question is also for the Minister of Transport. The quantity that we sell does not make too much difference; it is the price that counts.

Some hon. Members: Oh, oh!

An hon. Member: Is that the way you farm?

Mr. Hovdebo: In view of the serious situation in which grain producers are finding themselves due to high interest rates and other increasing farm costs, will the minister assure this House that he will increase the initial price of wheat for 1980-81 to the current level of $4.25 per cent bushel, an increase of 50 cents a bushel over the announced initial price; and, secondly, will the minister guarantee grain producers a final payment equal to pre-embargo levels?

Hon. Jean-Luc Pepin (Minister of Transport): Madam Speaker, the hon. member has an advantage over me: he has a piece of paper.

Some hon. Members: Oh, oh!

Mr. Pepin: There is, obviously, a relationship between price and quantity. No one will deny that there has been a reduction in the level of prices since the embargo. That is one of the factors being looked into in assessing the justification for compensation.

With respect to initial prices, the government announced them a number of days ago. There is always a debate, as far as I can remember, as to what level they should be at in relation to expectations. In this instance, the government went as far as it could while at the same time being reasonable and indicating certain future developments. Therefore, I do not apologize for that. There has always been a debate each year on the level of initial payments, as far as I remember, for the past 12 years or so.

* * *

CANADA MORTGAGE AND HOUSING CORPORATION

ADVERTISING OF AHOP—REASON FOR CONTINUANCE OF PROGRAM

Mr. John McDermid (Brampton-Georgetown): Madam Speaker, my question is to the Minister of Public Works responsible for Canada Mortgage and Housing Corporation.

Since the minister has acknowledged there is a serious problem with the infamous AHOP—the Assisted Home Ownership Program—by making meagre promises of little help, and since I have 4,000 units in my riding, 16,000 in the region of Peel, and that the residents of these units whom I talked to feel most strongly that they were misled by the government into purchasing these units—you might say seduced into purchasing these units—and since four in ten are now vacant, in

many of the complexes, and are being abandoned, why is he allowing this ill-conceived program to continue and using advertising such as this to lure unsuspecting families down the road to disaster within five years?

Hon. Paul J. Cosgrove (Minister of Public Works): Madam Speaker, I must admit that my experience in the municipality of which I was mayor is directly contradictory to that of my friend.

Some hon. Members: Hear, hear!

Mr. Cosgrove: I am happy to report that, on the whole, the performance rate of this program has been 95 per cent successful. In other words, of those people who originally entered that program, only 5 per cent of the total program area have found that they cannot continue. I must admit there may be some isolated problems, but on the whole it has been a good program.

Some hon. Members: Hear, hear!

* * *

● (1500)

TRANSPORT

MOVEMENT OF GRAIN—ALLOCATION OF HOPPER CARS TO BRITISH COLUMBIA RAILWAY

Mr. F. Oberle (Prince George-Peace River): Madam Speaker, I have a question for the Minister of Transport. So that he will not be at a disadvantage, I gave him notice of the question and discussed it with him. It has to do with the strange policy the government follows in allocating hopper cars for grain movement to the British Columbia Railway which his officials consider to be a foreign railway.

Can the minister tell the House today whether he has informed himself sufficiently to realize that the British Columbia Railway hauls grain under the same arrangement as the other railways, and that they should be allocated an adequate amount of the rolling stock which is paid for by the taxpayers of Canada?

Hon. Jean-Luc Pepin (Minister of Transport): Madam Speaker, this is also a very debatable subject. The BCR is not obliged to give Crowsnest rates to the grain shippers. It does so on a voluntary basis, and consequently there would be some justification for the government of British Columbia to do, with respect to the purchasing of hopper cars, what other western provincial governments have done.

This is a debatable subject, I repeat, but as the railway fleet becomes increasingly able to cope with the present requirements there is a possibility that some of these hopper cars could be assigned to the BCR. This is being discussed at the moment.

Business of the House

BUSINESS OF THE HOUSE

WEEKLY STATEMENT

Mr. Baker (Nepean-Carleton): Madam Speaker, might I direct a question to the government House Leader with respect to the business of the House for the next few days now that the debate on the Speech from the Throne has been suspended? Would the hon. gentleman also tell us when he might consider scheduling the last two days of the debate on the Speech from the Throne? When might that debate continue and finish?

[*Translation*]

Mr. Pinard: Madam Speaker, today we shall proceed with Bill C-19 and if we do not complete its study tomorrow we shall take up Bill C-17. If that bill is completed before the end of the day, we can then go on to Bill C-5 as well as, perhaps, Bill C-18.

My hon. colleague knows negotiations are under way with a view to reaching an agreement on the designation of days for the consideration of the business of supply. I trust we can reach an agreement within the next few days which would spare us having to discuss the matter again early next week. In the event of an agreement being reached, we can then proceed next week with the bill on the Bank Act.

With regard to the second part of the question about the last two days of debate on the Speech from the Throne, I asked that the debate be adjourned and resumed later this session. No firm decision has been reached on the exact time at which it can be resumed and completed.

[*English*]

Mr. Baker (Nepean-Carleton): There are two other matters, Madam Speaker. At the opening of the session a motion was put forward under Standing Order 43 asking that the Minister of Finance and the governor of the Bank of Canada appear before the Standing Committee on Finance, Trade and Economic Affairs. That was rejected, unfortunately, even though it was in the same terms as a motion the former government had brought before the House. But in the course of the discussion the Minister of Finance said he would consider the kind of appeal set forth in the motion. Has that consideration taken place and will the Minister of Finance and the governor of the bank be available in terms of that motion under Standing Order 43?

The second matter has to do with parliamentary business generally and should be of interest to all members. I think the hon. gentleman will recall that on December 11, 1979, a reference was passed by the House which would allow the Standing Committee on External Affairs and National Defence to receive and examine reports from official parliamentary delegations. If he will check *Hansard* he will see that this is the case. I understand that parliamentary delegations will be going out and that organizations are being activated within Parliament for such a purpose.

It might be appropriate if the government House leader would consider making that kind of reference again on the

understanding that it is not our intention to debate the matter but to support it. We believe it was a good reference and it would allow the observations of members of Parliament, as they travel as members of Parliament, to be brought to the attention of the standing committee. If the hon. gentleman would consider this I would be extremely grateful.

Finally, has the government House leader decided when he will begin the allotment of allotted days in this supply period?

[*Translation*]

Mr. Pinard: Madam Speaker, with regard to the first point, the Minister of Finance is now attending the International Monetary Fund conference. I shall be pleased to convey to him the question put to me by my hon. colleague and report as soon as possible.

Concerning the second point, I am taking note of the interest expressed by my colleague. As for the third, it all depends, of course, on the negotiations which were started two weeks ago, that is, at the beginning of the current session.

I do intend to allow the parties of the opposition a very reasonable length of time to proceed with the study of the estimates. Allotted days usually serve that purpose. I want to assure my colleague that he will have at least as many allotted days as the Standing Orders would allow, if they applied.

[*English*]

Mr. Knowles: Madam Speaker, with respect to House business in the next little while may I ask the President of the Privy Council whether Bill C-16, having to do with the guaranteed income supplement, is high on his priority list? May I also ask him if he will give priority to the bill which the Minister of Veterans Affairs has promised to introduce at an early date?

[*Translation*]

Mr. Pinard: Madam Speaker, the answer to the first part of the question is yes. In answer to the second part I would say I hope to be in a position to satisfy the hon. member.

[*English*]

Madam Speaker: The hon. member for Red Deer.

Mr. Towers: Madam Speaker, after a sincere effort on my part to collect the data upon which to state my case on a question of privilege I find it is not complete. Could I have your permission to bring the matter to your attention tomorrow?

ROUTINE PROCEEDINGS

[*English*]

PETITIONS

ESTABLISHMENT OF CEILING ON MORTGAGE INTEREST RATES

Mrs. Margaret Mitchell (Vancouver East): Madam Speaker, I wish to present a petition signed by nearly 6,000 Canadians in the Peterborough area calling for the establishment of a 10 per cent ceiling on residential mortgage interest rates. On behalf of the petitioners I ask for serious consideration of their proposal by the government.

Some hon. Members: Hear, hear!

* * *

● (1510)

[*Translation*]

GOVERNMENT ADMINISTRATION

ORDER IN COUNCIL RESPECTING ESTABLISHMENT OF MINISTRY OF STATE FOR SOCIAL DEVELOPMENT

On the order: Government notices of motions:

April 22, 1980—The Prime Minister.

That the following Address be presented to His Excellency the Governor General of Canada:

To His Excellency the Right Honourable Edward Richard Schreyer, Governor General and Commander in Chief of Canada.

May It Please Your Excellency:

The House of Commons, having considered the proposed text of the order in council tabled in the House on 21 April 1980, in relation to the establishment of a Ministry of State for Social Development, prays that the making of the said order in council be approved.

Madam Speaker: Pursuant to Standing Order 21(2), this notice of motion is transferred to and ordered for consideration under government orders later this day or at the next sitting of the House.

* * *

[*English*]

QUESTIONS ON THE ORDER PAPER

Mr. D. M. Collenette (Parliamentary Secretary to President of the Privy Council): Madam Speaker, I ask that all questions be allowed to stand.

Madam Speaker: Shall all questions stand?

Some hon. Members: Agreed.

GOVERNMENT ORDERS

[*English*]

EMPLOYMENT TAX CREDIT ACT

AMENDMENT RESPECTING EXTENSION OF PROGRAM PERIOD

Hon. Lloyd Axworthy (Minister of Employment and Immigration) moved that Bill C-19, to amend the Employment Tax Credit Act, be read the second time and referred to Committee of the Whole.

He said: Madam Speaker, this is the second bill I have had the pleasure to introduce in the last 24 hours. I hope that hon. members of this House will be as courteous and as agreeable in their treatment of this bill as they were with the first because I bring to the bill the same sense of urgency which was required yesterday in the sense that this bill, which has been submitted in the past, has very severe and very important time-squeeze restraints on it. We feel it is absolutely necessary to pass this bill within a very short period of time in order to properly maintain this program.

The bill is very simple in its purpose. It is simply to extend for one further year the application of the employment tax credit program, a program which was brought in in 1978 to provide a range of tax credits to private employers for creating additional or incremental employment. As members who have examined this bill will probably know, the range was from $1.50 in areas of reasonably low unemployment up to $2.00 in areas of high unemployment such as the maritimes.

In the last year the tax credit program has provided close to 50,000 additional jobs, according to the best figures that we have, at a cost of approximately $100 million. The problem that we faced was that the legislation authorizing the granting of these tax credits came to an end on March 31 of this year. In order to continue the program, therefore, we had to bring in this legislation to extend it for one more year.

What we have done is to include within the bill a retroactive clause which would allow us to make the date of resubmission of applications as of April 15. That means there has been a two-week hiatus between March 31 and April 15 in which employers could not submit applications. Once the bill was introduced through a ways and means motion we then informed employers that they could submit applications but that there was a very strict caveat on those applications: if the legislation was not passed by this House and by Parliament, then the agreements would no longer apply. We did feel that it was important to try to maintain the continuity of the program so that the momentum which had been built up and the expectations of the employers would not be frustrated.

In terms of the success of the employment tax credit itself, it has had, aside from additional employment throughout Canada, a set of additional objectives, such as being a tax credit or an incentive which has been particularly useful to small business. Close to 70 per cent of the benefits under this program and the jobs created have occurred in businesses employing under 20 people. So aside from the simple job-creation aspect it has also been a measure which has provided substantial incentive to small businessmen and given them an extra benefit under the tax program.

It has also been a program which has been highly focused upon youth employment. Our estimates and evaluations show that about 60 per cent of those under the program were young people. The tax credit program seems to have provided a degree of benefit, particularly in the manufacturing industry, and it has had a fair degree of regional application.

If we look at the allocations across Canada, there has been a sufficient and large number of agreements signed in the maritimes, Quebec, Ontario and western Canada. It has not been particularly concentrated in one region or the other. The important point about this bill is that it is required right now in order to continue the program.

In this respect I would like to tell hon. members that they should not treat this as being the only job-creation program this government will introduce. It is simply that we are required under the imperative of time to bring this bill in right away in order to maintain the program. It is certainly our intention, as was outlined in the throne speech, to introduce into this House within a very short period of time—perhaps a matter of two or three weeks—additional job-creation programs to respond to unemployment problems in this country. I am restrained because those job-creation programs have not been completely canvassed or reviewed by cabinet, but they would provide a mixture of job incentives both in terms of additional tax programs, additional job-training programs and additional direct work programs and would be able to target in on very special kinds of employment needs which exist in the country, particularly those of young people, women and various minority groups which find barriers or handicaps in the job market.

So I want to indicate to hon. members that this is really only the beginning of a continuation of job-creation programs this government intends to bring forward for consideration.

I should point out that the other job-creation programs will not be of a legislated nature. We have full authority within our estimates and within the programs of the department to apply other job-creation programs. At this point in time it is only this particular initiative which requires legislative enactment.

It is also our hope to begin looking at the longer term employment requirements in Canada. I believe it was last week that the Prime Minister (Mr. Trudeau) announced that we intend to establish—in fact, it is already in process—a task force composed of members of Parliament from all the respective parties which will be commissioned to undertake a public examination of critical job shortages in Canada and of how both the public and the private sectors might respond to them. As hon. members probably know, my colleague, the hon. member for Notre-Dame-de-Grâce (Mr. Allmand), will be chairman of that committee. I believe discussions are now in progress with regard to additional members from the other parties who will participate.

We expect that task force to initiate its actions almost immediately to provide for a more complete review in a public

way. At the same time, we will also be undertaking a serious re-examination within my department and within the government itself in order to come to grips with the fundamental issue of how we can most efficiently and effectively use public resources to create additional job stimulation.

That does not mean in any way, shape or form that we can replace the role of the private sector. It is by far the most important and significant generator of employment in this country, but the government does have a role in supplementing and adding to the employment picture, particularly with respect to special needs and problems where there are the handicapped, disadvantaged and particular regional problems. That will be the basic philosophy which we will bring to our over-all job-creation program.

I ask for the co-operation of hon. members with regard to this bill because of its importance in maintaining the continuity of our program. If we delay it too long, that will mean that there will be a substantial gap in time. As a result we would experience a fall-off in the initiative by private employers to sign agreements with the government to come into this kind of tax credit arrangement.

• (1520)

I certainly welcome the contributions of members opposite and on this side of the House to the general issue of employment and job creation, but I hope that they will be sufficiently cautious to restrain their remarks to the point where we can deal with this bill with some dispatch. We will have many opportunities in the future, I am sure, to discuss the larger, broader and very important question of unemployment and how this House and this government can respond to it.

Mr. Beatty: Mr. Speaker, I wonder whether the minister would permit a question, because I notice he has a great deal of time left. In his remarks the minister indicated that he will be following this measure by making further proposals dealing with job creation and that they will not be of a legislative nature, that he has plenty of authority within the 1980-81 estimates to do so. As the minister is aware, there has been a great deal of discussion in the House in the last couple of days about the nature of those estimates. Can the minister tell the House how much money is earmarked in the estimates for new job-creation programs, and can he indicate to the House what changes have been made in the nature of those programs from what is proposed in the estimates? In other words, how do the Liberal job-creation programs that he intends to introduce differ from those which are currently contemplated in the Conservative estimates?

The Acting Speaker (Mr. Blaker): Order, please. I thought the hon. member indicated he wanted to rise on a point of order. It has been the tradition of the House that if a member who has the floor permits it, a question can be asked, but I do not think it is appropriate for the Chair to encourage members of the House to open up another question and answer period. If the minister agrees to answer the question, I will allow it, but otherwise we will not continue with questions and answers.

Mr. Axworthy: Mr. Speaker, my simple answer to the hon. member is that, as he well knows, the estimates do set out the expenditure arrangements which do not necessarily have to be attached to any specific programs so long as the envelope or package states the same dollar amount. I can assure the hon. member that our job-creation programs will be restrained or restricted to the same kind of estimates that were put forward, but they will be of a different form and nature.

Mr. Jim Hawkes (Calgary West): Mr. Speaker, this is the first time that I rise in the Thirty-second Parliament, and the first time as a critic on behalf of my party.

First, I should like to congratulate the Minister of Employment and Immigration (Mr. Axworthy) on his appointment and wish him well in the exercise of those responsibilities. I should also like to take this occasion to congratulate Madam Speaker and all those who sit in the chair.

I think it may be useful for me to try to explain to the House the sense in which I intend to approach my responsibility on behalf of the official opposition in speaking on employment matters. I view the job of the Minister of Employment and Immigration, in terms of his manpower responsibility, as the human being who represents in the House of Commons the Canadian people in the area of employment. It is this minister who sits opposite us here today who represents more than one million Canadians who are currently unemployed, who represents those one million people before his cabinet colleagues and who speaks out on their behalf.

I refer to the more than one million unemployed because I think there is a great deal of evidence that the official estimates of unemployment rates in this country are seriously in error. Any survey which includes those people who would like to work but who are unable to find jobs provides us with an estimate of between a quarter of a million and 300,000 in addition to the official unemployment figure.

I should like to suggest to members of the House who have expressed concern about equality that clearly the group which is not treated fairly in this country is the group of unemployed. There are between 10 million and 11 million employed people in this country, and we have over one million people who are seeking work and cannot find it. In a sense, we have created a class of haves and a class of have-nots.

I think it is useful sometimes—and this is the tradition of our party as the word "Conservative" suggests—that we look back at history and learn some of the lessons it has to teach us. We do not have to look very far back in time to find out that this nation has not always had a million unemployed people. In 1968 this country experienced its first Trudeau government. In those days there were slightly more than 300,000 Canadians who were looking for work and could not find it. Now, in 1980, there are more than one million Canadians who are looking for work and cannot find it.

Today, we are being asked to consider an extension of one more public sector job-creation project, and the tendency on this side of the House is to provide the minister with the legislative authority to proceed because this nation is in crisis. There are more than one million unemployed Canadians. I rank employment in the same category as food and shelter. A job is part of our identity as people; it is the way in which we interact with others, it gives us the financial security to take the plunge to buy a home, to rent an apartment, to be normal, happily functioning members of our society. It is a tragedy that something approaching one-tenth of the labour force in this country is currently unemployed. They are the have-nots. We have created this class of have-nots through a series of economic initiatives which span more than a decade now, which span a period of 12 years of economic mismanagement. I suggest to the House that those 12 years of economic mismanagement have created the one million have-nots who are in this country.

On Monday evening of this week I watched when the Minister of Finance (Mr. MacEachen) presented to the House his "Mickey Mouse" budget, his half budget. I sat here feeling sad and concerned because I heard a set of economic pronouncements guaranteed to create between 100,000 and 200,000 have-nots. I was bothered by the fact that the Minister of Employment and Immigration sat there and did not communicate to me any sense of being concerned, any sense that his portfolio will now include another 100,000 to 200,000 Canadians who will not have jobs by this fall. I listened to a set of economic statements which will create 100,000 to 200,000 more have-nots and I thought the Minister of Employment and Immigration should have been concerned since it is his area of responsibility. As I said in my opening remarks, I think he must represent those have-nots to his cabinet colleagues, to his caucus and to the governing party.

It must be clear that the economic statements made in this House on Monday night deliberately create a larger group of unemployed Canadians. The Minister of Finance admitted as much but he did not make it clear. He stood up in the House and said that his economic projection is that there will be on average an 8 per cent unemployment rate in this country this year. The piece of that equation which may have escaped people who listened to that statement is that we are already three months into this calendar year and the unemployment rate has been 7.4 per cent.

• (1530)

As an aside, I might just mention that the unemployment rate in this country started to decline with the election of a Conservative government. It went down, and it stayed down in the low 7 per cent range from the high of over 8 per cent because there was a sense of fiscal responsiblity, a sense of direction and a clear-cut economic base that showed the reliance on the private sector which the Minister of Employment and Immigration just told us he believes in. But we sat here on Monday night of this week and heard a mini-budget which will not give a sense of security to the financial communities in this country. It will not do that, and the private sector will not respond in the way that the Minister of Employment and Immigration just suggested to us.

I go back to the projection of the Minister of Finance of an 8 per cent unemployment rate in this country for this year. If one remembers that it has been 7.4 per cent for the first three months, then the inescapable conclusion is that by this fall we are looking at something in the order of 9 per cent unemployment. We will have that kind of number by the fall of this year or we will not have an 8 per cent average for the year, because we have been doing considerably better than that in the first part of this year. I think that that is criminal.

I should like to review *Hansard* of April 21 and the speech by the Minister of Finance. It is an interesting exercise. It is an interesting understanding of the finance minister's mind-set if we look at the speech he made in this House. He started by telling us about the things he is not going to do. It is a remarkable exercise to look at the things he is not going to do because each of those things would help stimulate employment, each of those measures would create jobs in this country.

Let me briefly review them for the House. The first one is that he will not reintroduce at this time the three measures affecting taxation on capital gains. In other words, the Minister of Finance has decided at this time not to encourage Canadians to make equity investments in the private sector. If he had made the decision which the hon. member for St. John's West (Mr. Crosbie) made in December, he would have encouraged Canadians to make equity investments in the private sector and thus create employment in the private sector.

The second item the minister mentioned is that he will not reintroduce the measure to provide special tax incentives for investors in Atlantic fishing vessels—clearly an incentive designed to create jobs in our shipyards and ultimately in our fishing industry. The Minister of Finance stood up on Monday and said that he did not care about those jobs, that he would not reintroduce that measure.

He also said that he was not making provision for private corporations to be given tax contracts for investing in particular regions of the country. We have regions and communities in this country with unemployment rates that are staggering—20 per cent and 30 per cent—yet the Minister of Finance stands up in the House, in the face of one million unemployed Canadians, and says that he is not making provision for tax contracts for investing in particular regions of the country. He does not care about the high unemployment regions.

He went on to talk about the oil industry and depletion allowances. He is going to take those away. They stimulate some employment, but perhaps they are not as necessary as the regional tax incentive. He kept a couple of incentives which I think may produce a bit of employment: the one for spouses, the deductibility for spouses, and also the bond provision for small businesses. I applaud him for those minor matters.

Also missing is something which he addressed later in his speech. I think he was clever, in some senses, in his deflection of the real issue, but he talked about Canadians who have to

re-mortgage their homes this year. He made the statistical case that many of those people, even at the current high mortgage rates, would be spending less than 30 per cent of their income to maintain their shelter. The omission, the item he did not deal with, is those people who do not own homes today—the young people in this country, the young families and the newly married who want to buy homes.

The initial projections were that there would be approximately 220,000 housing starts this year. Current projections show that there will be something in the order of 150,000. That means 70,000 homes will not be built in Canada in 1980. How many jobs do those 70,000 homes represent? The failure to take some kind of economic action on the needs of young people trying to get into starter homes not only affects their families and marriages, but it affects in major ways the employment situation in this country.

The projection is that 40 per cent of the employees engaged in the house building industry will be out of work this year. It is not the issue of refinancing a house which is already built, it is the issue of new homes. It is the more significant issue in the long term, in terms of the employability of people. I would hope with the minister's background in the housing area that he might make representations to his cabinet colleagues and the Minister of Finance for some kinds of measures which might stimulate that industry.

We have seen that the province of British Columbia, which by the way is producing a balanced budget, has done a great job of stimulating the housing industry within its provincial boundaries. He might take a lesson from that and bring that matter to the attention of the Minister of Finance. Surely it would affect 100,000 or perhaps 200,000 people who could be employed in that industry. We have tremendous societal costs from this high level of unemployment. They relate to people's mental and physical health. They are a drain on the national treasury, and I hope that we might do a little bit more about them.

During the election campaign—and I think we had time—I was involved in close to 20 forums in my region of the country where people had an opportunity to suggest ideas to me, to ask me questions, and we came to some conclusions based on the decade of history in the 1970s. I do not know if it has always been clear but it is clear that the Trudeau government in which the minister serves believes in deficits. There is a school of economic thought which historically has said that public deficits can stimulate things like unemployment and that they are good for the economy. We have had for close to a decade now increasing massive deficits which lead to increased need for public borrowing.

● (1540)

If we look back at the last decade we find that the thing that goes along with this kind of borrowing is increased inflation, which hurts those on fixed incomes and, in fact, our entire economy. High inflation is accompanied by high unemployment.

We heard the Minister of Finance on Monday night of this week say he was increasing the deficit by something close to 40 per cent, and increasing the need for borrowing by something close to 40 per cent. I wonder what that borrowing accomplishes. We are talking about the need for the federal government to go out into the money markets of Canada and borrow something in the order of $3.7 billion. What does $3.7 billion mean to the average Canadian? It is a staggering amount that we cannot comprehend; a pile of zeros, as my colleague behind me suggests. I suggest it represents 70,000 mortgages of $50,000. It represents 70,000 new homes and the $50,000 mortgages required to build them. Coincidentally, that is the number of houses which are not going to be built in this country this year.

What are these increased borrowings all about, and why is the federal government today in the position that it has to borrow something close to $12 billion? The finance minister tells us it is to pay the interest on the public debt. That is why his budget is different from the budget of the hon. member for St. John's West. That interest on the public debt is going up and represents something better than $10 billion. The minister also said it was necessary to make oil subsidy payments. This is taking money out of the pockets of the taxpayers to send off to Saudi Arabia, Venezuela and Mexico.

How much of this public debt borrowing is really money which we borrow outside this country to send outside this country? None of that money which we send outside this country creates jobs in this country. This is an expenditure of public funds which has no relevance to the crisis of unemployment that exists in this country today.

Let me take this opportunity to deal with the 18 cent excise tax in the context of unemployment. The former minister of finance introduced a tax on December 13 which was the cause of the downfall of that government and a significant factor in the re-election of a Liberal government. We on this side of the House felt then, as we do today, that the excise tax on gasoline was a responsible measure. One might ask why. First of all, it is because imported oil is expensive and, secondly, because the over-all use of imported oil is going up. Canadian consumption patterns indicate that our use of oil increased something in the order of 8 per cent while at the same time it was decreasing by 3 per cent or 4 per cent in the United States, our neighbour to the south. That represents a huge gap.

We felt that the introduction of a tax on gasoline would reduce the use of that commodity and thereby reduce the need for the federal government to borrow money, reduce the amount of money which we so willingly ship outside this country, money that does not create jobs. We felt this would take the pressure off the borrowing market and perhaps have some conceivable impact on interest rates which are really strangling our economy. We thought this was a responsible step to take.

On Monday night of this week the Minister of Finance said the government were not going to take that responsible step or replace that responsible step with any other responsible step. He said they were going to do what they have been doing for

the last decade, which is to go out and borrow more money so that my children and your children, Mr. Speaker, can pay more interest tomorrow.

An hon. Member: Right on.

An hon. Member: No wonder you are in the opposition.

Mr. Hawkes: Mr. Speaker, one hon. member opposite says: "No wonder you are an Albertan".

An hon. Member: No, I said "in the opposition".

Some hon. Members: Oh, oh!

An hon. Member: That's a big difference.

Mr. Hawkes: It is the difference between being responsible and not being responsible, I suggest. I thought the hon. member said that it was no wonder I was an Albertan. Perhaps hon. members on that side of the House might care to listen to some of us on this side of the House who represent different regions of this country. One of the characteristics I think they will find of the people who live in western Canada, whether we are talking about Manitoba, Saskatchewan, Alberta or British Columbia, is a value they have had for a long, long time in relation to this issue of deficits. In their own personal lives they have a great reluctance to become over-committed to debt. There is a tendency on their part to ask their politicians, whatever their political suasion, to balance the budget. They do not want the government to create debt for them tomorrow. They want the government to do the things that need doing today and to pay for those things today. They have lived through the dusty times. They have had their homes taken over on default during the depression.

This is the kind of tradition that exists in our regions. There is no sureness that next season there will be enough rain and enough sunshine to produce a good crop. When they have a good crop they put a little away for a rainy day. They spend what they have to but they do not go out and commit themselves to something that they may not be able to meet tomorrow because the sun does not shine and the rain does not fall.

When we look at the western regions of this country we find that this was the philosophy during the depression and during the war. Throughout our political history that has been the dominant philosophy. Now, in 1980, that is the healthy economic region of this country. The taxes which are raised there can be spent in productive ways.

When I look at the federal budget I see that 20 per cent to 25 per cent of the taxes which this government is taking from the Canadian people is spent in non-productive ways, such as paying interest on the public debt and oil compensation payments to Mexico, Iran and Venezuela. Some 25 per cent of the money raised from Canadian taxpayers is not being spent in any useful way. Those expenditures are not related to the unemployment problems in this country, yet they create a burden on all citizens of this country, a burden almost in perpetuity. I think this borders on the criminal.

At the very least we have had a decade of irresponsibility, and today we have major problems. We have a million unemployed with 25 per cent of taxes raised being spent clearly in non-productive ways. We have the finance minister's admission that the increase in the deficit, which increases borrowing, is a consequence of non-productive spending. A look at the main estimates shows that what has happened in the last two or three years is that we have had a real decline in productive spending, more than matched by the increase in non-productive spending. We have more than a million unemployed people in this country as a consequence of a decade of those kinds of policies.

• (1550)

We on this side of the House urge hon. members on that side of the House, those with some sense of reason, to rethink some of the things that have occurred and to argue more strenuously for a little more responsibility so that some of these problems can be solved over time.

The bill which has been presented, Bill C-19, commonly called the employment tax credit bill, on the surface looks innocuous, and it is before us for debate today. I took the trouble to read a speech delivered in this House on December 13, 1979 by the former minister of employment and immigration. The former minister agrees in part with the current minister, that there is something to be said for a program which encourages the creation of employment in the private sector. That is the kind of bill which is before us today. It is better to create employment in the private sector than in the public sector. The long-term consequences are more positive and the costs are somewhat lower. However, did the previous minister intend to introduce the piece of legislation which is before us today? The answer to that question is, no. On December 13 the former minister promised to introduce an employment tax credit bill, but it was significantly different from the bill which is before us today.

The analogy which I have in my mind is that the bill before us today is a "shot gun" bill as opposed to a "rifle" bill. If one really studies and examines the unemployment statistics of this country, it is clear that unemployment is very high in certain regions and very low in others. It is clear that young people, women, the handicapped and native people suffer higher rates of unemployment than do other groups. In these groups unemployment is in some cases three, four or five times higher than the rate of unemployment in the more experienced, normal work force.

The next thing that we should consider in terms of this bill is, does it deal in any specific way with those target groups? When I started my address this afternoon, I talked about the haves and the have-nots. I said that there are over one million have-nots who have no place and no job. But in that category of women, young people, natives and the handicapped, there are more have-nots than in the other groups.

This is "shot-gun" bill that provides no incentive to target the creation of employment on those groups. I suggest to the hon. members of this House that if we have a public responsi-

bility to create employment, and I think we do, surely the employment that we create out of the public purse should be more clearly targeted on those who need it the most, not those who need it the least. This bill does not do that. It is a "shot gun" bill. It could be that the spouse of somebody who earns $200,000 a year is given one of these created jobs. There is nothing to prevent that happening.

The minister has chosen, and I think that it is consistent with the government's pattern over the last 12 years, not to provide this House with a data base which, I am sure, exists in his department. This government gave its mandate to this program some two years ago. If one looks at the main estimates one will see tremendous sums of money being spent in the minister's department for research personnel. It is the largest operating department in the government in terms of the number of researchers working within it. I am certain that the minister has in his possession research data on the effectiveness of this program.

We on this side of the House are debating whether or not this piece of legislation should be passed, yet the minister has not seen fit to provide us with the research data base for which the taxpayers of this country have paid. I hope that this situation will change when and if the throne speech promise on freedom of information legislation is brought into reality. However, we have been hearing that promise for close to 12 years and I will not hold my breath until I see the bill before me.

If hon. members had that research data, then what would it tell us about this bill before us? If one looks at the provisions of the bill, there are very limited stipulations to which one must adhere. The people who are hired under the terms of this bill must have been unemployed for two weeks. The employer must sign a declaration that without this program the employer would not have had anyone to fill this job. In other words, the employers are declaring that they are creating a job which is extra to the normal needs of their organization.

I wonder if the research data which the minister must possess suggests to him that not every employer is honest, that some may have signed a false declaration. I wonder if that is a reasonable assumption to make. I wonder if the research data would tell us anything about that situation. I wonder if the research data would tell us clearly how many women and native people are employed under the program and the regions of the country in which this employment is created, so that a decision can be made as to whether or not the provisions of this bill provide for a responsible expenditure of public money. Is the expenditure creating jobs for the target groups and the regions which are of most concern to the members of this House? I suspect the research data would answer these questions if it were provided.

The next aspect of this bill which needs examination is with regard to the fact that it is a tax credit bill. The bill is of no value and is no incentive to an employer unless he or she is in the position of having to pay taxes. If they are in a position of having to pay taxes, then the tax credit is of some use to them. I suggest to hon. members that approximately half the employers in this country are not affected in any significant way by the provisions of this bill. I suggest to the House that it is that half, the companies which are just starting up and are having to struggle to make a go of it, companies which have not turned the corner, that are most likely to create significant employment in the long term. This bill provides no assistance in that regard. That is a choice which the minister has made.

I bring these matters to the minister's attention, and I have encouraged other members of my caucus to bring their concerns to the attention of the minister. The unemployment situation in Canada is the kind of topic which should be debated at some length. I encourage members on all sides of this House to bring to the attention of the minister their ideas and their suggestions as to what might be done in the long term and the short term to help the Government of Canada and the minister to address this very serious issue.

● (1600)

The Acting Speaker (Mr. Dionne, Northumberland-Miramichi): The hon. member for Welland.

Mr. Parent: Mr. Speaker, I very gladly—

Mr. Knowles: I rise on a point of order, Mr. Speaker. I believe it is the custom in this House for the first round of speeches to include one speaker from each party. I do not suggest anything has gone haywire but I gave the Chair the names of those in this party who wish to speak. I hope that the Liberal member who has just risen will not mind yielding to the hon. member for Kootenay East-Revelstoke (Mr. Parker).

Mr. Parent: On the same point of order, Mr. Speaker, I am aware of the custom that has held for many years and, of course, I agree with it. Naturally I defer to my colleague from the New Democratic Party.

The Acting Speaker (Mr. Dionne, Northumberland-Miramichi): The hon. member for Kootenay East-Revelstoke.

Some hon. Members: Hear, hear!

Mr. Sid Parker (Kootenay East-Revelstoke): Mr. Speaker, I have very mixed feelings about the bill which is before us this afternoon. The employment tax credit program was adopted as a temporary program to stimulate employment in the business sector and it has not done a great deal of good. Unemployment has not disappeared from the scene; far from it. Nobody really believed that this program would accomplish that objective, but I suspect that a good many people on the other side of the House expected that it would at least have a minimal impact on the unemployment rolls.

I need not remind hon. members opposite that there are still nearly one million unemployed in Canada today, even though the program has been in effect for over two years. The latest figures I have from the Department of Employment and Immigration indicate that only 50,000 new jobs were created through this program over the past fiscal year. This would mean, Mr. Speaker, that even if there was no growth in the number of unemployed over the next year—not a very likely

proposition considering predictions of the Minister of Finance (Mr. MacEachen) on Monday night—the net decrease in the unemployment figure would amount to a mere 5 per cent under this program. In actual fact, Mr. Speaker, the number of unemployed in this country is likely to skyrocket and this program may well have the distinction of lowering the number of unemployed to, say, 1.45 million from 1.5 million. Not a very distinguishable difference, in my opinion.

I said at the outset that I have very mixed feelings about this bill, that I could hardly lend it my unqualified support. There are two basic reasons why I find the bill difficult to support, but I suppose that basically they both boil down to the question of interest rates.

The first reason I have for not supporting this bill unequivocally concerns the nature of the program itself. This program is based on the assumption that in Canada today there are all sorts of small businessmen just waiting to expand their operations and hire new employees. Mr. Speaker, that may have been true two years ago when this program was first established, though I have no idea whether it was true or not. But to suggest that it is true today is to believe in the Easter Bunny; it is to deny every economic reality facing small businessmen in Canada today. I defy the government to find 50,000 businessmen in Canada today who have even the slightest intention of going to their local bank or credit union and borrowing the capital required to expand their businesses and hire new employees, tax credits or no tax credits.

Mr. Speaker, you would think that the Minister of Employment and Immigration (Mr. Axworthy) and his cabinet colleagues had been living in a cocoon for the past four months, that they had not talked to any small businessmen since their election. I have spoken to small businessmen in my riding on a regular basis and I have heard their pleas for action. They have not been pleading for an extension of the employment tax credit; they have not been requesting that the government give them extra tax concessions. Mr. Speaker, their pleas have been much more serious than that. They have been pleading that this government stop strangling them, that they loosen the noose before they are forced to go bankrupt.

Small businessmen in Canada today are crying out for one thing and one thing only—lower interest rates. Who in his right mind would go out and borrow money in order to expand his business when he is being asked to pay upwards of 20 per cent interest? The tax credit is irrelevant. It does not mean anything because the assumption on which it is based is ridiculous.

I often wonder what great minds are at work in the Department of Finance, when the economic signals coming from the government are so totally contradictory. On the one hand, we have the Milton Friedman economists whose monetary policies are so conservative that they were even rejected in Chile. These people are forcing interest rates up to absolutely insane levels. And the main reason for this policy is that they want to discourage borrowing. They want us, to quote the hon. member for St. John's West (Mr. Crosbie), "to tighten our belts and live within our means."

The fact that the Canadian people rejected this philosophy on February 18 does not appear to faze these monetarists. They have never been particularly concerned with such radical theories as voting and democracy anyway, so they sit in one room in the Department of Finance thinking of new schemes to raise interest rates and discourage borrowing. And then, for all we know, across the hall sit the small "l" liberals who designed the employment tax credit program and who are recommending that it be extended for another year. These are nice enough fellows in their own way, but it seems they never talk to their colleagues across the hall because this program is designed specifically to encourage borrowing. It is based on the assumption that businessmen will dash out and borrow the money required to hire extra employees in order to qualify for the negligible benefits which the tax credit provides.

If I had to choose between one or the other of the groups in the department, Mr. Speaker, I would side with the group that drafted this bill. But it is not that simple. Every possible positive contribution which this bill is likely to make will be negated by the high interest rates dreamed up by the monetarists across the hall.

What is more discouraging is that if, and I do mean if, this bill has even the most minimal effects and does provide an incentive for even just a few businessmen to go out and borrow money in order to expand, it will only encourage the Department of Finance and the Bank of Canada to immediately raise interest rates once again.

• (1610)

That is a Catch-22 situation which those of us in this corner of the House find impossible to tolerate. That is why we have been demanding a decrease in the interest rates. It is time that the Government of Canada tells these monetarists what the people of Canada tried to tell them in February, that they do not agree with their ideas and do not want them messing up our economy any more.

I have one other reason for being less than enthusiastic about this bill, and it relates a little bit more to my constituency. I represent a part of British Columbia which relies heavily on the forest and lumber industries for employment. In February, Statistics Canada reported that my region had the highest unemployment rate in western Canada and, with the exception of Windsor, the highest unemployment rate west of Quebec. The reason for this crisis can be summed up in three words—high interest rates. The high interest rates have resulted in a depressed mortgage market, which in turn has meant a downturn in construction, which finally has meant a serious slowdown in the forest industry.

This bill will not put one unemployed woodworker back to work, and for that reason I consider it inadequate as a method of dealing with unemployment in my region. There is only one way of dealing with that problem and it is very simple—lower the interest rates. So long as they are high, the men and women who are unemployed in my riding will stay unemployed, regardless of what "Mickey Mouse" programs the Minister of Employment and Immigration is toying with. He

would be much better advised to have his officials look into the possibility of extending UIC benefits and to fight inside cabinet for lower interest rates than to play with meaningless programs like the one which we are discussing now.

In conclusion, I should like to point out that this program is really an attempt to treat symptoms and not to treat the disease which is plaguing Canada today. I think everyone in Canada would be better served by a program which reduced interest rates than by this rather meaningless program, which only serves to keep a relatively small number of people off the unemployment rolls. I urge the Minister of Labour (Mr. Regan), the Minister of Employment and Immigration and the Minister of Finance to get together and treat the problem of unemployment in a very serious manner.

Mr. Gilbert Parent (Parliamentary Secretary to Minister of Labour): Mr. Speaker, I am happy to join in this debate on Bill C-19. The previous speaker, the hon. member for Kootenay East-Revelstoke (Mr. Parker), said that this bill was meaningless. I suggest that a program which over the last two years has produced 23,000 new jobs for women and 37,000 new jobs for men can hardly be termed meaningless.

The previous speaker before the member from the New Democratic Party was bemoaning the fact that we are approaching one million unemployed. We on this side of the House know full well the ravages that such high figures can bring. The previous speaker also said that we in Canada have never had so many unemployed. I suggest the converse is also true: we have never had so many of our workers employed across Canada. There are over 11 million Canadians who are at work today.

The speaker from the Tory party said that they in his part of the country lived through the dust bowl. We in this part of the country from Ontario well remember the depression. We well remember also the government that was in power at that time.

Hon. members opposite are talking of 11 years of mistakes that supposedly we have made. If there have been some mistakes made, we must also have been doing some good things or else we in Canada would not be prospering as we are today.

In the last Parliament I was part of a committee which studied the tax credit system. When it was brought forward at that time by the Conservative party, we on this side agreed with many of the facets that were brought out. As a matter of fact, I am sure that all hon. members know that it was the Liberal government which brought forward this program in the first place. Therefore, what we have is a Liberal program taken up by a short-lived Tory government now being put in place by a Liberal government.

I suggest that the designation of "Minister of Employment and Immigration", is quite to the point because what we are concerned with is creating jobs and making sure that Canadians are at work. I hear interjections from the other side. We must be on the right track because the Tory speaker says we are doing too much and the NDP speaker says we are not doing enough, so we must be right on if we are not pleasing those two extreme groups at each end.

The previous Tory speaker said that his government was defeated in part because of the 18-cent tax they were going to put on gasoline. He suggests that even now they were right and they would do it again. However, the people of Canada decided that they were not right. Will they be so arrogant as to say that the people of Canada are wrong and that Canadians cannot make up their minds about what is right for them as opposed to what is right for other people outside of Canada?

The employment tax credit program, Bill C-19, is being extended quite simply because it is effective and it is low cost. However, this government does not intend to follow this single-mindedly, or simple-mindedly, because it is not the answer to all of our problems in Canada. In fact, tax credits as they are at present are most likely to be used by the business sector in areas of high to medium growth that have quite a few people unemployed but generally have less severe rates of unemployment than areas characterized by continuing high unemployment, slow economic growth and minimal levels of business activity. Those communities need another kind of employment development measure. I am sure that the minister and we his colleagues in the House will be suggesting some of these, not only in the course of this debate but in our discussions in the months and years to come.

In British Columbia and in the Yukon, for example, for the fiscal year 1978-79 the employment tax credit program was tremendously effective in creating jobs in the lower mainland, but it had much less impact in other areas. More than half of the employment tax credit program placements in British Columbia and the Yukon were made in the lower mainland while less than 8 per cent were made in the northeastern sector and less than 1 per cent were made in the Skeena and Whitehorse areas. The same pattern applies in other parts of the country. Most of the employment created by the employment tax credit program is concentrated in these urban areas and the program has had much less impact in rural, slow growth areas with minimal levels of business activity.

● (1620)

Since employment and unemployment patterns vary widely across this country, the employment tax credit program, although it has been successful—I quoted the numbers earlier—cannot meet the variant employment needs across this diverse country. Tax credits are highly dependent on employer participation and thus, obviously, have most chance of success in areas with developed business sectors. In isolated northern communities, Indian reserves and outposts, the employment tax credit does not have much of an impact.

We do have direct job-creation programs such as Canada Works, and these have very real advantages for such areas. First, they are targetable to geographic areas. Second, they are able to support a wide range of activities. Third, they are applicable to the needs and capabilities of low or slow growth areas—I refer here to northern Ontario and the Atlantic provinces by way of example. Finally, they are able to support

various stages of activities directed toward longer term employment development.

[*Translation*]

At this point, Mr. Speaker, I want to say that in my region of southern Ontario there is a group of people working under the name of The John Howard Society. Four years ago they came to ask me for money for a specific program. I told them that we were very happy to have the opportunity of giving the people they work with the training they need to work in areas where there is a lack of labour.

[*English*]

The John Howard Society suggested we should set up a bricklayers school so that people could go there to learn the bricklayer's trade. We found that at the end of this particular Canada Works program 85 per cent of those who had been involved in the training were able to secure direct employment.

I might also point out that when the Canada Works program was put in place under the last government specific general areas were targeted, but we in Ontario found we were not eligible for grants notwithstanding the fact that we have high unemployment in the north and in other specific areas of Ontario. The over-all rate of unemployment was not high enough for us to qualify. I suggest to you, Mr. Speaker, and to my colleagues in the House that people who are unemployed in Alberta, in Ontario or in Newfoundland, feel much the same way about unemployment and that we ought to bring in specific programs which are able to respond to the need where it arises. I hope that the Canada Works program, which I trust will be put into place, will operate in such a way as to produce jobs in the most effective way possible.

Direct job-creation measures have a significant impact in precisely those areas where the employment tax credit program has a minimal impact. The different types of program are complementary and the government is committed to using them in a complementary way, building on their strengths and respecting their constraints. Employment development policy should contribute to and increase self-sufficiency of individuals in the labour market and, in the case of geographic areas, strengthen the capacity of the business sector; or where that sector is weak or practically non-existent, it should support the development of such a sector. To be effective, job creation and job-experience measures must be area-specific and situation-specific rather than a uniform package which would apply indiscriminately across the country.

In my area of southern Ontario, in St. Catharines, we have a shipbuilding industry. I recall that some three or four years ago we needed ship welders. We could not find them in our area so we advertised across Canada for people with this skill. We brought in ship welders from Great Britain. The agreement at that time with the shipbuilders in Port Weller was that we would allow these welders to come in provided that over three years the company would train and hire a like number of Canadian welders to take the jobs of the people we had imported. One of the speakers in the debate on Monday mentioned that in Alberta there is presently a great need for welders, and I suggest that such a program might be considered in the west. So, as I mentioned before, we have area-specific solutions and, in addition, solutions which deal with a precise problem area.

Programs, whether tax credit or cash programs, must be selectively and strategically directed toward clearly identified labour markets and geographic targets. This kind of targeting which respects the diversity of this country and is sensitive to differing needs and opportunities is a fundamental part of the employment development measures which the government is developing and which will be presented to the House in the near future.

As for Bill C-19, I spoke in favour of it when it was first introduced two years ago. When it was presented by the short-lived Conservative government, we supported at that time the tax credit system. We believe that it is effective. We believe that because of its low cost it is more acceptable to the people of Canada, and for our part on this side we wholeheartedly support the measure which the minister has introduced this afternoon.

• (1630)

Mr. John Bosley (Don Valley West): Mr. Speaker, I hope the House and you, sir, will indulge me today. This is that hallowed moment for every member of Parliament when he makes his maiden speech.

Some hon. Members: Hear, hear!

Mr. Bosley: I do appreciate the rules of relevancy which apply in all debates on specific bills. It would have been nice in the last few days if government members had followed those rules in the throne speech debate, but that is all right. I will do my best, however, to stay within the bounds of the bill and yet say a few things, if I may, about my riding and some general matters which affect this country today and which flow, I think, in any consideration of a bill which involves employment tax credits, and therefore employment, unemployment and economic development.

Don Valley West is the heart of Toronto. It is absolutely dead centre geographically. It has had the good sense to have been a Conservative riding for some time.

Some hon. Members: Hear, hear!

Mr. Bosley: There was a rare moment in the late sixties and early seventies when the electors of Don Valley elected a member who now sits opposite representing the Downsview area. Don Valley had the good sense, however, to kick him out in 1972 and elect one of the fine Canadians in the economic field, Jim Gillies, who served in this House ably for six years and who is still serving in a public capacity with us because he is a guy of whom we are very proud.

Don Valley West is a peculiar riding in many special ways. Contrary to what most people in Toronto think, it is in fact not a home owner riding; it is composed 55 per cent of tenants. Those are the people who over the years elected me as their

alderman before I sought this office. It is a riding which has the highest educational level of any riding in Canada, which is shown clearly by the way it votes.

Mr. Nowlan: Explain.

Mr. Bosley: "Explain", says a Conservative member. I do not have to explain that. I am here.

Mr. Ellis: That is self-evident.

Mr. Bosley: Don Valley West is a riding which is composed as much of employers as it is of employees. We have residing in our riding many of the major corporate employers. We are blessed with a very low level of unemployment. We are also blessed with some of the most scenic natural beauty one will find in the heart of any city. In Don Valley West there is Hog's Hollow and a ravine system, all of which is unique.

A number of us are interested in urban planning, and it is fantastic, as it is all through my great city, to find large numbers of trees, parks and ravines which complement all of my riding and all of the ridings in Toronto.

My riding feels pretty secure about itself and about its future. It is a riding which tends to be more concerned, therefore, with national issues than with local issues at election time. It is a riding which ever since 1972 has resisted the attempts by hon. members opposite in the now Liberal government to destroy the economic substructure of this country. That intent, in my view, is what leads to the need for such patchwork quilt measures as this, and that is what I would like to talk about now, if I may.

If we accept the hidden figures as well as the real figures, we now have something over one million people in this country who are not working. We have this situation, as we have so many of our problems, because those who have held power for too long in this town, as opposed to in our town, have never understood that you cannot run a country any differently from the way you run your bank account for yourself. You simply cannot go on printing money. You simply cannot go on borrowing more money than you spend without its coming back to haunt you. All the measures in the world to try to paper over the cracks—which is what this measure is—will not solve the structural problem called "You are making the foundations crumble". That is precisely what we have been experiencing, and that is precisely why, when the decade of Pierre Trudeau government began, unemployment figures were not nearly so high, inflation figures were not nearly so high and have ever since got worse. We tried in our short term in office—

Mr. Chénier: And you failed.

Mr. Bosley: —to turn around the basic economic policy of the Government of Canada. We did that in a whole budget which, in its entirety, would have begun that process of restoring some sense of economic security and economic confidence in this country. It would have led inevitably to the end of the need for measures such as this. The tragedy is not that we lost. The tragedy is that Canadians will now have to suffer through four or five more years of more and more unemployment and more and more inflation because hon. members opposite simply will not face up to the pure and simple economic fact that you cannot increase your deficit by $3.7 billion in one year. They simply will not face up to the fact that you cannot increase your spending by 13 per cent when the gross national product increase is going to be 10 per cent.

You cannot go on like that, Mr. Speaker, without stripping off the economic fabric of the country, because you force yourself to take more and more money out of the private investment system, thereby driving interest rates up because money is scarce. Unless you pursue the other alternative, and that is simply to print more money and deflate the currency. You cannot go on taking more and more out of the private capital system and then expect it to be continuously able to produce the jobs, growth, wealth and investment that a growing labour force needs.

So if you are pursuing the Alice in Wonderland policy of saying to the people of Canada, "It is okay, we can borrow more and spend more, and it will not cost you now or later," the inevitable response is measures like this which, one has to admit, given the circumstances, may be necessary. But it is crazy to think that you can solve the problem we have in this country by such measures as this. In fact, in a way you are misleading people with a measure like this, because you are attempting to find a solution called government spending or revenue losses to solve a problem that the government itself is creating by spending too much.

So, Mr. Speaker, if you pursue the system which says that the answer is that we will continue to come up with more and more measures which on either side of the government ledger are actually a cost, thereby driving up the gross cost of government, you are causing the problem and then saying you are solving it. I heard the parliamentary secretary a minute ago use words which scare me: "What we need are area-specific solutions to this problem; what we need is a selectively planned strategy". More gobbledygook. What we need in this country is a government which will face up to its economic obligations, live within its means and get its hands out of the pockets of the taxpayer.

Some hon. Members: Hear, hear!

Mr. Bosley: Further, we need not only a government which has morals, which some Canadians will have difficulty finding in the current government, but a government which is prepared to face decisions and to make some. The irony for me as the labour critic is that we sit in this House dealing with this measure while we cannot get a decision out of the Government of Canada on what to do about Chrysler. So we sit with a measure which cannot possibly benefit in a year as many people as may be laid off as a result of Chrysler's closing, if it occurs. Can we get a yes or no decision out of the Government of Canada on a subject which is so close to the hearts of hon. members opposite, the question of a Yes or a No? No, we cannot. Hon. members opposite know they have to make that

decision and that they have to stand up and face their obligations. They have to make a decision soon on that question, and their attempt to put it off and to put it off is hurtful. Whatever the decision is, the attempt to put it off is hurtful because, if they are not going to make a decision to help, they are going to have to make a decision to figure out how to help the people who are going to be laid off.

● (1640)

A much more important issue is what the government are going to do about all the people in this country who are now unemployed and whom the government's economic policies are going to render unemployed. A solution is the moral obligation of the Government of Canada. Either they will face it—which I doubt—or they will pursue—which I expect—the same policies we had for 11 years prior to our election in May.

That is exactly what the throne speech contemplates and what the non-budget budget contemplates; that is, we can expect to be asked, as the House of Commons, to deal with more and more measures such as this. We are going to find that, because of the failure to rectify the underlying problem, the political need will be to cover it up even more. That is precisely what we have had and that is precisely what, in political terms, the employment tax credit issue is, namely, an attempt to avoid the fact that the government has caused the unemployment.

So I predict that, because what we have seen so far in this House is a desire to become more and more greedy, this is only the first measure of its kind which we fill face. We will see many more of them, tragic as they are and necessary as they might become because of the policies that underlie the thinking of the government opposite.

The Minister of Employment and Immigration (Mr. Axworthy) across the way shakes his head. I hope he knows. I am never quite sure what he knows but there have been some suggestions in the House that he did not know everything he needed to know about things he ought to have known. I hope he knows that the strategy on which we were working in the employment growth program is right, and it is not just the program we were going to put in place. It was based on a reduction in the growth, the size and the borrowing requirements of the government. All of the programs that the government intend to bring in are doomed to failure if they miss that fundamental point.

If the answer the government give us is more employment tax credit programs paid for by ever-increasing deficits, if the answer they give us is strategic area-specific solutions paid for by ever bigger spending, if the answer they give us is ever more subsidies, if the answer they give us is more and more government intervention to try to solve the problem, then they are causing the problem. You make that decision somewhere, Mr. Speaker. You decide whether you are part of the problem or part of the solution. That is precisely what the Minister of Employment and Immigration, the Minister of Finance (Mr. MacEachen), the Prime Minister (Mr. Trudeau) and ministers opposite have to come to grips with.

We over on this side know and are proud to say that we have always had the courage to face those decisions, to make them and to take our chances. I know we lost the election, and nobody over here likes the fact we lost; but we take pride in what we said to Canadians. We said there is no free lunch, and we will go on saying there is no free lunch. We will go on saying that so long as people want to be conned into believing that there is one, or are asking to be taught to be part of the process that makes sure there is no lunch for anybody.

That is the horror of the non-budget of the other night. That is the horror of a throne speech which says openly to Canadians: Hang your heads in shame, you can have no faith in this country on the economic level because your government simply does not understand how a home owner in this country lives, does not understand how anybody who has to meet a payroll lives, and does not understand how anybody who has a banker over his head and has to balance his cheque book lives. That is the frustration of anybody who cares deeply about the unemployment problem in this country.

All of the solutions and strategies we hear miss the unity of the whole. The unity, if ignored, will ruin us. Canadians know that because they register protest with members on this side every day; they know that the time of reckoning is coming. They know that to say to the people of Canada, "You are not going to pay 18 cents in tax for gas" but then to increase the deficit is cheating them. They know that to say to the people of Canada, "We have an economic substructure, an economic policy option called 'we will live within our GNP and our spending programs' ", and then to bring in a non-budget saying spending will increase 13 per cent, is dishonest.

They know that all the employment strategies in the world that are based on economic policies that strip money from the private sector are ruinous. They know and are afraid, and should be, that there is a thing called national bankruptcy. It does not happen because somebody calls your note; it happens when your dollar takes a nosedive because your balance of trade gets out of whack and nobody wants your goods. It happens because nobody will invest in the country, no one trusts the future and because money leaves this country.

Anybody who has been checking with the market and with his friends since the non-budget the other night knows that that process has begun again, the process of people thinking seriously about selling their companies and moving out of this country. If you think about that you will remember that the whole process accelerated about two years ago and became hot and heavy, as anyone knows who is in the brokerage business, as is my family in Toronto. The process accelerated in the last year before the May election, and everybody in the street in the brokerage business knows that. It stopped after the election in May when people began to think about reinvesting in this country, about using their funds to create jobs, not because of a government employment tax credit, not because of DREE programs, not because of programs which encourage non-economic investment, but because of the sense that this country's economy in the future will be good.

Therefore, it should be no surprise—certainly it was not to me—that after our defeat and the election of the new government there was a pause in street activity while people waited to see what the government were going to do. Starting with the throne speech and, more important, starting since the non-budget budget, the process has begun again. Anybody who wants to check that can call any broker in Toronto and that is the answer he will get.

So all these programs—and the parliamentary secretary indicated that this is just one of a patchwork of disastrous programs because the government missed the boat of restoring the basic economic health of this country by leaving money where it should be, that is, in private citizens' hands where it would be spent wisely—are immoral. The private industry sector in this country is the only sector in which you can create jobs. If you kid yourself that you are helping people by putting out a program which says on its face it is going to assist them but really strips them of the ability to invest and of the rewards for investing, and so long as we believe as a nation through our government that wealth is a bad thing and we should tax it away—which started with the nonsensical capital gains tax in this country—so long as we pursue that road, no program of this kind will solve the problem.

It is rather like saying that the house in which you live is in super shape because you just painted the outside white, but you did nothing about the fact that the roof is still leaking and destroying everything inside. If you do not deal with the foundation problems, if you do not deal, as the western premiers indicated the other day, with the structural economic problems in this country, if you pursue policies that lead to the incredibly high interest rates which we now face, if you pursue policies which lead directly to massive foreclosures in the housing industry, if you pursue policies which force people out of work, then when you come forward and say you have a solution that amounts to $1 or $2.50 a job, you are doing something that is despicable because you are saying, on the one hand, "I will create a job", and on the other hand, "I will create ten unemployed." Boy, that is not exactly the way to grow anything!

● (1650)

Anyone who does any investing knows that an investment where one wins a dollar and loses ten is not so terrific. Yet because these programs have been generated over the last 11 years and will now be continued, one has to explain to Canadians why, if those programs were so good, unemployment in that period increased from 300,000 to 1,200,000. If the programs and the economic policies are so darned successful after all these years of work, why are we in a mess?

Do we get answers which deal with the fact that we are in a mess? Do we get answers which deal with the structural problems? No, we get, "Let's change the expiry date on the employment tax credit". Do we get a budget? Do we get an economic statement of the policies of this government? No, we get a statement which does not say anything about economic policies. The government try to hide and say that it is a non-budget. The fact is that the budget presented in the House refused to deal with the problems in the country. That is the fundamental reality. So we do not have a new government; we have the old government made worse. We have the old government continuing to do everything wrong.

I think most Canadians will know that because of those policies and that reality we will have increasing unemployment and incredible problems dealing with our own interest rates. Inflation will not diminish and we will be worse off in international terms. What does this mean? Perhaps other members of the House will speak about what is sometimes called economic nationalism, but those of us who believe very, very strongly in making Canada strong economically, those of us who want this country to be strong, know that the real problem being created is the inability to make Canada strong because we mortgage ourselves forever and forever until ultimately we have to go to the only banker left, that is, people who are not in this country.

Instead of developing a greater ability to control our own destiny and to deal with the problems facing the country, we spend our time, through the policies of this government, making sure that we have less ability to deal with them, less freedom to move, less opportunity to grow and less opportunity to employ people. That is incredibly frustrating to anyone who wants to invest and put his money to work helping the creation of jobs at this time in this country.

I thank Mr. Speaker for his indulgence in this matter. I tried to stay as relevant as I could to the topic before us. Let me just say to the voters of Don Valley West how grateful I am that they sent me here for the second time. Last May does not seem that long ago. Sometimes it is impossible to believe that we have had two elections, but we have and here we are. I do not think any member would disagree that there is no greater privilege than to serve in this chamber. Even when one disagrees with hon. members opposite or sometimes disagrees with one's friends, in this House are collected 282 representatives of the greatest people in the world. Regardless of all the partisan arguing, name-calling and the rest of it, I do not think anyone in this House feels any less than that the people of Canada are extraordinarily well served by all 282 members.

Some hon. Members: Hear, hear!

[*Translation*]

Mr. André Maltais (Manicouagan): Mr. Speaker, my statement will be quite short. Bill C-19 now under consideration is an important bill since it directly affects over 50,000 jobs and provides funds of $100 million. Considering that most of those jobs will be filled by young people under 25, as indicated by statistics, I think it is important that hon. members pass it quickly because there are many people in Canada who directly depend on those funds aimed at extending that legislation until 1982.

I know quite well what unemployment means for young people, being myself one of their representatives, and I think that in spite of the comments made by the opposition a few minutes ago it is essential to have such projects to assure the

continuity of the program and stimulate the creation of employment. Of course a program such as this one may fall short because it is temporary but I would like to say a few words about what it will achieve in the long term. In the shorter term, it goes without saying that the project is important because, as I said earlier, there are people right now who are waiting for the program to be implemented directly in certain regions of the country and who desperately need that kind of assistance to undertake projects which obviously would otherwise be doomed or whose loss would at least allow the rate of unemployment to rise considerably. But my remarks to the minister relate to the longer term and in that respect I would like to know whether his department has made a review of the actual employment structure or whether it has plans to allow young Canadians to join the labour force directly with assurance of financial and job security.

What is really dramatic about the plight of these young workers, men and women alike, who graduate from community or other colleges or from universities or simply from high schools, is that when they apply for jobs with any employer anywhere the answer is always the same: there are no vacancies or, if any, they are always temporary jobs. And then we wonder as members of Parliament or simply as ordinary citizens why there are so many protests or why delinquency is so rampant. I feel that one of the basic reasons is truly the shortage of jobs.

Well, this bill is important because its short-term objective is precisely to create jobs, and this is its first quality. But its greatest shortcoming is that after 52 weeks, as various statistics have shown, our young people are again faced with the shortage of jobs, which is why after a while they become demoralized, and it is impossible to motivate them again into either finding places for themselves in society or merely contributing to our national productivity. And as an hon. member opposite mentioned a while ago, the government must direct all its resources and energy toward creating productive jobs and not merely artificial ones which finally make it necessary for us to raise taxes and increase our deficit. Sometimes jobs are created which are more or less meaningless.

The employers who to a large extent take advantage of these programs—75 per cent according to some statistics, and 82 per cent according to others—are small and medium-size corporations, and I should like the minister in a little while to tell us whether profitability or at least assessment studies have been carried out with the corporations involved. Do the small and medium-size firms, industries and corporations which have hired young and older people say they are satisfied with these programs? Can they give evidence that their ability to produce and their profitability have increased during the 52 weeks the program was in operation? Those are so many answers I would like to hear from the minister, because in our region this program is not particularly well known. And I would like at this time to advise the minister that when it comes to programs such as this one, the information may be deficient. Naturally, I represent an extremely remote riding, and when speaking of job creation, I more particularly have in mind what we call the lower north shore of the St. Lawrence, the area from Sept-Îles to Blanc Sablon, 400 miles of coast inhabited by fishermen. If we examine this program we can see that on the whole the north shore does not have full coverage, so much so that the area does not even appear on the diagram. So I would like to hear from the minister whether it would be possible to have better promotion for regions which are more or less covered by this program, in many cases because of remoteness.

Another aspect of this program that I consider important in the short term, and I emphasize this, is the valorisation of work. It is most important in such a program to make sure not only that young people could be quickly integrated but also to ensure some continuity. Was a study undertaken at the department level? Where do those young people go after spending a certain time in those programs? This is important. Of course one of the positive aspects of this program is that it gives work to some people. It is even, I think, the fundamental aspect of the program. But what happens to those young people after the 52 or 60 weeks, because we know that in many cases it may become a permanent job. When considering department statistics we realize that after 52 weeks many jobs which were created by the program were maintained. But are those young people who stay for a long time after those 52 weeks covered by the statistics? And after that, where do they go exactly?

This is not mentioned in the reports of the department, and often, in the very structure of the job-creation process, it is one of the elements which are ignored. It would be useful to know how much follow-up is made by the department in such a program.

It should also often be a good thing to enter some elements of the compatibility of the regions in those programs. It means that in a place such as ours, on the north shore, when speaking of job creation, we speak about skilled jobs. Often, those who could enter such a program do not meet that first requirement. With regard to the requirements, they should be more flexible. I noticed that the criteria are often extremely vague. For instance, the statement is made that anyone 18 to 64 years of age is eligible for the program. But one soon realizes when a worker goes directly to see the employer at a manpower centre that a whole series of qualifications have to be met, which results in the unemployed remaining without a job after having gone to the manpower centre to apply for admission to that program.

As for the programs themselves, Mr. Speaker, does the department ever wonder about whether or not the hundreds of millions of dollars are really spent on the programs when, in fact, a considerable amount of money goes to large companies? I am thinking here of the multinationals. Does the amount of money intended for companies go to the multinationals? That is important, because I feel that those companies

can afford to hire employees. We would be better off granting that money, as much as possible, to small and medium-sized companies. A moment ago, I spoke of 80 per cent, but there remains 20 per cent, I should very much like to know, to find out exactly how that 20 per cent is spent. Do the large companies get that money, companies which could create employment without government subsidies?

In closing, may I simply ask the minister not to create a task force—because we know very well how that can end up, we are fully aware of all that would entail—but to see to it that within the next 12 months his department gives us a brief analysis of the situation, so that steps can be taken before 1982 to create jobs over the longer term. Should the strategy for long-term job creation not include elements from the world of labour as well as management? Because, and that also ties in with the implementation of collective agreements, it is often very difficult to fit in the young when they first come on the job market because they do not have any seniority. But would it not be worthwhile to have representatives of the business community, the labour movement and the student population meet to see what could be done for young people with respect to long-term job creation?

In my view, the measures described in this program, in Bill C-19, are obviously important but, as one member of the opposition said earlier, as we said when we were the opposition and even before then, they are merely palliative measures. In the short term, they help, they obviously allow some people to gain experience and enable industries to engage in experimental work; these are advantages I will admit. However, for those intending to settle down, to join the Canadian community, to produce, to raise a family, to plan their life, it is more important that we succeed in working within the economic system to generate long-term jobs.

In concluding, I would therefore ask the minister if his department could not undertake a brief study of these conditions in an attempt to give certain directions which a committee of the House could study with a view to recommending ways which would give our young people and even those not so young the permanent jobs they are looking for. One is always amazed to see how unstable and how demoralized today's society is, for let us not delude ourselves, the outlook for today's youth is bleak. They seem to think that nothing lasts for very long, that everything is temporary and that governments are more or less helpful.

Therefore, in the wake of a short study which would give us some direction to work for the long term, in the coming year, between 1980 and 1982, we could really try to develop an employment policy which would revive youth's faith in the future and allow the department to create productive jobs; as a result, the whole Canadian economy would be better off, in my view.

• (1700)

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

The Acting Speaker (Mr. Blaker): Order, please. Before I recognize the next hon. member, it is my duty, pursuant to Standing Order 40, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the hon. member for York North (Mr. Gamble)—Public Service—Criticism in report of Auditor General; the hon. member for Surrey-White Rock-North Delta (Mr. Friesen)—Penitentiaries—Showing of sex film to inmates; the hon. member for The Battlefords-Meadow Lake (Mr. Anguish)—Government expenditures—Improved financial information to Parliament.

GOVERNMENT ORDERS

[*English*]

EMPLOYMENT TAX CREDIT ACT

AMENDMENT RESPECTING EXTENSION OF PROGRAM PERIOD

The House resumed consideration of the motion of Mr. Axworthy that Bill C-19, to amend the Employment Tax Credit Act, be read the second time and referred to Committee of the Whole.

Mr. John Gamble (York North): Mr. Speaker, this bill presently before the House contemplates an amendment to the Employment Tax Credit Act and has anticipated therein the duration of a period of two years, to end on March 31, 1982. The minister's press release accompanying the presentation of this bill has the rather illuminating statement attached thereto, that this will be a "temporary measure". This bill has all the appearance of being temporary in the same fashion as one might apply that term to the provisions of the Income Tax Act.

The minister went on to say in his press release that the measure is being "designed to ensure that an effective job-creation program continues while an employment strategy is being prepared for early announcement in the House of Commons". That begs the question of why an employment strategy is required. The answer is not hard to discern. There are more Canadians seeking employment in our country than there are available positions to satisfy them.

We are now entitled to ask why that is the situation. I know that the Deputy Prime Minister and Minister of Finance (Mr. MacEachen) in his non-debatable budget explained that international circumstances dictate our economic climate. As a matter of fact, as I listened to his rather sage comments in this House I was left with the very distinct impression that I must have been sitting in the U.S. Congress.

The real answer is that the government has badly managed the business of governing Canada and has negotiated international commitments which have not been in the best interests of our nation. We are currently losing $3 billion this year on an auto pact agreement with the United States. We have become a nation assembling the auto parts produced around the world, not only in the United States, the party to the contract that we negotiated.

• (1710)

Our negotiators misjudged the commercial advantages to our American partners in that arrangement by not taking into account that the parent corporations of the companies to benefit from the arrangement, through the control of their foreign subsidiaries, would see that a great deal of the auto parts that were to be assembled in Canada were manufactured in nations where wages are considerably lower than might have been paid in either country that signed the pact. We also failed to recognize that a combination of the after-market with respect to parts combined with the attractive nature of the original equipment market would exceed in value the economic benefits to be gained by the nation involved in assembling those parts.

The government has continued to pursue a policy which will preclude Canadian business from exploiting the arms industry. I had occasion to listen with some dismay to the former minister of defence in the previous Liberal government when he announced that he thought that the creation of a Canadian armaments industry would be unhealthy. Unhealthy indeed, when this government has just negotiated a contract for the supply of fighter aircraft for our armed forces which, when the contract is concluded, will see something in the neighbourhood of a $4 billion expenditure, a large portion of which will flow out of this country into another nation. We have concluded the purchase of leopard tanks from Germany. We have at the same time concluded the purchase of armoured personnel carriers from another European nation.

The government's answer to the decline of research and development in this country, which would not only have permitted the development of an armaments industry, but spinoff industries as well, is to announce in the Speech from the Throne the lofty hope and expectation that it will commit itself to over-all expenditures on research and development of 1.5 per cent of the value of the gross national product of Canada.

It is somewhat illuminating to note that in 1975, the last year in which figures were published with respect to research and development and its relationship to the gross national product, the United States spent fully 2.35 per cent of its GNP on research and development. Germany spent 2.6 per cent and Japan spent 2 per cent on research and development. Canada spent the rather insignificant amount of 1 per cent of its GNP. We are promised that that figure will be increased by 50 per cent under the current government, though we were not given any time as to when this miracle will be accomplished.

I urgently direct to the attention of this House the commitment of the former Conservative government of striking a goal of 2.5 per cent expenditure on research and development. We see the results of the failure by the government in this area in this bill, Bill C-19, which asks that more federal funds be spent on paying the salaries, at least in part, of employees in private industry, which means more federal funds extracted from the pockets of the taxpayers of Canada.

What are some other reasons which come to mind as the causes of unemployment? Surely the inability of this government to fix a price for oil must be regarded as one of the most significant reasons. The very tight-lipped but amusing response of the Minister of Energy, Mines and Resources (Mr. Lalonde) in this House this afternoon might have been appropriate on the campaign trail, but it is hardly appropriate when dealing with the day to day business obligations of the Government of Canada. He told us that the price of oil would be determined on the basis of a blending of prices which consisted of the blending of conventional oil—or, as he referred to it, the old oil—tar sands or synthetic oil products and imported crude oil.

So much for the blending, but what of the price? Indeed, what is the price that may be considered by Canadian businesses when they are determining their costs of operation? I had occasion some time ago to discuss with a constituent of mine, whose corporation was in the business of paving roads for municipalities, the anticipated cost of one of the essential ingredients in his raw materials. Am I to say to him that today in this House the Minister of Energy, Mines and Resources has clearly established a price that he may use as the basis for tendering on contracts which he must make in advance for a period of one year? When this constituent submits his tendering documents, should he say that the price for which he will perform his services will be a blended price, consisting of the price of labour, the mark-up for overhead and profit, as well as the blended price of oil, one of the essential ingredients in his raw materials?

The answer to that question is, very clearly, that it is nonsense, both for business and for government. Predicting with some degree of reasonable certainty what will happen tomorrow is most assuredly one of the hallmarks of astute business judgment.

Mr. Caccia: Mr. Speaker, the intervention by the hon. member opposite is very interesting. I would like to inquire, sir, whether you think it is relevant to the bill before the House?

The Acting Speaker (Mr. Blaker): The Chair is aware of the rules of relevance relating to debate in this House of Commons. It has been noted that relevance has not been a stringently administered rule in the Canadian House. I will accept the observations of the hon. member for Davenport (Mr. Caccia), with the suggestion that perhaps the hon. member may wish to consider his comments in that light.

Mr. Gamble: Of course, Mr. Speaker, I considered those elements of relevancy in preparing my remarks on this bill. The nature of the bill itself, which contemplates the advancing

of funds to continue a program, automatically opens the flood gates of a searching mind as to why the funds are required. In my mind the funds are required because there is unemployment in Canada. If, however, the learned member believes there is no unemployment in Canada, then my approach in addressing this House should be considerably different from what it is.

Mr. Caccia: My mind is not as searching as yours.

Mr. Gamble: I recognize that, and that is why the hon. member is sitting where he is. The comments which I make here, incidentally, are made by way of a maiden speech in this House, despite the fact that I had the honour of sitting here in the Thirty-first Parliament. They are confined, of course, because of the rules of relevance. I am making these remarks because I believe that I can no longer wait to address those customary general remarks which are characteristic of a maiden speech to my constituents, having regard to the urgency confronting the nation from the way in which this government intends to conduct the affairs of this nation.

I might also add that I am prompted to make these remarks because we are confronted with monetary and fiscal measures which were introduced by the Minister of Finance in a non-debatable form, and they in themselves are an inducement to deal as best we can with those matters that lie in the road ahead of us.

● (1720)

Mr. Speaker, the business community in Canada that is to be assisted while the government allegedly assists those people who are unemployed keeps a very watchful eye on the functions of government. Aside from the 5 per cent temporary surtax on corporate profits that appeared in the non-debatable budget of the Minister of Finance, we are treated to the prospect of further deficit financing of the kind that can only deter business from the expansion and development that is so necessary to the financial well-being of our nation and its people.

I direct your attention in this regard, Mr. Speaker, to the fact that at the conclusion of the 1980-81 fiscal period we shall have a deficit of $14.165 billion. We shall indeed have an "interest only" element of the cost of carrying the national debt in the neighbourhood of $10.5 billion. These projections can do nothing but send a cold shiver down the spines of Canadian businessmen. If one thing is certain it is this: the day must come when the piper must be paid. That day is rapidly approaching, Mr. Speaker. Surely no business in Canada is in a position where it wishes to expand and develop if it is confronted with the prospect of paying the monumental taxes that would have to be paid in order to satisfy the obligations and debts run up by the Government of Canada.

While the Minister of Finance may speak about our current economic problems and in some way lay the blame upon international circumstances and the declining advances in the United States, I do wish he would have some regard for the efforts made by the United States government to balance its budget and cut its deficit. Instead of that, we are faced with ever-increasing deficits in this country, none of which are commendable to business and none of which will induce business to expand its operations and remove the need for a bill similar to Bill C-19.

Is it always to be the function of government to destroy free enterprise and then encroach upon the funds of the taxpayers of this country, as is the case in this piece of legislation, in order to rectify the errors it made initially? I submit that is not its function.

What of the application hitherto of the Employment Tax Credit Act which it is sought to amend today? That plan has been a bureaucrat's dream with application forms and paper work which are anathema to private enterprise. In its typical fashion, the government's answer to strangling bureaucracy has been to create more of the same. We can recall very vividly the creation of the office of the commissioner of paper burden whose first task was to send out questionnaires requesting answers to be submitted by the business community.

The real answer to the minister's suggestion that this measure is but temporary while the government develops an employment strategy is that the government already has an employment strategy. It has demonstrated what it is and it has also demonstrated that it does not wish to change it. The strategy is to take up the unemployment in this nation through the public service.

In Canada we have a public service payroll of $8.6 billion, as shown by the report of the Auditor General tabled in this House as recently as last week. From that report we know that the typical production level of the public service is 60.8 per cent compared with production levels in private enterprise of 80.7 per cent. As a matter of fact, the production level in private enterprise is on occasion higher.

We also know that in undertaking the survey the Auditor General omitted the Post Office from his investigation. We know as well that while the 60.8 efficiency level was an average, some of the averages were as low as or less than 55 per cent.

As a member of the last Parliament I served on the public accounts committee of this House which had as its chairman the President of the Treasury Board (Mr. Johnston). At that time, having regard to the way in which the minister functions, I was convinced that he had a genuine regard for the proper expenditure of money belonging to the taxpayers of this country and had some real concern for finding remedies for waste and extravagance and a means of instilling in the public service of this country a sense of responsibility which has hitherto been lacking.

At that time we endeavoured to determine how some of the functions of the public service might best be amended in order that this efficiency and responsibility might be instilled. I was somewhat surprised, therefore, when questioning the President of the Treasury Board, to find that he thrust back to the committee of which he was recently a member the task of

determining how to solve the problems of efficiency and competence in the public service.

We all know, Mr. Speaker, that public accounts committees of this House will come and go. Nothing will be achieved unless government takes a firm step to ensure that both management in the public service and individual efforts on the part of public servants are directed to granting to the taxpayers of this country something that they deserve—a fair day's work for the pay received.

Very clearly, as the Auditor General has indicated, as a consequence of the deficiency in performance there is an excess of employees in the public service—if we are to have regard only to the figures—of 24 per cent. Otherwise we might draw the inference, as the Auditor General has, that with the present staff 32 per cent more production might be achieved. That production is the minimum recommended by the Auditor General—the 80 per cent minimum, not the standard average that is to be found in private enterprise of 87 per cent. As I have indicated, this is without regard to the functioning of the Post Office Department.

It is, Mr. Speaker, an abuse of the process for government to intervene, when attempting to solve the unemployment problem in our country, by creating more employment in the public service. We learned from the Speech from the Throne not that the government recognize that the Canadian public is fed up with too much government, but that the public wishes to have more efficient government, not less.

● (1730)

I do not know where the ministers of the Crown have been when surveys have been taken by Gallup indicating where the concern of the public lies in this area. There was a time when big business was regarded as being the most oppressive, offensive element in society. There was a time after that when the public had the view that labour unions were the most oppressive, offensive element in Canadian society. However, today it is this government and its ever-extending authority, its ever-reaching arms into the pockets of the public and its placing on the backs of Canadians of undue burdens.

The process is made easier by the creation of new positions, by expanding unnecessary work loads, and by hiring programs in the public service which are clearly demonstrated by the report of the Auditor General to be unnecessary. It is essential for the government not only when it presents a bill such as C-19, but when it presents any bill calling for the expenditure of public moneys in the fashion that it does here, to have regard to the manner in which those public moneys are spent.

The public recognizes that there is not an inexhaustible supply of funds which may either be drawn upon today or hopefully drawn upon in the future by postponing the agony. It is time that the government today recognizes that as well, and takes those remedial steps which are essential.

We were told in the Speech from the Throne that Canadians expect action, and action now. That is true. However, to repeat that time and again will not solve the problem without action. Study groups, re-examination, the appointment of commissions, examination on an annual basis of the Auditor General's report, will not solve the problem. The problem will only be solved by concrete affirmative action taken by this government in order to satisfy the legitimate demands of the taxpayers of Canada.

Mr. Rod Murphy (Churchill): Mr. Speaker, I wish to congratulate all those who sit in your seat for their impartial stand in the way that they rule this House.

When listening to the last speaker, I was interested when he was interrupted on a point of order by a government member. The government member was, of course, asking whether the hon. member who had the floor was being relevant to the topic. My comment would be: is the legislation relevant to the problem?

When Bill C-23 was introduced in January, 1978, all parties agreed that it should have speedy passage. However, the New Democratic Party spokesman in the debate at that time, Mr. Stu Leggatt from New Westminster, had no illusions about the ability of the bill or the program to make a dent in unemployment. I quote from *Hansard* of that date:

This bill will make such a small impact on Canadian unemployment that I am surprised a backbencher did not introduce it.

Neither are we today under any illusion as to how successful this bill will be in coming to grips with one of the problems that face this country. That is the unemployment problem. The proposed measure is clearly inadequate. It could be described as a band-aid measure, except that it is a band-aid to an already existing band-aid. In other words, the minister is proposing to fix up a problem by just putting another band-aid on a program that was introduced two years ago as a band-aid at that time.

An hon. Member: It won't stick.

Mr. Murphy: It will not stick, Mr. Speaker. Instead of proposing measures to help meet the needs of the millions of unemployed in this country, the minister is only extending a temporary program. Throughout the recent election the people of Canada heard that there was a new team of Liberals, a new and improved Liberal party, yet in this measure, as in the throne speech and in the mini-budget the other night, we find that the Liberal party has nothing new to offer Canada.

There is some history we should consider when we look at this legislation. If you really look at it, you find that it is the same legislation that was introduced two years ago. The Liberal party at that time introduced a temporary measure. Instead of meeting this crisis with any concrete program, any over-all program, we get the same program extended for one more year.

It is a typical Liberal patchwork and band-aid approach to the problems that face this nation. It has been caused by an increase in foreign ownership, an increase in the tendency of the Liberal party to try to deal with a problem by throwing money at it. It is a problem which is increased by the hodge-podge approach to make-work programs like this one, the Local Initiatives Program, Opportunities for Youth, and so on.

Mr. Epp: You were in favour of them.

Mr. Murphy: The hon. member for Provencher (Mr. Epp) says we are in favour of these programs. That is only because the Liberal government and the Conservative government which preceded it did nothing to solve the problems of the unemployed. We have been forced to accept these temporary measures. We would love to see this country have an economic development strategy. We would like to see an industrial stragety to develop this country and its resources.

Unfortunately, the hon. member for Provencher is right. We have not had anything else, so we are stuck with this type of program. In each case these programs have created some jobs. A certain amount of dignity was restored to individuals who received jobs through these programs, and the federal Liberal government was let off the hook for a little while. However, unemployment has continued to grow. Foreign ownership has grown. Foreign investment has increased within this country.

Two factors have become apparent. First, these band-aid programs are not working. These band-aids which were supposed to cover the sores of the Canadian economy became tattered and weak. The pressure of public opinion caused by Liberals trying to offer these types of programs was to say that we need something more concrete, yet the Liberal government has not met these concerns.

Ultimately these programs have done nothing to solve the structural unemployment among the hidden unemployed or others in our society. This measure was introduced two years ago when the public, the unemployed, and the opposition parties were clamouring for measures to deal with the tragedy of unemployment. Bill C-23 is what they gave us.

This is a typical patchwork, band-aid approach that has been used time and again. A program is announced, millions are spent, and the program proves ineffective. What happens? A new program is announced or a program is extended, more millions are spent, and again the problem is not met.

In 1968 when the Prime Minister (Mr. Trudeau) was first elected to his position to implement a just society, the unemployment rate in Canada was 4.5 per cent. It is now 8.6 per cent. In Quebec in 1968 it was 6.1 per cent. It is now almost 11 per cent. In the Atlantic provinces unemployment in 1968 was only 6 per cent. It is now approximately 13 per cent. What has been the advantage of these programs? Almost nothing. Unemployment has increased. The control of our economy has decreased.

• (1740)

This program is a band-aid because it ignores those groups and areas of the country which need jobs the most. Yes, the program does contain a provision for higher rates of assistance to regions where existing employment opportunities are inadequate, and its supporters claim it has been able to create 50,000 jobs. Yet what does it do to train people who need training in order to get a long-term livelihood? It does nothing. What does it do for women and young people? It does almost nothing. And, to be honest, there is no proof that it has even created the 50,000 jobs the minister talks about. There is no proof these jobs would not have been created through other measures. Look at some of the groups which should be helped by an employment tax program, or an employment program of any sort. Let us look at the women of this country.

An hon. Member: Hear, hear!

Mr. Murphy: Women bear—

An hon. Member: Children.

Mr. Murphy: Yes, women do bear children. It reminds me of the Premier of Manitoba who was one of our greatest breeders, as he himself claimed, in the legislature of that province. The women came back with the remark that he was one of the greatest breeders of contempt. So, of course, it is not surprising to hear a Conservative's comment in this House. Women bear disproportionately the brunt of high unemployment, of inflation, and of cutbacks in government services. In the last ten years or so there have been severe effects on women caused by economic mismanagement of this country.

About 400,000 women in the labour force are without work. Almost 9 per cent of women workers are jobless compared with 5 per cent for men, and this does not include "hidden" unemployment, the real rate of unemployment among women which is much higher. The real rate should include the housewife who would be looking for a job if she thought she could find one; the real rate of unemployment should include the welfare mother who has looked for a job for months, has become discouraged, and has given up.

Then again, when any one of these women does find a job she can bet she will earn less than a man would earn. In 1970 she would earn less, proportionate to what a man earned, than she would have earned in 1968. Today, women make 58 cents for every dollar earned by men—if they have a job.

What we saw during the last decade was an increase in these problems, a story of inaction on the part of government. Take the year 1975, for example, also known as International Women's Year. The Liberals paid tribute by implementing a program of cutbacks to women's programs, disproportionate lay-offs in the public service, discriminatory unemployment insurance changes, and a refusal to enforce the equal pay for work of equal value clause in the human rights legislation.

The minister can go to women's groups, as he did last night, and speak out against Conservative thinking, and call out for the need for social policies, but when he shouts out against these neo-conservatives, as he calls them, he should remember that it is his party which, through its actions, has become the neo-conservative party of Canada.

Mr. Deans: Well said.

Mr. Murphy: One of the other groups which is being affected has been the youth of this country. When Canadian unemployment was 8.6 per cent last month, the rate for young people between the ages of 15 and 24 was 15.1 per cent. Getting that first job, finding employment suitable to their

skills and training, has become harder and harder for young Canadians, especially within the last ten years. These young people will increasingly refuse to be just statistics as they appear in government figures, because without providing a security job future for young Canadians, Canada has no future at all. What has this program done for young people? Almost nothing.

I should like to turn to another group of people who have been ignored by the government of the day and the government of the last 16 years. I am talking about the native people, especially those in northern areas. One only has to look at the Churchill constituency which I represent where, according to government statistics, the unemployment rate is only slightly higher than the Manitoba rate in general. Yet if you travel from community to community, as I have done over the last couple of years, you see the hidden unemployed. These are the people we do not find in government statistics.

Among the residents of Manitoba's northern native communities the actual unemployment rate is about 75 per cent; in some communities it is over 90 per cent. As I say, these people are not listed in government figures, but they are unemployed whether the government says they are or not. For that matter, these people are hidden from the whole manpower system. In most of these communities, the welfare system is a way of life.

The lack of planning in the Canadian economy in general, and the "pull the resources out of the north" mentality reflected in the history of northern development, have given nothing back to Canada's original residents. The occasional project has given some employment to native people but, by and large, there have been no quota systems which guarantee employment for native people. Training and long-term planning to benefit the north is what these people need, not the band-aid suggested by the minister today.

One of the speakers supporting the government said it was okay that this program did not help the remote communities because they had Canada Works programs. Madam Speaker, that is not true in Manitoba. It is not true in Saskatchewan, and it is not true in other parts of the country because the Conservative government we had a few months ago took those programs away from the people of northern Saskatchewan and from the people of northern Alberta.

An hon. Member: Shame!

Mr. Murphy: An hon. member on the government side says "shameful", and I agree with him. Anywhere else in Canada, and with respect to any group of Canadians, 75 per cent unemployment would be an abomination. The unemployment among our native population is an international disgrace and, as I said, this program will do nothing to help these people.

It is a sad fact that the companies which will benefit from this program do not exist in communities where there is native unemployment.

The regions of this country will not benefit from this program. Regional disparity is a testimony to Canada's history of unplanned economic activity and the growth of foreign investment which has tended only to increase the problem. Development still occurs in the centre, not in the hinterland. When market forces and companies are left to parcel out jobs and wages on their own, history tells us that they will leave too many people out of work in the maritimes, too many Quebeckers in low wage industries like the clothing industry, and too little manufacturing of any kind in western Canada.

Unemployment statistics can only tell part of the story because all that happens is we talk about known unemployment; the figures do not deal with the hidden unemployment in this country. At the same time they do not take into account the differences between the have and the have-not areas of this country. At times when the economic situation is not good, it is the poorer areas which suffer the most. For example, in March the unofficial unemployment rate in Newfoundland was 15 per cent but real unemployment was closer to 30 per cent. This was not the case ten years ago. The unemployment rate in that part of Canada has become worse and worse with each year of Liberal rule.

Statistics Canada does not include the 15 per cent of the population which is unemployed but hidden. These people do not have a foothold in the labour force. In a country as wealthy as Canada it is a disgrace that we should have regions where over 30 per cent of the population is unemployed. Again, what will this program do to correct regional disparities? It will do nothing, or almost nothing.

What we need is an active regional development program. We have to create an economic situation where all Canadians share equally in our country's wealth. We need full employment programs, investment guidelines, and new policies for federal programs such as this one, which would make sure that they benefit the regions, especially those regions needing economic development. The government must commit itself to a full employment program by establishing legislative targets and timetables each year for the number of jobs to be created in each region.

• (1750)

We also need an aggressive stance on affirmative action programs. The New Democratic Party fundamentally disagrees with the programs of the Liberal and Conservative parties. To the New Democratic Party, affirmative action means making basic alterations in the job market and in the conditions of work to guarantee that women, young people, native people, and people from outlying regions will get a foothold within the work force.

An hon. Member: Action, not public relations.

Mr. Murphy: As the hon. member says, action, not just public relations.

Affirmative actions must have the force of law. Compliance has to be compulsory rather than voluntary.

Any government moneys supplied to the private sector must be dependent upon a situated and in-place affirmative action program. The New Democratic Party recognizes that the

promotion of equality in the work force cannot be created like a train which runs along its own tracks and on its own steam. Instead, we believe that the concerns of those traditionally excluded from the labour force must be met in part by the terms of reference for government purchasing, for government action, and for government leadership in rebuilding our economy. Equal footing by groups within this country will not appear magically, but what we do need is government that is committed to action to meet the problems of the unemployed. Only through positive measures by government to ensure this participation and planned direction to the economy will such equality emerge.

It is this type of band-aid approach which has allowed the government to shirk its duties. Instead of having a comprehensive program to meet the growth and changing needs of our population, this government, and the Liberal party which it represents, has been afraid to meet the challenge. It has consistently opted for short-term programs and for tax write-offs, and the Liberals have prayed that somehow things would get better.

Well, they have not got better, and as I have proved in today's speech, things have got worse and worse with each year of Liberal administration. The Liberal party and the government must face facts. It will never be possible to meet the challenge of the unemployed unless the government develops a comprehensive program to develop our entire economy so that we benefit from the energy sources and the other resources, both natural and human, that we as a nation possess.

Finally, at the heart of Canada's unemployment problem is the obvious tragic failure to develop an industrial development policy. At the root of things we are having difficulty providing jobs for Canadians because economic decisions are not being made in this country. We have allowed most of our third sector, our manufacturing sector, to come under the control of the multinationals which have no commitment and no loyalty to this country. The operations of the branch plants are geared not to the creation of Canadian jobs but to the maximum profit for the head office which is situated abroad. And when the Canadian branch plants are shut down, our communities and our labour force bear the brunt of unemployment and depression.

From the mining town in B.C. to the sawmills in the same province, to the Windsor auto lay-offs, to the maritime fishing villages, Canadian people have lost their jobs when the multinational or U.S. company has cut back in Canada, and this bill will do nothing to solve that problem.

We will never truly be able to do anything about unemployment in this country until we have a government which will gain control over the development of Canadian resources and create Canadian industry and Canadian jobs for Canadians.

Mr. John McDermid (Brampton-Georgetown): Mr. Speaker, first I congratulate the minister on his appointment to his onerous task. I hope he realizes the big and very important job he has.

The first thing he said to us today was that he wanted us to pass this bill through the House hurriedly. In the last week and a half all I have heard in this House is, "Please give us your co-operation". We will co-operate, but we are going to examine each and every bill which goes through this House responsibly.

This is my second term. In the first term I was here I did not see the co-operation one might expect, especially when we were bringing in bills which were introduced by a previous government and it was a matter of some housekeeping. I heard hon. members opposite, including the minister, speaking at some length on some of the bills which should have received relatively fast passage. If I remember correctly, the first thirty days of the last Parliament were taken up with a great deal of unnecessary chatter.

The previous speaker, the hon. member for Churchill (Mr. Murphy), made some very good points. He used the term "band-aid"—a band-aid effort—and this employment program is just that. It is a band-aid program. It is brought in to let the people of Canada think that the government is doing something to create jobs.

In the last campaign one of the most frequently asked questions by young people of me was, "What future do I have in this great country; will I have a job; will I have a meaningful job?" I am not convinced that this bill answers that question in any way, shape or form. The minister has not presented any meaningful statistics on the performance of this program over the last two years. Were the jobs which were created, meaningful jobs? Are they still in existence, or have industries closed down? I am not sure that this program is helping the people it should be helping. Is it helping the struggling young entrepreneur who is trying to get off the ground, trying to expand his company or trying to create a company? I do not think it is helping him because he probably does not have any taxable income for the first number of years.

Rather than bringing in some of these old bills and extending them, I challenge the minister to present a meaningful package. The process could start with a budget, if the hon. Minister of Finance (Mr. MacEachen) could screw up enough courage to present one to the people of Canada. That is where it should start, so that the private sector can plan its business over the next few years.

I am concerned about the youth of Canada. I have here some frightening statistics. I see that 410,000 people between the ages of 15 and 24 are out of work; 202,000 of them are between the ages of 20 and 24, which is an age which is very important in the development of a person's life when starting out in a career. I think the moneys which this program requires could be much better spend elsewhere. For example, let us talk about the unemployment insurance program for just a minute.

Before I start on that subject, I note the time. I would like to continue my remarks at eight o'clock. May I call it six o'clock, Mr. Speaker?

The Acting Speaker (Mr. Rose): It being six o'clock, I do now leave the chair until 8 p.m.

At 6 p.m. the House took recess.

AFTER RECESS

The House resumed at 8 p.m.

Mr. Deputy Speaker: When the debate was interrupted at six o'clock, the motion for second reading of Bill C-19, an act to amend the Employment Tax Credit Act, was under consideration. The hon. member for Brampton-Georgetown (Mr. McDermid) had the floor.

Mr. McDermid: I ask for your indulgence for just a moment. I notice that the Acting Clerk is in the House and I wanted to say in passing how pleased I was that I had the pleasure of having Mr. Pelletier swear me in. It is good to see him in the House. I know he is filling some big shoes very capably.

Some hon. Members: Hear, hear!

Mr. McDermid: Also, I heard the good news today that the Clerk is finally home from the hospital. I know we are all pleased to hear that.

When we recessed for the dinner hour this evening, I was in the process of discussing briefly Bill C-19, this band-aid measure which has been going on for a few years and is being extended for another year without proof that it is really working. If it is that great, why not expand the program? I was about to say that perhaps the government should turn its scrutiny to other areas which need more attention in the area of the economy, such as the Unemployment Insurance Commission. This makes for interesting statistics when you understand that the overpayments under that program amount to some $300 million, and that the program in many instances is a disincentive to work.

I consulted a personnel firm in the city of Toronto which had shown some interest in our social system and benefits. They had complained that they could not get people to work although they had jobs available. I asked the individual to whom I spoke to expand on that comment, because we hear that remark quite often but we are not given examples. Let me give you a few examples. I will just use first names.

The first is Michelle, unemployed, registered for temporary work in this firm. She was offered a position with one of the well-known downtown companies just for one day, but she refused it because she had to go shopping with her mother.

Donna was offered a number of positions but gave the firm a list of things she did not want to do in a job. They included "no figure typing, no accounting, and must be something interesting." She is qualified as a typist.

Another case is Linda, desperate for work, either permanent or temporary. When offered a temporary job, she replied she had to take the TV in to be repaired.

Kim, hard up for money and looking for permanent or temporary work, after accepting and being booked for an assignment, telephoned to say her grandparents were coming for a visit and she had to stay home to let them in. The following day another temporary assignment was offered her, but she could not go because she was going out to dinner and would not have time to get ready.

Let me give you one more example, Mr. Speaker. This is the case of Anne, who would not take a one-day assignment because it would interfere with her unemployment insurance payments. The president of the firm wrote that at least she was honest about it.

It says here that the list is absolutely endless, that cases such as these happen three or four times a day. It goes on to say that they are constantly asked for separation slips from people who have refused to take jobs which they had offered. It takes them half an hour to fill these forms out. They are constantly battling with people, trying to persuade them to go on interviews for permanent and temporary jobs, and they are just not interested. Yet they collect unemployment insurance benefits. I would suggest, Mr. Speaker, that the minister might take a long, hard look at this system to see if in fact it is doing what it is supposed to be doing.

I should like to speak briefly now about the auto industry and jobs in that industry. It is of great concern to everyone. We hear about Windsor all the time. I must give credit to my friend, the hon. member for Hamilton Mountain (Mr. Deans), who mentioned Brampton the other night. Brampton is a great auto town as well. We have American Motors there. American Motors are also experiencing a down turn in the economy and have been laying people off. I was pleased to see in their announcement this week that they are completely retooling and will be starting to make their Eagle car in Brampton, together with portions of the Concord. This will be very important to the economy of the community in which I reside and which I represent because they are now producing a jeep that is a recreational vehicle, and of course the down turn in recreational vehicles has hurt employment. I am very pleased to see this new production.

• (2010)

One thing that is interesting is that I have been trying to meet with the president of the United Auto Workers. There have been numerous telephone calls—and as a matter of fact one appointment set up but cancelled—to see how we could help them with the problems they are experiencing at the present time. For some reason they are not interested in sitting down and discussing those in an intelligent way. My offer is still there to help them. I hope they get in touch with us because they will have their problems in the next four or five months, being laid off while the retooling is going on.

The auto industry is suffering greatly now. Rather than bringing in Bill C-19 or extending this program, I think that it

would be far more beneficial to consider the motion under Standing Order 43 introduced by the hon. member for Halton (Mr. Jelinek) today in which he urged the government—and which the government refused—to consider a rescinding of the 9 per cent sales tax on North American built cars. I think this would have a dramatic effect on the auto industry. I know that it would help very greatly many, many communities, not just in the provinces of Ontario and Quebec but in other parts of Canada as well. I can only echo his comments and urge that the government give serious consideration to this.

Again I say to the minister, who is in the House this evening, that we are very disappointed that this is his first great pronouncement on employment programs out of his ministry. It is a rehash of something that was brought in during the Thirtieth Parliament. It does not really introduce us to the 1980s. There is nothing sparkling, bright, new and vibrant. There is nothing that people can sink their teeth into and say, "Hey, we have a new government and they are really interested in doing something". They told us that he is the bright light in the party. I read in the *Canadian* magazine on the weekend that he is the great white hope riding out of the west who will lead Canada. Yet, his first bill is just an extension of something that has been here for years. In his introduction this afternoon he did not say anything to indicate whether the bill was working. He thinks it is helping young people and he assumes that it is doing something, but it really is not. Until he produces those facts we are yet to be convinced that this bill should be continued. I will be interested in his remarks when we wind up second reading of this bill.

Some hon. Members: Hear, hear!

Mr. Benno Friesen (Surrey-White Rock-North Delta): Mr. Speaker, I appreciate the opportunity of addressing myself to the problems that lie before us in the measure which we are facing tonight. When I look at the bill before us, it seems to me that the Liberal government has established a new record for a new government, that is, tired already after two months.

First of all I should like to point out that I was impressed with the news release the minister sent out in conjunction with the legislation before us. I noticed that the release, dated April 15, indicated that we must have this legislation because the previous legislation was so successful that it created 50,000 new jobs. I think that is wonderful, except it looks like it is 50,000 man-years. The minister does not go on to explain that.

If one reads the legislation, the parameters for this program are that the employer has to maintain the employee for at least 13 weeks. If this is 50,000 new jobs, then let us take the other side of the extreme. With 50,000 new jobs at 13 weeks per job, we are not looking at 50,000 man-years. We are looking at about 12,000 or 15,000 man-years. In terms of its success, it has not done the job that the press release tried to make us believe. I am sure that it might be a little more than the 12,000 or 15,000 because some of those jobs may have turned out to be permanent ones. But it is highly unlikely, because any employer who is looking at a clean-up operation in his company will see this as a perfect way of doing some clean-up work around the place. He will hire this person for just the 13 weeks, and, what do you know, the job runs out for him the day after the program ends! It is not fair to the Canadian public for the minister to put out a press release which misleads the public in that way.

Someone has already pointed out with respect to this legislation that one of the weaknesses in it is the fact that it really does not deal with those companies which need the help the most and could help the most, that is, help the unemployed the most. As one person has already said today, probably half of the companies in Canada will not be able to benefit from this employment tax credit program because, in order to benefit, it is necessary for them to have paid income tax. What if it is a small operation, a new operation, a struggling operation which has never had to pay income tax? How will it benefit from this program?

Is the minister prepared to introduce an amendment so that there will be a pay-out to these companies at the end of the year if they have not had to pay tax? As it stands now, they must have an income tax payable of around $27,000 or $30,000 in order to benefit from this legislation. I would be happy to know if the minister is willing to introduce an amendment so that young companies, struggling companies that have not had to pay income tax, or those companies which just started out this year and have no tax record at all will benefit from this program. In the pure sense of the word, they are providing new employment. Will the minister provide some kind of a way to allow these companies to benefit from this kind of a program? I am referring to the companies that will not benefit as the legislation is before us at the present time.

The other matter which disturbs me greatly about the drafting of this bill is that the text indicates that the parameters of the legislation are around a time limit rather than a money limit. The bill indicates that the legislation will expire at the end of 1982, but there is nothing in the legislation which fixes any firm money amount to it. Would the minister tell us just exactly how much this program will cost Canadian taxpayers? Does he have any kind of figure in mind what it will cost Canadian taxpayers? How many employers does the minister estimate will benefit from this program? In the course of the minister's remarks, when he summarizes second reading debate, will he give us some kind of estimate of what it will cost Canadians to get into this program, rather than simply a time limit? Surely we are entitled to know just exactly what we are being asked to pay for in this program.

Another point I should like to bring out is that this bill really is supposed to be addressing unemployment, so we must ask ourselves why there is unemployment. Surely, sooner or later, we have to look at the record of this government under the leadership of this Prime Minister (Mr. Trudeau).

• (2020)

I just had some information handed to me today regarding commercial failures from 1968 to 1978 under the leadership of the present Prime Minister. In 1968, when the present Prime Minister took office, there were 261 manufacturing business

failures, involving losses to the tune of $287 million. By 1974 the number had dropped, oddly enough, because we were enjoying a short-term boom. In that year there were 244 manufacturing business failures. However, by 1979 under the leadership of this Prime Minister manufacturing business failures increased to 534. That is double what it was when this Prime Minister took office.

It seems a little ironic to me that this minister is introducing legislation presumably to help small businessmen when those people he is trying to help are already going out of business to the extent of almost two per day. He is drafting legislation which, as I understand it, within its parameters in no way helps those faltering businesses that will go bankrupt without help. It seems to me we have to take a hard look at the economic record of this government. Surely when 534 businesses in 1979 failed and went bankrupt, the minister would agree that this is one of the contributing factors to the high unemployment we have today with 1.2 million people out of work. With 534 businesses failing in one year, surely that is one reason for increased unemployment.

A second factor that I believe has contributed to our high unemployment is the indebtedness of our country. The Deputy Prime Minister and Minister of Finance (Mr. MacEachen) introduced a mini-budget the other day in which he announced that the indebtedness of this country will be higher than was estimated last fall, to the extent of something like $14 billion this year. That money has to come from somewhere. If it comes from general revenue, general revenue will have to increase, and in order for it to increase the taxpayer will have to pay more. The taxpayer in question happens to include the small businessman.

When it comes to individual budget deficits as a percentage of the GNP, we are really hanging in there with the best of them. The United States has a budget deficit as a percentage of GNP of 0.1 per cent. France has a budget deficit of 1.9 per cent in terms of GNP, whereas Canada has a budget deficit in those terms of 3.8 per cent.

Some hon. Members: Shame, shame!

Mr. Friesen: With this kind of increase in deficit, the necessary extra tax must come from the business community that this minister is attempting to help. That surely is some kind of help. It seems to me we had a clear indication the other day that this government really does not believe in the private sector. The mini-budget brought in the other day belies any kind of logical belief that this Liberal government believes in the private sector.

Let us consider what the minister did with regard to the capital gains tax. I remember very well that the Carter Commission of some years ago brought in a policy of "a buck is a buck is a buck.". Let me say to my friends to the left that he meant that not only actually but figuratively, or maybe the other way around, because they really believe in that philosophy. The commissioners were from that great haven of socialism at that time, the province of Manitoba. Everything was a buck.

Some hon. Members: Oh, oh!

Mr. Friesen: We know they are awake, Mr. Speaker. They believe the government is the best agency to invest or carry out capital investment. It is strange that as soon as the government did away, as a result of the recommendations of the Carter commission, with the capital gains tax, there was pressure on the housing market. As soon as there was that pressure on the housing market, construction companies stopped building, developers stopped developing, and there was an immediate need for apartment houses and single-family dwellings. As soon as the government brought in that tax revision it created a problem in the housing industry. That naturally gave the socialists pleasure because then they could bring in more legislation and regulation. They brought in landlord-tenant regulations, rental controls, and all of that type of legislation they enjoyed. As soon as there was no point in an investor making capital investments, the government had to step in.

This minister who brought in this legislation was active on the housing task force that travelled across Canada. Surely he should have known what would result. I assume he agrees with that kind of legislation.

On Monday night we had another clear example that this government is not committed to private-sector investments in such things as the housing industry. This is one reason why we in Vancouver have a real negative vacancy rate in apartment housing, and this is why we have a spiralling cost in housing in Vancouver.

I would challenge this minister, who was a member of that task force of 1968, to put pressure on the finance minister to make sure that the capital gains tax legislation is reversed for the housing industry so there will be an incentive for development money to go into housing in order to provide jobs and housing for the Canadian people, particularly in the Vancouver area where this is so necessary.

The third reason I see for rising unemployment in Canada is that we import employees to Canada to do work that Canadians could do. Just last week I attended an interparliamentary union conference and, on my way home, I stopped in London to have a look at our immigration office there. As I stood in the foyer of the immigration office in London I looked at the jobs posted on the board. I know this minister would rather carry on a conversation with the hon. member for Ottawa Centre (Mr. Evans) than hear about what is going on at our immigration office in London, but that job board was full of jobs offered to people in England who would come to Canada. There were positions for pipefitters in Fort McMurray, and machinists in Edmonton, Regina, Moose Jaw and Sarnia. We do not have any pipefitters who need jobs in Canada, I guess. There were all kinds of jobs offered to tradespeople in England to do work here that could be done by Canadians.

Does the minister have any intention of adopting a policy whereby unemployed machinists in Windsor will be offered jobs in Edmonton, with some kind of pressure on them to move from Windsor to Edmonton so that these jobs can be taken by Canadians rather than by people brought in from England?

Does he have any such intention? Surely within the manpower program we have an incentive program which pays for that kind of move. What kind of pressure will the minister put on Canadians to fill these jobs which can be done by Canadians, rather than having people come from Europe and other countries to fill them? These jobs are waiting to be filled, and they could be filled by Canadians.

● (2030)

As the hon. member for Brampton-Georgetown (Mr. McDermid) has already said, we have a seemingly systematic policy in our unemployment system that, on the slightest excuse, people do not have to accept the job that is being offered to them. There seems to be a policy within the Liberal government that, if there is the slightest excuse, it will import employees from overseas rather than put pressure on Canadians to do that kind of work, whatever it may be. These are good, high paying jobs which are being performed by people who have been brought in by the minister and the policies that he has adopted.

It is patently obvious to most Canadians that we have too few skilled craftsmen in Canada who have been trained in Canada. Approximately 25 per cent of the tradesmen in Canada have been trained in Canada. The remainder were all trained outside the country. The remaining 75 per cent are either Canadians trained outside the country or people who have acquired their skills in another country and immigrated to Canada.

It is time that we have the kind of training program, such as we had in our policy, that will provide for skilled craftsmen to be trained in Canada, an apprentice system working in unison with the unions and management. This would help establish the kind of training program that would enable young people to learn to do the jobs which are now being given to people who have been brought in to Canada to do the work.

Another reason that we have unemployment is because we export jobs which could be done by Canadian companies, to foreign companies. The hon. member for South Shore (Mr. Crouse) gave a good example of this very thing when he told the House of the fishing boats which are being built overseas, and the fishing contracts, which could be performed by people in the maritimes, that are going overseas.

Another example which I would like to put on the record comes from my own constituency. The firm involved is a dredging company. In a letter to me, a company official said:

> We agree with subsidies or grants being allocated to various projects but are alarmed when we see our tax dollars being spent on exploration in areas where there is no Canadian content or benefit.
>
> The following are some examples of our concerns:
>
> 1. Esso Resources Limited, island construction in the Arctic. In 1971 firm proposals were submitted to their specifications and requirements. A large American-owned company bought their way in at the start, then continued to negotiate contracts for eight years. Large amounts of these profits are directed back to the United States.
>
> The Jones Act prevents Canadian companies from doing the same in American waters.

But we allow it to happen in Canada. The letter goes on:

> 2. Esso Resources Limited required additional equipment, and chose to use Beaver Dredging of Toronto. This company operates a token office in Canada but are in reality Dutch owned. Again, equipment and main crew were imported. We would estimate that through their operations, a large percentage of $30 to $50 million of Canadian money spent over the past five years, has been taken out of the country. Some Canadian labour was used.
>
> 3. Dome Petroleum has been contemplating deepening a channel into Tuktoyaktuk harbour since 1975. Canadian companies made approaches to carry out this work but were largely ignored. In 1979 Dome hired a large Dutch dredge, at great expense, without requesting firm proposals from Canadian companies.
>
> Some of the men I work with had an opportunity to board this dredge and observed that the very few Canadian workers employed, were doing mediocre jobs.
>
> We are certain that the high revenue gained by this Dutch company will leave the country.
>
> This project is probably the most costly operation and the largest loss of Canadian funds to foreign owners and crews.
>
> 4. Export Development Corporation (E.D.C.) called tenders for dredging in Cotonou, Republic of Benin, with a financial grant (direct gift) from CIDA.
>
> This job was open to foreign competition as an alternate. In order to keep Canadian companies out, a large European company bought the project.
>
> 5. EDC built a hopper dredge for the Cameroon port of Douala, a gift of $12.5 million. CIDA called for tenders in Canada to operate and train nationals for this project. Beaver dredging obtained the contract, but used no Canadians on the project.

The minister wonders why we have growing unemployment in our country. Those are the reasons why we have unemployment in Canada.

I believe we also have unemployment because we do not target our programs to areas and groups where the needs are the greatest. The hon. member for Calgary West (Mr. Hawkes), who spoke earlier, pointed out that the minister is using the "shotgun" approach rather than a "rifle" approach. That is a good analogy. Why does the government not target the unemployment program, the tax program, to those groups where unemployment is the greatest? Approximately 15 per cent of our youth are unemployed. The program could be targeted for geographical areas of greatest distress, the maritimes for example. It could also be targeted for women. I see the hon. member for Ottawa Centre indicating that there is something in it.

Mr. Evans: What did you do with Young Canada Works?

Mr. Friesen: If the hon. member would check *Hansard* of December 13, 1979, he will see.

Mr. Evans: It was cancelled.

Mr. Friesen: The hon. member should not stand so close because he might get caught in the draft.

The bill which is before this House tonight does not hit the target groups or areas where the needs are the greatest and, because there is no fixed dollar amount attached to the programs, the Canadian public will be left out in the cold. This bill will not do the job for which it is intended.

On the one hand we have before us a very innocuous piece of legislation although, conceptually, it has some good points within in. It looks innocuous and it even looks helpful, but I

suggest that because of the way the program is designed, the work which will go into it and particularly the money which will go into it will be dissipated in such a way that Canadians will not benefit from it the way they should.

[*Translation*]

Mr. Dennis Dawson (Parliamentary Secretary to Minister of Employment and Immigration): Mr. Speaker, I did not intend to take part in the debate this soon. However, following the remarks made by my hon. friend, I believe some points must be clarified.

First, I will take the liberty of reading from a speech delivered by a friend of the hon. member from the opposition last December 13, a date which all members in the opposition can certainly recall. Speaking about the record on tax credits:

The basic intent of the legislation is to stimulate employment by allowing employers to claim the $80 weekly tax credit in return for providing jobs under certain conditions. In the event that an employer would not be able to use the tax credits in a given year, it would be possible to carry them forward for up to five years.

[*English*]

The first question concerns the member's comment with regard to the companies that could not participate in the program because they are not paying taxes, in other words, small companies which do not have profits. First of all, most of the firms that do apply for the tax credit program are small firms. If a firm cannot use the tax credit in the first year because of zero taxation, then it can carry the tax credit forward for five years.

Many would argue that we should not subsidize an unprofitable firm, but a firm which cannot make a profit after five years should not be given the benefit of the tax credit. That is the first point. I will continue with Mr. Atkey's speech of last December.

[*Translation*]

The two elements of the program will be concerned with, first, the incremental employment of youth, and second, with improving or maintaining the employability of people with hiring handicaps, particularly youth, natives, older workers, women re-entrants into the labour force and the disabled. These elements are to come into effect in early February, 1980. If the private sector responds as I anticipate, we will be able to place in private sector jobs before the next fiscal year draws to a close up to 105,000 unemployed young people.

To come back to the second point the former speaker brought up, when he speaks of the program which, according to him, did not create the number of jobs the minister claimed in his news release—

[*English*]

● (2040)

The program does not really create 50,000 person-years, and most firms fire people after 13 weeks—that is the statement the hon. member made previously. The estimate is about 45,000 person-years for the year 1979-80—and the average length of a contract is 46 weeks, not the 13 week minimum that the hon. member mentioned. The data is not all complete but it had been evaluated that about 50 per cent of the jobs created continue after the subsidy has ceased, once again contrary to what the hon. member mentioned.

Mr. Atkey continued:

[*Translation*]

Of this total, 89,000 young people will be placed in new private sector jobs that did not exist before; . . .

[*English*]

The then minister was telling us that he was creating 89,000 jobs that did not exist in that time. I cannot understand the hon. member's logic, having supported that bill on December 13 and then today saying that it is not a very good bill and not the type that a Conservative government would support. Mr. Speaker, it is exactly the same bill that we are supporting. It is not what we want—we will have our own job-creation program to present—

Mr. Friesen: A point of order, Mr. Speaker—

Mr. Deputy Speaker: The hon. member for Surrey-White Rock-North Delta (Mr. Friesen).

Mr. Friesen: You know how I hate to rise on a point of order, Mr. Speaker, but I think there is a significant difference between the legislation that Mr. Atkey introduced and that which is before us. There was a fixed dollar figure attached to that one and there is not to this.

An hon. Member: That is not a point of order.

Mr. Deputy Speaker: That is not a point of order.

Mr. Dawson: Mr. Speaker, I can see that we are attacking a certain point to which the hon. member was quick to react. It is exactly the same type of bill, and I repeat it is not the type of bill that we would want but right now there is a sense of urgency. When the party opposite was in government they stopped the Canada Works program and a whole bunch of programs that were job-creating. They cut off staff.

[*Translation*]

Mr. Speaker, since the members opposite have caused today's unemployment rate, we must now take urgent action to correct the mistakes made by their government which, fortunately, stayed in power only for a few months. Within the next few weeks, we plan on putting into effect a comprehensive employment creation program which will include several elements. We have decided to do so because we believe in small businesses and we consider it our duty to help them in the months to come before introducing a comprehensive job-creation program. However, Mr. Speaker, I believe that I should continue to read from the speech made by the then minister because this might instil some guilt in the minds of the Progressive Conservatives, at least I hope so, because I cannot believe that they really change their mind every six months.

An hon. Member: They have a short memory.

Mr. Dawson: You are right, they have a short memory.

Whether we reach the placement ceilings under either the incremental element or the employability element will depend a great deal on the response we get from the leaders of business and industry.

Mr. Speaker, I can say that after six months the reaction from the leaders of business and industry has been remarkable and that this government is now re-establishing this program because the funds provided have been used by the companies and because the private sector had confidence in this program. The government will continue to support this program as it had announced in 1978 in the budget speech of Mr. Chrétien.

We will be appealing to them to join with us in an all-out effort to create employment opportunities for Canadians, and especially young Canadians.

In addition to forging a partnership with the private business and industrial sectors, we want to co-operate with the voluntary sector in creating jobs directly for youth.

Although the voluntary sector has demonstrated a tremendous capacity to perform an invaluable service function, as witness their efforts in the case of the Indo-Chinese refugees, such organizations have been largely untapped as a potential source of concrete work experience for young men and women.

That is another objective we also share. As suggested this afternoon, the government was not defeated on those matters because we supported the former government on these job creation programs, but for other reasons you are fully aware of, Mr. Speaker.

Now that this bill is before the House, we are counting on the co-operation of the official opposition who supported that bill six months ago in order that once more this evening this bill hopefully will pass as soon as possible, in order that small businesses so heartily supported by our friends opposite may get these grants, and that our young people have an opportunity to work. We hope there will be no systematic opposition from Conservative members on that program.

[*English*]

More than 25,000 employers have signed agreements under the employment tax credit program, and 92 per cent of them have indicated in an interim survey that they would participate again.

With the greatest number of employers, Quebec and Ontario have the most impressive total of employees hired under the program—18,500 in Quebec; over 19,000 in Ontario in the last fiscal year.

The acceptance of the program by small businesses is reflected in the fact that 77 per cent of all agreements were signed with businesses employing 20 or fewer, and 40 per cent of these employers had a maximum of five in their normal work force. That is what we call helping small business enterprise, Mr. Speaker.

Use of the programs was high in all Atlantic provinces. On average 88 per cent of Atlantic region takeup was from firms with fewer than 20 employees. In the prairie region small firms represent 85 per cent of participants; in British Columbia, 82 per cent; Ontario, 77 per cent, and Quebec 72 per cent.

That is what we are doing to help the small businessman whom the hon. member was talking about when he spoke—the ones who are having all the problems with the high interest rates. I should like to have more information from my colleague, the hon. member for Surrey-White Rock-North Delta (Mr. Friesen).

Mr. Beatty: This is just a Liberal filibuster.

Mr. Dawson: Oh, come on. We are trying to educate you hon. members on the other side.

Mr. Neil: You haven't a hope!

Mr. Dawson: You are right. I have to admit. We have been having a lot of difficulty in the last few years trying to educate hon. members opposite, but we are still working at it. We are still hoping.

Mr. McKenzie: You have had 16 years to work on it.

Mr. Dawson: Yes, and we will be here for a few years.

Mr. Deputy Speaker: The hon. member should address the Chair.

[*Translation*]

Mr. Dawson: Unfortunately, Mr. Speaker, I was answering the remarks made by our hon. friends opposite.

[*English*]

Distribution of jobs placed 51 per cent in manufacturing, 20 per cent in retailing and wholesaling, 12 per cent in service industries. Forty-three per cent of employees worked in machinery and fabricating occupations, 15 per cent in clerical, and 7 per cent in sales.

Employers in the Atlantic regions and the Gaspé region of Quebec can earn a maximum of $4,160 in tax credits for each employee hired under the program; in most other urban areas in other regions, the maximum tax credit earned for each employee is $3,120, while in the remainder of the country the maximum is $3,640.

The program involves very little paperwork. There are only two one-page forms to be filled in by the employer, with a third that is optional.

Young Canadians 25 years of age and under made up 55 per cent of those employed, equally split between male and female. Over all, a full 34 per cent of those employed were females. That is another responsibility the hon. minister has and will be dealing with in the next few weeks, Mr. Speaker.

Coming back to the paperwork, we have heard so often from hon. members opposite that we are burdening small enterprise with paper work. This is a tax credit program and it is very easy for the companies to apply for it. We have not received any complaints from private enterprise or small companies concerning this program because it is very easy for them to apply, and very easy for them to profit from it. Some hon. members have already spoken on this aspect, Mr. Speaker.

A sample based on 5,000 employed under the program reveals that 52 per cent were living on unemployment insurance benefits prior to finding employment through the program; another 5 per cent were living on welfare, and others were being supported by family members, living on savings or pensions. I think that is a good performance, Mr. Speaker. All had been unemployed for a minimum of two weeks, but the average length of time they had been unemployed and looking for work was 15 weeks. And I think that has been progressive, Mr. Speaker.

Employment and unemployment patterns vary widely across this country, and the employment tax credit program, although it has been successful, cannot meet all the varying employment needs in this diverse country.

The extension of the Employment Tax Credit Act is an interim measure, which will shortly be followed by a range of new employment programs.

The kind of targeting which respects the diversity of this country and is sensitive to the differing needs and opportunities across this country, is a fundamental part of the employment development measures that this government is developing and which will be presented to this House in the near future.

Having this information now, Mr. Speaker, I hope that hon. members will stop filibustering the bill and that we may have maximum co-operation from them so that the small enterprise about which they are always crying will get back to this program and be satisfied with it.

Some hon. Members: Hear, hear!

• (2050)

Mr. Ian Deans (Hamilton Mountain): Mr. Speaker, I want to say a word or two about the bill before us, C-19. I was chatting with my colleague, the hon. member for Kootenay West (Mr. Kristiansen) just before I got up to speak. He brought to my attention a quote from John Foster Dulles that I thought might well be appropriate for the context of this debate. It goes as follows: "The measure of success is not whether you have a tough problem to deal with, but whether it's the same problem you had last year". I have to think that if you are going to measure success by that criterion, then this government certainly is successful. If anything, it is very successful given that the problem it is now dealing with is even worse than the problem it had when the legislation was first introduced by its predecessor.

Let me talk for a moment in a little different vein from my colleagues who tended to want to speak about the statistical problems and the values of this piece of legislation statistically. I want to talk about what unemployment really is. It is not a statistic that should be manipulated by politicians for their own particular needs. It is not 7, 8 or 9 per cent of anything. For the majority of people who face it, it is the single most frightening, single most soul-destroying experience.

The very result of unemployment breaks up families, and contributes to excessive alcohol and drug use. It is a symptom that is reflected frequently in child abuse and spouse abuse. Unemployment is a major contributor to crime. If you were to stop and think about it for a moment, you would agree that unemployment is the single major problem with which we have to cope. If we could deal with the background to unemployment, we would to a great extent have dealt with the social and economic problems that confront the nation at the moment.

We are in a country that is facing a terrible crisis. We are faced with a piece of legislation which, under any other circumstances, would be unsupportable.

Mr. Fraser: What circumstances would those be?

Mr. Deans: In any other circumstances this kind of legislation would be totally unsupportable. I will come to that in a moment. When you look around you and you look at the crisis and the problems that confront us, and you look at this piece of legislation intended to deal even in part with the problems of unemployment, the tendency is to smile and walk away from it.

Here we are with a resource sector under siege from offshore, having great difficulty coping with the challenges of today, given the facts of the companies that operate here and abuse and take our resources, and have done so for many years. They are now using the money that they got from the sale of those resources to develop competitive resources in other parts of the world. This country has its energy prices dictated to it by OPEC nations. It has its interest rate policies set in Washington and New York. This country has a manufacturing sector that is being undermined by foreign ownership. The elderly of this country are in despair, and the young are beset with panic.

I have three children and they say to me, "Hey, Dad, what do you think I should be? What should I study? What are the opportunities? What sorts of advice can you give me with regard to where my future might lie in terms of finding a job?" I ask hon. members to think about that for a moment. What kind of advice do you give young people today when they ask you what they should study, where are the areas of greatest opportunity, and what chance is there for them? I certainly find it difficult to give them the kind of advice that I got from my father and I am sure he got from his.

An hon. Member: Go to Canada?

Mr. Deans: I thank you very much—a very interesting interjection and typical of the Conservative party. Those who have jobs are afraid to spend because their jobs are in jeopardy. They are not at all sure of the future. Those who have no jobs cannot spend. The country's economy is on the decline and we get a piece of legislation which in essence, when looked at most carefully, enshrines the working poor as an institution in Canada.

You have to look at what is happening in this country. Perhaps the government would have been better to come forward now with an over-all program that speaks about what is really going to happen and shows that we are solving the problems we are facing. I am sure you are aware of this, Mr.

Speaker, having been involved for many years, but it is so simple and elementary that one is almost afraid to say it, and yet it is true. As consumer purchasing declines, manufacturing slows down. As manufacturing slows down, people get laid off. As people get laid off, consumer purchasing declines. As mortgage interest rates rise, people have less money to spend to purchase durable and non-durable goods. The cycle begins all over again. Consumer purchasing declines. Manufacturing slows down. More and more people get laid off.

It feeds on itself. It has a snowballing effect. It cannot be resolved with this employment tax credit. It cannot even begin to be resolved with this unemployment tax credit, because unemployment feeds on unemployment and, as more become unemployed, more become unemployed.

This program is aimed primarily at small businesses. However, if you look honestly at small business, the declining economy does not allow for small business to expand. As people cannot purchase, the small businessman does not need to hire anyone else. Therefore a program like this does not even being to address the major problem that confronts people looking for work. Small business relies to a great extent on a buoyant economy. Unless we create a buoyant economy we will not be able to solve the problems of unemployment or the problems that flow from unemployment.

Take a look at small business. I listened to members who have spoken and who made reference to small businesses and the difficulties that confront them. As they stand in their store or factory awaiting the orders to come in for the sale of the product that they either wholesale, retail, or manufacture, they build up inventories. Those inventories are dollars. They go to the bank.

I was in the bank yesterday. A friend of mine who owns a small business said to me, "When are they going to do something in Ottawa? Do they not understand that I cannot afford to carry this inventory any longer, that the cost of carrying the inventory is a cost that I cannot recover? I cannot recover it because I am in competition with big business and they are able to sell finance to a greater extent. I must therefore go into the bank and borrow. I must add the 20 per cent on to the cost of my inventory when I put it on sale in the store. The consumers, those who are still working and still have some money to spend, look at my price and they look at the price of the larger enterprise, the chain store operation or others, and they see they can get the same product at a much cheaper price elsewhere."

This does not help my friend in business. It does not help him a bit. He cannot hire anyone anyway because he does not have the volume, yet he still has to carry the inventory. He still has to borrow. If one were to look at how you begin the process of resolving the problems of Canada, you surely do not begin by bringing in this, but by bringing in some action that will stabilize interest rates.

● (2100)

I was particularly intrigued by the comments of the hon. member for Surrey-White Rock-North Delta (Mr. Friesen) because they are, at least in one instance, right on. These are not 50,000 jobs for a year each. These jobs might last for a few weeks. That's it. Then they are back on the breadline again, or in the unemployment insurance commission office, or looking out of their windows wondering just where they are going next.

How many hon. members have been unemployed? How many know what it is to look at your kids and realize that you don't have an income, to realize that you cannot provide the things the other families on the street are providing for their kids? How many know what it is like to sit down with your family when Christmas comes and you can't do anything because you have not been able to find a job, or what it is like to realize that your mortgage is due very soon and not only are the interest rates rising, not only will you be faced with exorbitant increases over what you were paying previously, but to know full well that you will not be able to find a job and, by not being able to find a job, no matter what happens you are going to lose your home, the home you both worked for years to save the down payment for, the home you have put most of your dreams into, and maybe thought you would raise your family in?

Go talk to the people outside and ask them. This measure does nothing even to begin to address that devastating problem. We talk about unemployment as if, somehow or other, here in the House of Commons it really doesn't affect people. I shall not go into details about unemployment in other parts of the country because I intend to do that another time, but in the province of Ontario alone unemployment has now become the order of the day. There are very few, if any, communities where industries are not laying off workers. There are very few families which are not touched by it in one way or another. Yet we get a bill, Bill C-19, which will find two or three temporary jobs at minimum wage. We get a bill which does not begin to address itself to the major problem. That is the response of the government.

Do hon. members realize, for example, that in Talbotville on January 19, 3,100 people were laid off in the auto industry? In Oakville on the same date 3,400 people were laid off in the auto industry. In St. Catharines 2,400 were laid off by General Motors on January 22. In Brampton, during February, Gabriel laid off 20 people engaged in parts manufacturing.

In Hamilton, Firestone laid off 75 workers on February 8, and another lay-off is starting tomorrow. In Stratford the Sealed Power Corporation laid off 180 people engaged in parts production. A colleague in the Conservative party spoke of the situation in Brampton earlier tonight and expressed concern. Well, in Brampton 470 people were laid off on February 16. In Oshawa in the GM plant on March 1, 2,000 people were laid off. In Ajax, 18 people were laid off on March 6 and another 92 in April. This was at Chrysler. Leigh Instruments, another auto-related industry in Waterloo, laid off 130 people.

In Whitby, the Firestone Tire Company closes with 650 people laid off and we are still debating whether we should go ahead with the Michelin project! In St. Catharines, General Motors, 3,100 laid off; also in St. Catharines, 70 people laid off on March 29 by Hayes-Dana, the chassis manufacturing

firm. In Oakville on April 16, 1,400 people were laid off; in Windsor on the same date, 800 Ford employees laid off. In Scarborough on April 17—General Motors—131 more people laid off. In Ottawa—I mentioned this the other night—240 people were laid off by Beach Foundry, an auto parts manufacturer. Another 28 people were laid off by Kelsey-Hayes in St. Catharines and another 100 at Otter Lake, as I mentioned. At Stratford—Schwitzer—61 people laid off. And today, Massey Ferguson in Brantford announced that 85 were to be laid off with more lay-offs to come. Then, of course, we must consider the situation in Detroit, our neighbour, one which closely affects the Windsor area. General Motors announced today that 13,000 people are to be laid off.

That is unemployment, Mr. Speaker. And the effects of that unemployment are devastation for the workers and their families. The effects of such unemployment cannot be met by this ridiculous piece of inadequate legislation.

Some hon. Members: Hear, hear!

Mr. Deans: We would like to be charitable and say we understand it is only intended as a stop-gap measure. The problem is, I cannot for the life of me see where the permanent measures are coming from. When can I expect to hear from the government a statement about its policy with regard to employment? When can I expect to hear from the government its policies with regard to the restructuring of the manufacturing sector? When can we expect to hear from the government what its policies are with regard to the auto insurance industry and related industries?

If I thought for a moment the bill was intended to fill a very narrow gap, I would say: very well, let us pass it, let us get on to the real meat of the thing. But you know, and I know, Mr. Speaker—I can tell from the way you are looking at me—we both know there is no legislation forthcoming; I can see it in your eyes. It is just awful. Here we are, standing in the House of Commons; you would think it was a new thing, that we had never heard of it before, that it has just blossomed.

When I was in Hamilton yesterday and people were telling me about their problems—here we have Firestone laying people off and, no doubt, the steel industry will be affected by the auto cutbacks and colleagues and friends of mine laid off in Oakville Ford and all the related industries in the area looking very seriously at cutbacks—they said, "What are you going to do tomorrow when you get back?" I said, "I am going to say a word or two about the employment tax credit bill."

"Hey!" they said, "Is that going to be any good?" Really! What could I say? I was embarrassed. And no wonder. This government wins on the strength of promises that ministers are going to deal with the economy, that they are going to wrestle inflation to the ground again. They are really going to put their best foot forward—

Mr. Baker (Nepean-Carleton): If they can get it out of their mouth.

Mr. Deans: After they get it out of their mouth. Yes, the difficulty here is plain to see. For some of us it is plain, ordinary frustration. We should not be dealing here with this bill tonight. We should be dealing with the meat of the problem. We should be talking about the difficulties which are confronting people across this nation. We should be looking at primary legislation to deal with these things.

Some hon. Members: Hear, hear!

Mr. Deans: I want to suggest two or three small steps—maybe the government could consider them after they get this innocuous, ridiculous, outrageous piece of legislation through. Maybe they could take a look at reducing interest rates as recommended not only by us but by Walter Gordon, among others, who has said that if ever there was a time to move to the reduction of interest rates in the interest of the national economy, this was the time.

• (2110)

Not only should there be a lower interest rate policy, but we should also stabilize rates for a period in order that people could feel reasonably secure about their investments, reasonably secure about their futures, and reasonably secure about their ability to repay what they borrow. That would be the first policy I would like to see followed. I think then perhaps we could sit down and look at the auto industry, because it is upon the auto industry that much of Ontario turns, and we have to recognize that unless we take advantage of the situation which is now before us, and unless we are prepared to develop a parts manufacturing sector in Ontario and in the rest of Canada, then we will be forever at the mercy of the United States auto industry. That is plain to anyone.

I am sure there is not a member in this House who would not agree that there is not going to be a return to the good old days when everybody traded in his car every second year, and the auto industry flourished on the basis of that. People are going to keep their cars longer, buy new tires, and maybe even put in new motors. They are going to put in new parts, and unless we are manufacturing those tires, those motors and those parts, then we are going to be left out. Maybe the government could come into the House and spare just a couple of minutes more than the question period to chat about how we together could solve that very vexing and difficult problem.

Perhaps with our interest rate policy we could encourage the building industry to start again building homes for people of average means. The spin-off in the home building industry is phenomenal; 3.6 jobs are created in related industries to every job created building a house. Can hon. members imagine the number of jobs we could create in Canada in related industries if we could get on with the job of building homes for people at prices they could afford, and with mortgages they could afford to pay?

Maybe we could even take some strides to alter dramatically the resource exploitation policies of the past. Perhaps we could insist on further processing in Canada—a novel thought! That probably has never been considered. Maybe we could even

consider that since the resources are ours it would be helpful for two or three people if we were to take the resources and do something with them here, instead of sending them out of the country. Can hon. members imagine the spin-off? Can they imagine the benefit?

Then, of course, maybe we could consider our energy policy. Maybe we could take a look at energy as a resource, a catalyst or a tool for the development of this country. Maybe we could sit down and find a way to use it best to stabilize the economy, to build secondary manufacturing, and to develop the kinds of job opportunities which would make this kind of legislation, as I said before, unnecessary.

Then, of course, if someone brought in a piece of rubbish like this, we would know that it was really only intended to deal with such a small and isolated sector of society that we could make it worth while. We could fund it properly. We would not be putting people into low paying and menial jobs but, rather, into jobs that would satisfy them and give them a chance to earn a decent living. That is when this kind of legislation would be useful. It is useless today.

If the government would address itself to these kinds of things, then maybe the people of Canada would feel a little more secure and a little happier about the fact that we are all sitting here—we are not all sitting here, but those of us who are are sitting here. Maybe the minister would even take it upon himself to drop by and listen. He might enjoy it. If he did not enjoy it, he might learn. If he did not learn, he might at least appear to be interested. This might be a worth-while thing to consider.

In any event, the problems of this country are not going to be solved easily, and they are not going to be solved at all unless the process is begun here. This is where it has to start, and if it does not start here it will not start at all.

We put our faith in General Motors, thank you very much. We thought Chrysler, being the big, seventh largest corporation, was wonderful. We wondered how Ford could go wrong. Henry told us it was here to stay. Let us face it, the corporations have shown that they are not able to do this alone, and neither should they be expected to. This is the time for co-operative effort, and there are places in the world where co-operative effort is the order of the day and where industry and government work together.

There are places in the world where labour is consulted, where there is a sense of national purpose, where people really believe that their country means something, and where people are prepared to put out a little more because they know their contribution is both recognized and appreciated. We would not be dealing with this legislation if we could instil that kind of sense in this government.

Some hon. Members: Hear, hear!

Hon. Jake Epp (Provencher): Mr. Speaker, just prior to the speech by the hon. member for Hamilton Mountain (Mr. Deans) there was an intervention by the Parliamentary Secretary to the Minister of Employment and Immigration (Mr. Dawson), the hon. member for Louis-Hébert. I want to commend him for his speech. I thought it was lucid, clear, and well thought out. It showed a great amount of insight, especially in view of the fact that it was the speech of the former minister of employment and immigration. I suggest to the parliamentary secretary that he continue on that path, and I look forward to more speeches if they are of that same quality.

Mr. Dawson: I wouldn't want to follow his career.

Mr. Epp: If the hon. member's speeches continue to be of that same quality, I would appreciate them.

The parliamentary secretary mentioned in his remarks that this House and the people of Canada would receive a comprehensive employment strategy which, I take it, will be a strategy with which this government will come forward in a very clear and precise way, and that we will be told how the government will address the question of Canada's unemployment.

I take it we will be told specifically how the government will address the problem of chronic unemployment among specific groups such as women, natives, and the handicapped, and I ask that the minister pay careful attention to the commitments his parliamentary secretary has made. I suggest to the minister that a comprehensive report and comprehensive legislation be brought forward within the next month. We will be pressing him for that strategy, in view of the fact that that commitment has been made tonight.

I found it rather interesting that the parliamentary secretary should use the argument that we have been filibustering this bill.

Mr. Friesen: First day.

Mr. Epp: Yesterday was the first day we had legislation in the Thirty-second Parliament, and it was a bill from this minister. That bill received passage through all stages in one day. Hon. members will realize that yesterday was a Wednesday. It was a short day, so-called, and the bill was passed. Perhaps the parliamentary secretary thinks that, because the clock was not seen yesterday at the regular closing hour of six o'clock and the House sat until approximately 6.30, we were filibustering after six o'clock. However, I want to tell the parliamentary secretary that he should re-examine the whole definition he has been using for filibuster. This bill, Bill C-19, was presented to the House for second reading today at approximately three o'clock, and before the evening is out we already have the parliamentary secretary rising and accusing us of filibustering. I have always thought him to be a reasonable person.

Mr. Kempling: No!

• (2120)

Mr. Epp: He now says that that was a mistake on my part, and I agree with him. I would suggest to him that we will have many hours in committee and in the House when we will be debating and examining the employment strategy, and I sug-

gest that if he wants to reduce the amount of time that will be devoted to the subject of employment in Canada, let him become very serious in terms of addressing the question and coming forward with possible solutions. Perhaps he made the charge of a filibuster lightly, but whatever is the case, I would suggest that this does not necessarily enhance the work of the House. Also, he pleaded for co-operation, and I believe the House works better when there is a sense of co-operation. But how short his memory is!

If you take a look at the Thirty-first Parliament—and I do not want to go through that matter again—I think the hon. member—and I still believe he is a fair person—would realize that in no way can he have a strong case to make for co-operation if he expects it to come only from this side of the House. Co-operation is a two-way street. I suggest to him and to his minister, and through them to the House leader, that co-operation will be forthcoming, but obviously it will not come from one side only. So I say to him that if he wants the legislation passed, he should use arguments that are cogent rather than the ones he used tonight.

In the throne speech an attempt was made to address the question of employment in Canada, and I shall quote two sections from the throne speech:

> To meet the needs of these groups—

That is young people, women, natives and the handicapped.

> —my government will expand its employment program while using its resources more efficiently. There will be an increased effort to develop critical trade skills so as to better prepare today's labour force for tomorrow's jobs.

The second one reads:

> Members of Parliament will have a major role in advising on the selection of job-creation projects, and my government will enter into a new partnership with voluntary agencies and local organizations in a program of community service.

Those are noble words, and I am sure they are endorsed by members on all sides of this House.

I ask the minister tonight are we to take those words seriously, and what programs does he have in mind on which members from both sides of the House will be taken into the confidence of the minister and of the government and on which their advice will in fact be followed? I ask the minister would he give us a clear indication, prior to his closing the debate on this bill whatever that time may be, as to what is meant by those words, what are the specifics, what programs, in very concrete terms, he has in mind, and how will they work so that members on both sides of the House will have an opportunity to advise and to give suggestions which will not only be considered but some of which will be adopted?

In this debate we have already heard of the economy and the structural problems that exist. Obviously the fact that we are facing, with this government and with its leadership, no growth for the next year, does not all augur well for employment opportunities over the next 12 months. I think members of the House are fully aware of my belief that basically long term, lasting employment should be created by the private sector. Before this can be achieved, a climate must exist whereby confidence to invest is developed. I suggest to you, Mr. Speaker, and to members in the House that some of the rhetoric we have heard from the NDP does not help to develop that confidence.

Today I listened to the hon. member for Churchill (Mr. Murphy) speak. He is a resident of the community of Thompson, a so-called one industry company town, and yet throughout almost his entire speech he criticized the role of the multinationals. Inco is the major employer in Thompson, and if Inco were to close down, so would Thompson. A number of other communities in his riding are also resource based communities with multinational corporations. What have these corporations done? They have gone into the communities—in many cases they have created the communities—and built the infrastructure. In many cases there has been a co-operative relationship between the company and the residents.

In my riding there is the company town of Pine Falls, and then there is Abitibi, and I keep hearing about the pulp and paper companies which have a good relationship with their employees and have contributed to the economy of the community. I ask the hon. member for Churchill how long he wants to stand in the House and say that Inco has been bad for Thompson? He gives no other solution. Many of us will recall that when the world nickel market became tight, and unemployment increased in cities such as Thompson and Sudbury, what did we hear from the NDP? That we were supposed to stockpile. I remember that the hon. member who said that came from Nickel Belt. I do not know where he stayed after February 18.

An hon. Member: He is stockpiled in Nickel Belt.

Mr. Epp: So the point must surely be made that in many of these resource-based communities multinational corporations have been good corporate citizens. The very jobs you, gentlemen, asked for, have been created by that type of investment.

Today we heard from the hon. member for Hamilton Mountain.

An hon. Member: The bionic man.

Mr. Epp: He listed many cases of lay-offs and, you will recall that in almost every case a multinational company was involved. My point is that these jobs have been created because of foreign investment, but the NDP want it both ways. They are saying that the company is not doing its corporate duty when it lays off as the economy shows no growth. I am not here to defend the government but I think this matter should be kept in balance. I do not see how the hon. member for Churchill could go home and talk to the people in the city council—by the way, those people work for the company—and say to them, "I think we should close Inco down and let us not worry about the effects on Thompson", because what is happening there is that the company has been well aware of the effects which a slowdown could have on the community. They are intrinsically bound together, and I do not see how the NDP could think that the company would want to be anti-employee, because, if they were, the company would have to go out and hire again and train people again. Obviously that would cost them money and show up on the balance sheet.

• (2130)

It is my view that the employment tax credit program has some merit. In smaller rural communities I think we have seen a higher incidence of people subscribing to the program than to a number of other programs. I think the statistics would also bear that out. It is true that jobs have been created where those jobs possibly would not have been filled or simply where other people have doubled up.

There is a fly in the concept which underlies this bill, and that is that unfortunately too often there have been cases where the persons who had been hired were no longer required when the contract ended. When the minister rises to address this question, I would ask him to give us a breakdown of whether they have done a survey on that. Generally speaking the cases are relatively low in number as against the number of jobs created, but they exist. I believe that officials of the department should examine how better we can avoid that situation, because we cannot afford having people employed, hopes built up and then, when the government program ends, the job also ends.

Also I suggest to the minister that there should be a better advertising program related to this program. Just this week I received two letters from my riding, one from Beausejour and one from Ridgeville, a very small community. In both cases persons came to know about the employment tax credit plan after they had made employment decisions. I would suggest that the minister should re-examine the advertising program in the weekly papers because I think in that case they would reach more rural people than they do through the dailies or for that matter the electronic media.

This minister has sat in opposition for a long time, since 1973 in Manitoba. Until he came to Ottawa he was known as a person who took on many causes, spoke on most anything, and it did not really bother him if he had not studied the subject. One of his chief projects, about which I admit he had done some studying, was urban studies. Up until this afternoon he was known in our province as a chief proponent of rail line relocation. The Manitoba *Hansard* is full of the comments of the minister regarding the absolute necessity of rail relocation of the CPR railyards and the rails in downtown Winnipeg. We have it documented. I am sure I do not have to remind the minister of the many occasions he rose to his feet to do so.

A year ago almost to the day today our member in the then cabinet, a resident of Ontario, the hon. member for Kenora-Rainy River (Mr. Reid), became the member in cabinet for Manitoba. Trying to do his duty he actually came and visited us. One of the first things which he did was to go and see the minister, who at that time was an opposition MLA. It did not take very long after these two blood brothers got together for them to convince each other that rail relocation was the absolute way to go in Winnipeg. We saw the hon. member for Kenora-Rainy River coming back here totally convinced that that would happen in downtown Winnipeg.

Mr. Collenette: Order.

Mr. Epp: I hear the hon. member saying, "Order". I want to get to the employment this project would have meant for the downtown area of Winnipeg. If he will just hang on, I will let him know.

Mr. Baker (Nepean-Carleton): Just be patient.

Mr. Epp: The situation at the time was that the city of Winnipeg had committed itself to the building of another overpass. They needed a permit from the transport department to construct that overpass. The government of the province of Manitoba had committed itself to the building of the overpass, and suddenly everything stopped because these two gentlemen decided that they wanted a study on rail relocation. I guess we were looking at things too small again, we did not have enough vision; we had to have a larger vision. That was a year ago.

Since the minister's election to this House and his appointment to cabinet, he made further commitments. The commitments he made were that rail relocation would come to Winnipeg. It was a small figure, only something like $168 million, and $100 million would come from the federal treasury. We had no doubt about that because this minister gave us a commitment.

Mr. Baker (Nepean-Carleton): Wonderful fellow that he was.

Mr. Epp: I understand they made a decision today on rail relocation.

An hon. Member: No!

Mr. Beatty: The minister is indicating that they have not made a decision.

Mr. Epp: I understand that His Worship the Mayor of Winnipeg, members of his council, as well as representatives of the government of the province of Manitoba, met with the Minister of Transport (Mr. Pepin).

Mr. Collenette: Mr. Speaker, I have been watching the hon. member for Provencher (Mr. Epp), and it seems to me that he is speaking on every single matter except the bill before the House. I would ask Mr. Speaker to direct his attention to the fact that he should be speaking on Bill C-19 and not on Manitoba matters in general.

An hon. Member: Are you the Speaker?

Mr. Baker (Nepean-Carleton): He was just coming to it.

Mr. Deputy Speaker: The Chair has been listening to a number of remarks from various quarters this evening. I believe the hon. member speaking is generally addressing himself to the subject matter of the bill.

Some hon. Members: Hear, hear!

Mr. Baker (Nepean-Carleton): Go out to the back where you came from.

Mr. Epp: I want to tell my good friend from Toronto that I will get very specific about the employment opportunities in this matter, if he can just be patient.

Today His Worship the Mayor of the City of Winnipeg and the officials of the province of Manitoba met with the Minister of Transport. He told them: "No money, no rail relocation". I understand that the Minister of Employment and Immigration came into the meeting late, was all hot and bothered and said, "Look, just a minute, we can make another decision. Maybe you could try DREE, maybe you could try another department". I say to the minister that one of the responsibilities of sitting in cabinet is to tell people honestly whether a project is viable or not, and not hold them on a string.

An hon. Member: What about the double rail?

Mr. Epp: As of tonight rail relocation in Winnipeg is dead. How many jobs would that have created?

Mr. Collenette: Order.

Mr. Epp: I understand that this is an employment bill. I just ask how many jobs would have been created. If the hon. member cannot see the relationship, I would ask him just to listen and wait.

Mr. Deputy Speaker: Order. There have been a number of speakers during the course of the evening from various sides of the House, and the ruling is that no valid point of order has been raised.

Some hon. Members: Hear, hear!

Mr. Epp: I ask the minister when he will take his responsibilities for the people of Winnipeg, for the people of Manitoba and for Canadians, and not constantly state, "Yes, we will do it", without having thought about it and without having given any consideration to whether or not the government can in fact deliver. The point is that the city of Winnipeg and the government of Manitoba are faced with the construction of this overpass which is not going to cost the same as it would a year ago, but rather an additional $2.5 million because of inflation.

• (2140)

Some hon. Members: Oh, oh!

Mr. Epp: The hon. member from Nova Scotia thinks this is rather funny and suggests that this will create more jobs, but it will not create more jobs. The question is, will the federal government at least come forward and pay the additional $2.5 million which the city of Winnipeg now faces because of a study that was requested, and when the Minister of Employment and Immigration (Mr. Axworthy) asked the city of Winnipeg to hold off for a year, during which time costs escalated and traffic piled up?

This minister has a bit of explaining to do not only in this House but to the residents of Winnipeg and of the province of Manitoba generally. When promises are made ministers should not try to break them. If the minister cannot deliver on his promises he would be better off, as we all would be, not to make them.

Let me return to the bill. The minister feels some relief in that he thinks I am moving on to another point. I will come back to rail relocation, so he should just settle down.

I do not believe we will reduce unemployment until such time as we reduce inflation. We must recognize that there is not a greater single contributor to inflation than big government. The Auditor General in his report pointed out inefficiencies that are inflationary. Inflation reduces confidence, which in turn reduces investment. Why is it that Canadians are looking for other places in which to invest? As they do that jobs are lost here.

The government must address itself very seriously to the question of how we can reduce the inflation we now face. It can make a great contribution toward this reduction by getting its house in order and becoming efficient. I know this government and the former minister of finance have said that inflation is imported and we cannot do anything about it. We recognize that there is a certain amount of truth in that statement, but our entire inflation is not imported.

We note the statement in the throne speech that this government will be more efficient. I hope that is the case, but I do not place too much faith in that in view of the record of this administration. This government is saying almost in the same breath that it wants to be bigger. I suggest that when governments at all levels are taking over 40 per cent of our gross national product for various projects, and when the federal government is spending 25 per cent more than its revenues on an annualized basis, that is not a very hopeful sign. This minister has a reputation for being one of the big spenders.

An hon. Member: Already.

Mr. Epp: Already. He has the reputation for being one of the people in the cabinet who will advocate more and more government intervention, and more and more government spending, on the theory, I guess, that bigger government is better. I ask him to reconsider that philosophy and to change it very quickly.

The only way, with our economy, that we can win the battle against inflation and unemployment is by relying on individual Canadian men and women to invest in this country. I believe Canadians will invest, but not because of a commitment by this government as I think they no longer believe its promises. They will invest if they see tangible signs that their investments will not ever increasingly be taxed or frittered away. When Canadians begin to invest, jobs will be created. This in no small way will help.

Let me address the problem of unemployment in northern Canada. Over the last ten years northern Canada has become increasingly dependent upon government. Because of regulations, our tax system and permits from federal and other levels of government, a small business virtually cannot exist north of 60. I suggest that the minister should consider tax regimes

which allow individual Canadians to invest in the north. To a great extent this is where future employment possibilities exist. Even if we put our imaginations to work, I think we would fall short of the real potential that exists in the north. I suggest to this government, specifically this minister, that consideration must be given to special employment programs in Canada's north, and I do not restrict that necessarily to north of 60.

From what I have seen, and I think this is borne out by the practical experience of those who are in the north, it is becoming increasingly difficult to do business there. If you cannot get a government contract or cannot become the supplier of some government project, the chance that you will survive financially is at best tenuous. We must start looking to employment and investment strategies in this way, particularly as they apply to specific areas, to meet specific needs and to address specific problems. The north today should not be more dependent upon government than it was ten years ago, yet we see one project after another that could begin to reverse this trend blocked through regulation by government of one form or another.

• (2150)

In the area of native employment, the employment tax credit program is of no great benefit. Hon. members will notice that I did not say it was of no help. That is because I do not have before me the number of jobs that have been created for native people. Generally speaking, the program offers jobs which native people cannot fill and, therefore, does not offer the opportunity to these people that such a program should. We cannot continue indefinitely to allow the potential of these people to be lost. The programs established for Canada's native people should be more specific.

However, we must get away from offering term jobs. So many of these jobs expire when the term expires, and hope disappears as well. The government must offer jobs based on viable economic activity rather than on artificial, well intentioned government programs. The minister has said that 50,000 new jobs will be recreated. I hope that he is correct. I have made my suspicions known to officials of the Department of Employment and Immigration, not only about the figure of the 50,000 jobs, but also the figures they offer on program after program, week after week, and month after month. I am sure that if we were to add all these figures together, they would indicate that we have no unemployment. We receive these sorts of figures from the Department of Employment and Immigration and as well from the Department of Regional Economic Expansion. While it is the spirit of government to paint as rosy a picture as possible, I would ask that this government give a realistic picture.

Too often it is the case with these programs that the same job is counted under one program, and when that program ends and another one is established, the same person is counted as having taken a job under that program. By this process two jobs have been created. When the second program ends, that person may be unemployed, but the figures show that two jobs have been created. The government must revise the manner in which it collects job statistics. It cannot have it both ways, with unemployment running as high as one million people and yet the figures show that jobs have been created, and in effect indicate that there is little or no unemployment.

I ask that the minister bring in programs which he can deliver, instead of making promises for which he does not have enough clout in cabinet to carry through, as we saw today. The government has said in the throne speech that Canadians are realistic people.

An hon. Member: It did not mean you.

Mr. Epp: I take myself to be a Canadian. Canadians prefer the truth to promises which cannot be delivered. I would say to the minister, "Take your responsibility in that way, and think before you speak".

Mr. Knowles: Would the hon. member permit a question before he sits down?

Mr. Deputy Speaker: Will the hon. member permit a question?

Mr. Epp: Yes.

Mr. Knowles: It relates to the relocation of the Canadian Pacific railyards in Winnipeg, to which the hon. member has made reference. Does he not feel that, instead of accepting relocation as dead because the Minister of Industry, Trade and Commerce (Mr. Gray) said no to the delegation from Winnipeg which was here today, he should be joining with the rest of us in pressing the government to keep the issue alive? As the minister knows, the yards are in my constituency, and as one concerned for the welfare of the people who live on both sides of these yards, I say they must go.

Mr. Epp: Mr. Speaker, in reply to the hon. member for Winnipeg North Centre (Mr. Knowles), yes, I will continue pressing. I would like to remind the hon. member that I moved a Standing Order 43 yesterday asking this government, with regard to rail relocation, to consider the matter, to accept the terms of reference of the city of Winnipeg, and that it give its decision within the time limit asked for by the city of Winnipeg, namely, the end of May.

The hon. member for Winnipeg-Assiniboine (Mr. McKenzie) has done the same thing, and I am glad that the hon. member for Winnipeg North Centre has now joined with us.

Mr. Deputy Speaker: The hon. member's time has now expired.

Mr. Knowles: On a point of order, Mr. Speaker, the statement just made by the hon. member about some of us joining him is completely wrong.

Mr. Nowlan: You haven't joined anything since Boy Scouts.

Mr. Knowles: We have been pressing this matter for years.

Mr. Deputy Speaker: That is a point of argument, not a point of order, as the hon. member very well knows.

Mr. Maurice Harquail (Parliamentary Secretary to Minister of Regional Economic Expansion): Mr. Speaker, may I seize this opportunity—

Mr. Nowlan: Don't seize it, you might constrict yourself.

Mr. Harquail: I often refer to yahoos from the west, but I see that we also have some yahoos from the east with us tonight, an hon. member who is quite well-known for his shenanigans in the House of Commons.

Since this is my first opportunity to speak in this Thirty-second Parliament, I want to congratulate you, sir, on your elevation to the chair, and through you, sir, express my congratulations to Madam Speaker.

I am speaking in support of this positive measure, the second reading and reference to Committee of the Whole of Bill C-19, an act to amend the Employment Tax Credit Act. The program is designed to provide a federal income tax advantage to employers who hire unemployed persons to fill newly-created jobs which are in addition to their normal work force.

The tax credit program is being extended because of its effectiveness and low cost. However, this government does not intend to place single-minded reliance on the program simply because it does not answer all of the unemployment problems in Canada. Being the representative of a constituency in Atlantic Canada, I am, as I am sure are members on all sides of the House, anxious to see this measure adopted as quickly as possible.

This proposal was first tabled in the House by a previous Liberal administration in a previous Parliament. There has already been enough time lost through delay.

Mr. Baker (Nepean-Carleton): Hear, hear!

Mr. Harquail: I encourage the opposition House leader to co-operate with us.

Mr. Baker (Nepean-Carleton): I always have.

Mr. Harquail: I thank the hon. member for his co-operation in this regard, and I hope that he will see his way clear to assist in the early adoption of this important measure. Of the more than 25,000 employers who have signed agreements under the employment tax credit program, 92 per cent of them have indicated in an interim survey that they would participate again.

The figures indicate that the greatest number of employers who have hired employees under the program come from Ontario and Quebec. However, on a percentage basis New Brunswick employers are second only to Quebec. Over-all use of the program in the Atlantic provinces was very high. On an average 88 per cent of the employers in the Atlantic region took advantage of the program, and as a result these firms have benefited greatly.

Because of the lengthy speech by the hon. member for Provencher (Mr. Epp), I will have to return at a later date to conclude my remarks, but I would like to stress the importance of assistance to Canadian youth who have suffered more than their fair share as a result of unemployment.

May I call it ten o'clock, Mr. Speaker?

● (2200)

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

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

PUBLIC SERVICE—CRITICISM IN REPORT OF AUDITOR GENERAL

Mr. John Gamble (York North): Mr. Speaker, I welcome this opportunity during the adjournment debate to deal with the most unsatisfactory answers given to me on Tuesday of this week by the President of the Treasury Board (Mr. Johnston) in connection with the report of the Auditor General, tabled in this House last week, as that report dealt with inefficiency in the public service. I wish to say at the outset that my questions were asked out of a general regard for improved efficiency and economy in government.

The questions I directed to the minister related to the specific steps that he proposed to take in connection with public service matters, in order to ensure that the taxpayers of Canada received a fair day's work from their public servants. I also inquired at that time if targets and dates were to be established for staff reductions. Some of my language was borrowed directly from the report of the Auditor General who, at page 23 of the Conspectus, stated as follows:

> These evaluations of current productivity levels raise an important question: if the government's policy is to ensure that employees receive a fair day's wage, should it not also be a policy for both management and employees to ensure that the employer (in effect, the taxpayer) receive a fair day's work in exchange?

The evaluation referred to in that extract is set out on page 22 of the Conspectus, and in paragraphs 9.99 and following on page 197 of the report itself. Of an authorized staff of 355,000, some 50,000 public servants were tested for efficiency, and the average level of efficiency was established at 60.8 per cent. Employees in private sector organizations were similarly tested by the Auditor General and they produced an efficiency rating of 87.7 per cent.

The conclusion referred to on page 22 of the Conspectus states in part as follows:

> If these results are typical of the occupational group and if a minimum acceptable level of 80 per cent efficiency could be attained, then the work now performed by 50,000 employees could be performed by 38,000.

It should be remembered that in arriving at those figures the Auditor General is referring to a minimum efficiency level of

80 per cent, while the level attained by actual tests in private industry was found to be 87.7 per cent. If we apply the appropriate multiple of 7.1 to the 12,000 figure arrived at by making a simple subtraction of the two figures referred to in the paragraph just quoted, then there were 85,200 public servants excess to requirements at the time the report was prepared.

How seriously did the Auditor General view this matter? At page 199 of his report, in paragraph 9.111 he wrote:

We suggest that the criterion of 80 per cent performance should be considered the minimum acceptable level of efficiency in government. This level, however, is not necessarily an ultimate target for government. Clearly, government has the responsibility for stating its target performance, which may be well in excess of 80 per cent. We consider performance below 80 per cent to be evidence of a lack of due regard for efficiency, and thus a matter that should be brought to the attention of Parliament.

Of course the Auditor General is the servant of Parliament.

● (2205)

At page 23 of the Conspectus he says:

This is the sort of issue that I think must be addressed constructively at the highest level of government and reflected in an integrated action plan for general management.

I entirely agree. Under section 5(1)(e) of the Financial Administration Act, Treasury Board has responsibility for personnel management in the public service, and the President of the Treasury Board is the chief officer. I accordingly call upon the President of the Treasury Board to pursue with vigor the nagging but, I fear, growing problem of inefficiency in the public service.

It is no answer to suggest, as he did to me in responding to my question, that the Standing Committee on Public Accounts and I, as a member of that committee, may make evaluations. I made my evaluation, and the public has had confirmed what it has known for years, that the public service is not delivering fair value for the money that they receive in remuneration. It is the task of the minister to provide the concrete proposals which are demanded and not simply to stall, hinder, and delay the necessary process.

Mr. Robert Daudlin (Parliamentary Secretary to President of the Treasury Board): Mr. Speaker, in the first instance I would want to state for the record that probably this evening is again an example of the need that we have in this particular institution for some change, inasmuch as we can have the kind of accusations and kind of positions taken by the hon. member for York North (Mr. Gamble) without full opportunity with an equal time frame to be able to respond and cover all of the points that were raised, both here and in the House when the question was first asked. One can only hope that is going to change at some time in the very near future.

In the second instance, I would like to refer to some of the comments made by the hon. member for York North, particularly this evening when he referred to the answer that was given to him by the minister on the day in question, and particularly when he suggested that in fact the minister was saying to him that he would have the opportunity to examine or to review this in the committee. The minister was not asking him only to examine and review, but rather to examine very closely the premises upon which the kind of recommendation was being made by the Auditor General, the kind of thing that all members of Parliament, I would hope, would want to do, not because we start from the position that the report is or may be wrong, but rather that members of this House would not want to accept any report without examining the premises, without determining whether or not it was a valid type test that was being projected across all of the public service, and without wanting to accept carte blanche everything that was put down on the piece of paper as being what it presented itself to be.

The government of the day is in fact carrying out a program of restraint of both expenditure and public service growth that was introduced by this government for the 1976-77 fiscal year. We now have a five-year record which bears scrutiny. The authorized size of the public service controlled by the Treasury Board was 317,184 in 1975-76. As shown in the 1980-81 main estimates tabled by the President of the Treasury Board (Mr. Johnston), the authorized size of the public service for 1980-81 is 312,595. The size of the controlled public service has actually declined by 4,589, or 1.4 per cent, over the five years of restraint. There can be no doubt that with the many greatly increased services being provided now as compared to 1975, and with a smaller public service, such a reduction in the size of the public service implies significant gains in productivity in many areas.

That is not to say that the end has been achieved. But it should certainly put us in a position as members of this House, so as not to be so hasty in standing on our feet immediately after a report without testing the report and bashing the civil servants wherever we find them. This country has been well served by the civil servants, and we should be the first to stand up and protect them.

I have many other items I would like to add in answer to the question the member has put. I know he put it sincerely. Unfortunately, time will not permit me to answer all of the areas he has covered. All I would ask—

Mr. Deputy Speaker: Order, please.

● (2210)

PENITENTIARIES—SHOWING OF SEX FILM TO INMATES

Mr. Benno Friesen (Surrey-White Rock-North Delta): Mr. Speaker, some months ago I received a document in the mail which was in fact a copy of an interdepartmental memorandum from the British Columbia penitentiary. There was no signature on the envelope, and I am sure that the person who wrote the memorandum was not the person who sent it to me. The subject matter had to do with the fact that the B.C. penitentiary authorities showed to the general population of inmates on September 1 and 3 a pornographic movie entitled, "The Night of the Voyeur". The memorandum said in part:

It is the opinion of all officers who viewed this movie that it will do nothing but encourage homosexual acts or relations in this or any other institution.

I know that the minister said that day that he would look into the matter. I was referring specifically that day to a letter I had received from the commissioner of corrections in which he says:

> As part of a policy to provide an environment which, within the limits necessarily dictated by incarceration emulates the normal—

Mr. Speaker, I am wondering, as I did two days ago when I asked the question if he considers movies like "The Night of the Voyeur" as emulating the normal. If that is the normal, I should like to know from the Solicitor General (Mr. Kaplan) what is his idea of the bizarre.

We asked a few questions about it. We got in touch with the film classification officer. The commissioner of corrections goes on to say that they show these movies, and that the movies which are the subject of this gentleman's complaint are classified as adult. I went on to contact the film commissioner's office and I found out that federal institutions do not have to pay any attention to classifications given by provincial governments. They can ignore them completely because that is what the regulations say. I found that federal officers did in fact phone the classification officer and that in this case telephone calls were made from the federal authorities in connection with the film, and they were made aware of its contents.

This is what they were told about the film: "It is so classified that it is restricted from drive-in theatres". That should tell us a little about it. "It is so classified that any theatre wishing to show it has to get permission to show it every time they want to do so." They were told it was restricted, with a warning: "completely concerned with sex; there is no story line, it is a stag film." This is what the commissioner of corrections says is adult. This is what he says is something which emulates the normal. What is the bizarre, if that is normal?

● (2215)

The Solicitor General said he would look into this and see what it was all about. So he did, and I congratulate him on his quick response. I suspect, though, that it was not a thorough response because in one day, in response to my question yesterday, he apparently had done all the research as to whether or not this was a suitable film for the penitentiary service. He says in his letter to me:

> I have reviewed the letter the commissioner of Corrections addressed to you on this matter and I am satisfied that the policy and practice of the service on this issue is fair and reasonable.

Do we need to wonder why we have problems in the correctional service of this country when the officers in the pen cave in to prisoners' requests and show these kinds of movies? Is it any wonder that the officers in the penitentiary service are worried about what will happen in the penitentiaries when these kinds of movies are shown to the inmates? As I have said to some people, it seems to me that the policy of this minister and of previous ministers in this department is that they seem to want to make rehabilitation more exciting than the original crime. It seems to me that we should not inject more of the disease in order to cure the patient.

I have put a question on the order paper, and I wonder how long it will take for the minister and his officials to answer it. I would like to know how many times films like this have been shown in the penitentiaries. I wonder if there is a correlation between the kinds of movies which have been shown and the dates when there were rebellions, insurrections, or hostage takings in the institutions. I wonder if there is any correlation, and I wonder how long it will take the minister to answer my question on the order paper, and what kind of evidence we are going to find in that answer. I think it is deplorable that we have the kind of administration in the penitentiary service which allows this to happen, and I hope we get a response from the parliamentary secretary tonight.

[*Translation*]

Mrs. Céline Hervieux-Payette (Parliamentary Secretary to Solicitor General): I thank the hon. member for Surrey-White Rock-North Delta (Mr. Friesen) for coming back with this question to allow us to expand on what he calls an incident which I think corresponds very simply with a reality that may exist also outside penitentiaries, as my colleague admitted. I must say that indeed that answer follows up and provides additional explanations on a letter sent to his colleague, the hon. member for Durham-Northumberland (Mr. Lawrence) in October 1979, and which had not been answered at the time the Solicitor General was appointed. Furthermore, I confirm that this movie was approved from a classification standpoint by the classification board of B.C., meaning that it was indeed rated for adults, so to be used as such. On the other hand, it was also listed as being acceptable in a book entitled the "Theatre Manager's Handbook" and recorded as such in that directory. Furthermore, I would like to add that the rental of the movie was paid for by the inmates, who did not have to watch it. And, of course, if hon. members must define individual normality, I think we are in a very poor position to do so. As to the suggestion about the link with hostage takings, I think that question perhaps is not all that relevant and related to the issue of pornographic movies or movies dealing with sexual matters. On the other hand, of course, as a woman I did not have an opportunity to watch movies like that that are shown in remote places. I know that in James Bay that kind of movie is shown regularly and that the population there is mostly male. As for the army, although I never joined the armed forces which are mostly made up of men, I am told that such films are shown. I therefore believe that prisoners are treated like people living in remote regions, in any case in a community which is not like ours. I think that those prisoners should be treated like normal human beings, that is capable of judging the merits of a film. It is possible that prison officials do not particularly care for certain films. It is a matter of taste and it does not rest with any penitentiary to determine the cultural value of films shown to the inmates because they have chosen films which have been approved by British Columbia

censors. In this connection, I think that all necessary standards to provide from time to time entertainment chosen by the prisoners have been complied with and I will be pleased to give further details to my colleague. I know that limited time is allotted to answer, and the film may seem strange. I would be prepared to go and see it with him because I have not seen it. To determine that kind of criteria and judge for ourselves, I think we have to see the film.

• (2220)

[*English*]

GOVERNMENT EXPENDITURES—IMPROVED FINANCIAL INFORMATION TO PARLIAMENT

Mr. Doug Anguish (The Battlefords-Meadow Lake): Mr. Speaker, I asked to speak here this evening so as to receive a satisfactory answer to a question which I had asked originally of the President of the Treasury Board (Mr. Johnston). The main thrust of my question is with regard to the Auditor General's report which was tabled last week.

My understanding of the main thrust of the Auditor General's report was that government spending was totally out of control, although the Conservatives have dumped the blame on the backs of the civil servants, and some members of the press have picked up the case of the $2 million boat which will not float, and the $4 million worth of CBC equipment over which no one has inventory control. However, I do not really think, with all respect to Mr. Macdonell, that that was the main thrust of his report. As I said, I think the main thrust of the report was that government spending is and has been out of control for quite some time now.

He has indicated that in several reports over the period of his six-year appointment. During his six-year term some 15 commissions have been set up to study this problem within the government, and hundreds of other interdepartmental studies have been carried out. What all of them seem to boil down to is that the problem is inefficiency and lack of accountability. As I have said, these have been put on the back of the civil servants and the conclusion was reached that there should be cuts in the civil service. As was mentioned in the estimates which were tabled recently, there will be cuts of some 5,840 person-years of employment. Yet some of the areas in which cuts are proposed, such as, for example, in the Canadian Transportation Commission, need to be beefed up, such as safety, for example. Perhaps if the cuts had not taken place in some areas we would not have had the incident which occurred at Mississauga, Ontario, or the incident at Macgregor in Manitoba. The recommendations that are made in the name of accountability number in the hundreds.

The answer from the President of the Treasury Board to my first question was that the problem of inefficiency and lack of accountability in the government is being given priority attention by the government. However, the priority seems to be put aside because of the fact that we do not have a way of testing it. The Parliamentary Secretary to the President of the Treasury Board (Mr. Daudlin) said that we should test these reports first. But there is no way of testing the 15 reports that have probably come down with thousands of recommendations.

So the thrust of the supplementary question which I put to the President of the Treasury Board and which he did not answer—he admitted it later when I spoke to him outside the House—was whether this government will set up a special committee to study the large number of recommendations which have been made to improve the accountability and the efficiency of the government. We do not need cuts in the number of civil servants; we need to use them more efficiently. Why blame the civil servants when the fault lies with the administration? The government which have been in control for the last 113 years have addressed themselves to crisis situations, they have not gone into long-term planning or into problem solving in the over-all context. There is no industrial strategy and no economic policy to guide the government. If the numerous studies that we have could be considered by a special committee, perhaps these problems could be overcome.

• (2225)

At the present time I understand that many of these reports and the recommendations have been given to the Standing Committee on Public Accounts. The public accounts committee is now overworked. It is likely the busiest committee within government, the busiest standing committee we have. Although the government says that it will give it some kind of a priority, there is no way to do that. There is no forum set up to look at the recommendations, bring them back to Parliament, and to help improve the information that comes to Parliament so that as parliamentarians we can make government more accountable. Right now not only does the government not understand much of the information which comes to Parliament, opposition members do not understand it either, the press does not understand the information that comes to Parliament, and therefore, the Canadian people do not understand it. Canadians may be confused, but so are the parliamentarians and the press.

I think the time is now to have a special committee struck to study these things to which I referred. My question to the Parliamentary Secretary to the President of the Treasury Board is: will this government in fact strike a special committee to study these urgent and pressing concerns to which I have just alluded?

Mr. Robert Daudlin (Parliamentary Secretary to President of the Treasury Board): Mr. Speaker, in the first instance, without trying to sound too prideful, I should like to suggest to the hon. member that perhaps he was speaking for a more limited group and perhaps, indeed, only for himself, when he spoke of members not understanding what was coming to Parliament. Without saying that I understand everything, I would like to say that I have a far greater grasp than not understanding anything that comes to this place.

As the President of the Treasury Board (Mr. Johnston) stated in the House on April 17, 1980, improving the financial information to Parliament is a priority item to the Treasury Board. It has been noted, notwithstanding the fact there has

been an adjustment in terms of the time frame for delivering this new type of information and assistance to the House, that in fact major advances have taken place on the project and that the major causes for the delay which has taken place to date have not been a lack of commitment to change, but rather the complexity of the proposed changes.

The member will be able to judge that meaningful progress indeed has been made when he realizes that the Comptroller General has established a Government of Canada reporting division, headed by the assistant comptroller general, which brings together for the first time responsibility for improving the information available to Parliament in both the estimates and public accounts. This step is essential in ensuring that the after-the-fact reporting in public accounts is compatible with any revised estimates. In addition, those groups internal to the government with special interests in these reforms have been brought together and are committed to the project. As recommended by the Standing Committee on Public Accounts, a steering committee has been established which includes the Secretary of the Treasury Board, the Comptroller General and the Auditor General.

An over-all plan has been developed which takes into account the various tasks necessary to develop and implement the required changes to the estimates and public accounts. Although the implementation of this change will of necessity be done over several years, a number of major projects will be presented to parliamentarians for their views and comments. I can add more specifically that Mr. N. G. Ross, a partner with the firm of Coopers and Lybrand, who has extensive experience in this area, is currently under contract with the office of the Comptroller General as an adviser on all aspects of the project. He will assist in the development of various concept papers which it is our intent to make available for comment by parliamentarians later this fiscal year.

In addition to these concept papers, pilot studies at both central agency and departmental levels will be conducted. These studies will result in illustrative estimates incorporating proposed changes being made available to parliamentarians for their review and comment, hopefully in the late fall of this year.

I recognize the hon. member has suggested that in fact the tools we have in this House will be inadequate to examine this kind of report. I take as a submission from him that in fact he would prefer to see a special committee set up in order to receive these reports, as opposed to the Standing Committee on Public Accounts. Surely we can treat this only as a submission, as one of the avenues available to us, and I would join him in delivering that submission to the House leader for his consideration.

[*Translation*]

Mr. Deputy Speaker: The motion to adjourn the House is now deemed to have been adopted. Accordingly, this House stands adjourned until tomorrow at 11 a.m.

Motion agreed to and the House adjourned at 10.31 p.m.

HOUSE OF COMMONS

Friday, April 25, 1980

The House met at 11 a.m.

• (1105)

ROUTINE PROCEEDINGS

[*Translation*]

THE RIGHT TO VOTE

REQUEST HOUSE CONGRATULATE HON. SENATOR CASGRAIN—MOTION UNDER S.O. 43

Mrs. Céline Hervieux-Payette (Parliamentary Secretary to Solicitor General): Madam Speaker, under the provisions of Standing Order 43, I ask for the unanimous consent of the House to deal with a matter of urgent and pressing necessity. I move, seconded by the hon. member for Welland (Mr. Parent):

That the House extend its best wishes of good health and its congratulations to the hon. Senator Thérèse Casgrain on the fortieth anniversary of the achievement of the right to vote for women in Quebec, in which she played a leading part.

Madam Speaker: Such a motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Madam Speaker: It is moved by the hon. member for Mercier (Mrs. Hervieux-Payette), seconded by the hon. member for Welland (Mr. Parent):

That the House extend its best wishes of good health and congratulations to the hon. Senator Thérèse Casgrain on the fortieth anniversary of the achievement of the right to vote for women in Quebec, in which she played a leading part.

Is it the pleasure of the House to adopt the motion?

Some hon. Members: Agreed.

Motion agreed to.

* * *

[*English*]

CANADIAN PACIFIC RAILWAY

WINNIPEG—RAIL RELOCATION—REQUEST FOR REIMBURSEMENT OF ADDITIONAL COST OF OVERPASS—MOTION UNDER S.O. 43

Mr. Dan McKenzie (Winnipeg-Assiniboine): Madam Speaker, I rise on a matter of urgent and pressing necessity under the provisions of Standing Order 43. The Minister of Transport (Mr. Pepin) has informed the mayor of Winnipeg that no funds are available for CP rail relocation in Winnipeg. The Prime Minister (Mr. Trudeau) has stated previously that CP rail relocation is a Liberal approach and that he favoured rail relocation. The hon. member for Kenora-Rainy River (Mr. Reid) rescinded construction permits for an overpass until further studies were done, delaying the project for over a year and adding an additional $2.5 million to the cost. Now the city of Winnipeg has no choice but to proceed with the overpass.

I therefore move, seconded by the hon. member for Portage-Marquette (Mr. Mayer):

That this House instruct the Prime Minister to provide immediately the $2.5 million in additional cost to the city of Winnipeg which has accrued due to federal government delays.

Madam Speaker: Such a motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

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PENITENTIARIES

REQUEST FOR IMPLEMENTATION OF REPORT OF SUBCOMMITTEE—MOTION UNDER S.O. 43

Mr. Svend J. Robinson (Burnaby): Madam Speaker, I rise on a matter of urgent and pressing necessity pursuant to the provisions of Standing Order 43. In view of the fact that it has been almost three years since the unanimous report of the parliamentary subcommittee on the penitentiary system in Canada was tabled stating that a crisis exists in the penitentiary system and recommending that the then solicitor general act immediately on the report, and in view of the fact that there are still many recommendations which have either been rejected or not implemented by previous solicitors general, I move, seconded by the hon. member for Saskatoon East (Mr. Ogle):

That this House call upon the present Solicitor General to move quickly to implement the recommendations of the subcommittee on penitentiaries in Canada to prevent the possibility of serious problems recurring in our prison system.

Madam Speaker: Such a motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

S.O. 43

• (1110)

THE ENVIRONMENT

ACID RAIN—REQUEST FOR FULL CONSULTATION WITH UNITED STATES—MOTION UNDER S.O. 43

Mr. W. C. Scott (Victoria-Haliburton): Madam Speaker, I rise under the provisions of Standing Order 43 on a matter of urgent and pressing necessity. The Minister of the Environment (Mr. Roberts) met in Washington recently with his U.S. counterpart on the matter of acid rain contamination, but he has not yet reported to this House on whether he was able to obtain firm commitments from the U.S. Environmental Protection Agency on joint Canada-U.S. action to combat the causes and effects of acid rain fallout. I therefore move, seconded by the hon. member for Simcoe North (Mr. Lewis):

That the Canadian government express to the United States government our deep concern over the planned changeover of United States utility companies from oil and gas to coal to generate electricity, and the effect it will have on the increase of acid rain fallout in Canada, and that we should ask the U.S. government not to concur without full consultation between our two governments on the effect of acid rain on our total environment.

Madam Speaker: Such a motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

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FISHERIES

REQUEST THAT FUNDS ALLOCATED TO EASTERN CANADA BE CONFIRMED—MOTION UNDER S.O. 43

Hon. John C. Crosbie (St. John's West): Madam Speaker, I rise under the same standing order on a matter of urgent and pressing necessity. In view of the provision made in the estimates for 1980-81, as announced in the budget speech of December 11, for $50 million to initiate new measures to stimulate employment and economic development in eastern Canada, and since $25 million was to be made available to Fisheries Canada with $40 million allocated for projects of the small craft harbours branch during 1980, I move, seconded by the hon. member for St. John's East (Mr. McGrath):

That this House direct the government to confirm the additional $25 million to fisheries with $14 million additional to small crafts harbours branch for important wharf, dredging, slipway and other necessary construction work on facilities for the fishermen of eastern Canada, and specifically that plans already announced for dredging in Petty harbour, wharf repairs and reconstruction at Renews, Admiral's Beach, Merasheen, St. Vincent's, Bay Bulls, St. Bride's, Point Lance and St. Shott's, all important inshore fishing communities in the district of St. John's West, be commenced immediately.

Madam Speaker: Such a motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

CANADIAN PACIFIC RAILWAY

CARRIAGE OF HAZARDOUS SUBSTANCES—INSTALLATION OF HOTBOX DETECTORS ON LONDON TO TORONTO TRACK—MOTION UNDER S.O. 43

Mr. Douglas Fisher (Mississauga North): Madam Speaker, I rise under the provisions of Standing Order 43 on a matter of urgent and pressing necessity. I refer to the daily threat facing thousands of people resulting from the refusal by the Canadian Pacific Railway to instal simple, basic safety devices called hotbox detectors on its London to Toronto track. Every day CPR transports deadly and inflammable gases on this track. We have already experienced one massive derailment in Mississauga. These devices are not required by regulation nor are they foolproof, but if they had been in place last November, the train crew might have had a vital extra warning that a derailment was about to occur.

I therefore move, seconded by the hon. member for Bellechasse (Mr. Garant):

That this House deplores this threat posed by CPR's lack of proper safety signalling devices; that CPR be directed to cease the transportation of deadly and inflammable gases on this route until it instals hotbox detectors, and that CPR be directed to start the installation of these hotbox detectors at once.

Madam Speaker: Such a motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

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AIR TRANSPORT

PACIFIC WESTERN AIRLINES—REQUEST THAT APPLICATION FOR HANGAR SPACE IN WINNIPEG BE REJECTED—MOTION UNDER S.O. 43

Mr. Cyril Keeper (Winnipeg-St. James): Madam Speaker, I rise under the provisions of Standing Order 43 on a matter of urgent and pressing necessity. Whereas there is strong and mounting public opposition to the Pacific Western Airlines application for hangar space in the south end of Winnipeg International Airport, and whereas former Liberal transport minister Otto Lang accepted the recommendations of a departmental study calling for such development to take place, only further northwest, I move, seconded by the hon. member for Winnipeg North Centre (Mr. Knowles):

That the Minister of Transport back the decision taken by the regional air transport administration to reject the PWA application.

Madam Speaker: Such a motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

• (1115)

PENSIONS

REQUEST FOR IMPLEMENTATION OF AGREEMENT WITH WEST GERMANY RESPECTING DOUBLE TAXATION—MOTION UNDER S.O. 43

Mr. F. Oberle (Prince George-Peace River): Madam Speaker, I rise on a matter of urgent and pressing necessity regarding the serious effects on thousands of Canadians who trace their ancestry to the Federal Republic of West Germany of double taxation of pensions they may have earned in their old homeland. I move, seconded by the hon. member for Mission-Port Moody (Mr. Rose):

That this House requires the government to act with the utmost dispatch and expediency to bring into effect the terms and conditions of the 1976 bilateral agreement between Canada and the Federal Republic of West Germany as these agreements affect the double taxation of pensions.

Madam Speaker: Such a motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

[*Translation*]

HOUSE OF COMMONS

PRESENCE IN GALLERY OF MINISTER OF PLANNING AND CO-OPERATION OF REPUBLIC OF UPPER VOLTA

Madam Speaker: I should like to signal the presence in our gallery today of His Excellency Georges Sanogoh, Minister of Planning and Co-operation of the Republic of Upper Volta, and President of the Liptako-Gourma Authority.

ORAL QUESTION PERIOD

[*English*]

EXTERNAL AFFAIRS

IRAN—FAILURE OF UNITED STATES MISSION TO RESCUE HOSTAGES

Right Hon. Joe Clark (Leader of the Opposition): Madam Speaker, in the absence of the Prime Minister, I will direct a question to the Secretary of State for External Affairs regarding the failure this morning of the United States rescue mission in Iran. I wonder if the Secretary of State for External Affairs can give the House any information on this matter that was divulged to the Prime Minister, to the Secretary of State for External Affairs or to other Canadian officials by Secretary Vance or other American officials, or information that was communicated directly to the Prime Minister by President Carter.

Hon. Mark MacGuigan (Secretary of State for External Affairs): Madam Speaker, the Prime Minister regrets that he is not able to be here this morning. As I believe the House knows, he released a press statement in which he referred to the valiant effort and regretted the loss of life, which we all do, as we also regret the continued holding of the hostages in Tehran. We had no advance knowledge of the operation. The knowledge we received subsequently is of a very general kind and not, I think, of the kind to which the hon. Leader of the Opposition referred.

Mr. Clark: I wonder if the Secretary of State for External Affairs will tell the House whether the Government of Canada is considering any initiatives which Canada might take or recommend that would be helpful in securing the safety and the peaceful release of the American hostages remaining in Tehran?

Mr. MacGuigan: Madam Speaker, obviously this is a subject which especially today is very much at the forefront of our concerns. We expect to have discussions in the near future with our allies, including the United States, on this question. We had some general discussion along those lines with Secretary Vance when he was here, but now in this new context I think it is more important than ever that we have some additional consultations in this respect.

Mr. Clark: Madam Speaker, is it the position of the Government of Canada that Canadian sanctions against Iran should and shall stay in full effect?

Mr. MacGuigan: Madam Speaker, certainly we intend to keep in effect the sanctions which we put in place. We are not unsympathetic to further sanctions in co-operation with our European allies along the lines that have been spoken about recently. We do not yet have a full economic embargo on Iran. We are considering that step, and we will more with our allies in that direction.

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CANADIAN PACIFIC RAILWAY

WINNIPEG—RAIL RELOCATION—SUGGESTED REVERSAL OF GOVERNMENT POLICY

Mr. Dan McKenzie (Winnipeg-Assiniboine): Madam Speaker, my question is for the Minister of Transport. I wonder if he would explain to the House the complete reversal by the government in not providing funds to the city of Winnipeg for CP rail relocation. The Prime Minister stated that he favoured rail relocation. The Minister of Employment and Immigration stated that we need rail relocation. The predecessor to the Minister of Transport, Mr. Lang, said that we must have rail relocation. The hon. member for Kenora-Rainy River gave advice to the city of Winnipeg on how to obtain funds for rail relocation. In view of these statements, can the minister explain to the House the complete reversal of policy of the Liberal government?

Hon. Jean-Luc Pepin (Minister of Transport): Madam Speaker, the Minister of Transport is in favour of relocation, and everybody and his aunt is in favour of relocation. This is the essence of it. Everybody finds it easy to agree with this relocation project.

● (1120)

A study has been made which illustrates or demonstrates the substantial difference between building overpasses and relocating, and the difference is between $65 million and $135 million. Three orders of government have some responsibility in this matter, and the city of Winnipeg is trying to find if it can get the necessary money for the relocation option from somewhere. The mayor and his advisers came to see us yesterday. As Minister of Transport the only instrument I have is UTAP, the urban transportation assistance program. Under that program $9 million can be assigned for that, and arrangements have been made to assign that project should the city and the province—because the province has the main responsibility to decide—accept this recommendation.

We are looking for money elsewhere and there is a possibility that the Department of Regional Economic Expansion might make a contribution.

The difficulty, of course, is the size of the gap between option one and option two, that is, the difference between $65 million and $135 million. Even if DREE wanted to be helpful, they would require quite an amount of money to do so.

May I conclude by saying that this is a responsibility of all three orders of government. We are in a bit of a vicious circle because everybody is looking to somebody else to see what they are going to do. I tried to say yesterday what I thought as Minister of Transport.

Some hon. Members: Hear, hear!

Mr. McKenzie: Madam Speaker, the vicious circle has been created by the Prime Minister and the hon. member for Winnipeg-Fort Garry. They never said any of these things when they stopped the city of Winnipeg obtaining funds—

Madam Speaker: Order. Will the hon. member ask his question.

Mr. McKenzie: My question is, as the year's delay was caused by the Liberal government, is the government now going to reimburse the city of Winnipeg for the additional $2.5 million cost for the building of the Sherbrook-McGregor overpass, and is it going to provide them with a permit for the overpass? If the minister has the DREE funds, when will he be making an announcement on those DREE funds?

Mr. Pepin: I want to repeat, Madam Speaker, that the door is not closed. There is still an exercise to be done, which we hope to conclude next week. I am going to dedicate a lot of time to it because I think the city of Winnipeg should know where the two other orders of government stand. I am referring to the government of Manitoba, which has not been too keen to come out on this subject.

On the point of compensation for the delays, I regret to say that I do not accept the idea and for two reasons. First of all, this study, which took a bit of time to do, was necessary for the project to come under UTAP. Secondly, I think that had the study not been done, generations of Winnipegers would have asked themselves what would have been the cost of relocation and if it would have been financially possible to take that approach.

WINNIPEG—REQUEST FOR COMMITMENT ON RAIL RELOCATION

Mr. Cyril Keeper (Winnipeg-St. James): Madam Speaker, I would direct my question to the same minister, asking whether he agrees with and recognizes the importance of rail yard relocation in Winnipeg and that the economic benefits outweigh the cost? Is he prepared to make a commitment within a week on relocation?

Hon. Jean-Luc Pepin (Minister of Transport): Madam Speaker, I cannot see what I can add to the very clear answers I have already given.

Mr. Keeper: My supplementary to the minister, Madam Speaker, is, is he willing then, if required, to bring in amendments to the Railway Relocation and Crossing Act so as to make that act more sensitive to community interests and not simply to CPR interests?

Some hon. Members: Hear, hear!

Mr. Pepin: Madam Speaker, I repeat again that the objective of relocation is one with which everybody and his aunt agree. The question is to find the money needed to do that. It is not only in Winnipeg, it is in Regina, Toronto, Montreal, everywhere.

● (1125)

Mr. Clark: What were the limits of the Axworthy promise?

Mr. Pepin: I hope that in the coming months to begin to develop a program that would replace the UTAP program which ends in the fiscal year 1982-83.

* * *

ENERGY

INQUIRY AS TO DELAY IN EXPLAINING BLENDED OIL PRICING

Hon. John C. Crosbie (St. John's West): Madam Speaker, my question is directed to the Minister of Energy, Mines and Resources. The Minister of Finance on Monday night made a solemn pledge that the implementation of blended oil pricing would reduce the expenditures on oil import subsidies by one third, $1 billion, out of the new estimate for this year of $3.1 billion. This year Canada will import 165 million barrels of oil at a subsidy at present of $20 a barrel. Therefore, there would have to be an increase in the price of imported oil to $6 a barrel to reach this $1 billion.

Would the minister explain to the House, in view of the importance of this pledge, why the long delay in explaining fully to Alberta, Saskatchewan and the other provinces what his new formula is in detail—not election rhetoric as he told the Leader of the Opposition yesterday, but his detailed proposal? Is it because the proposal resulted in an increase of over $4 more a barrel this year than was stipulated in the budget, or is it because the minister wishes to gull the people of Quebec beyond May 20 he gulled the people of Canada beyond February 10? What is the reason for this?

Hon. Marc Lalonde (Minister of Energy, Mines and Resources): Madam Speaker, I wish that the hon. member would quote accurately what was said by the Minister of Finance. I suggest, when the hon. member refers to a statement made by the Minister of Finance in his absence, that he should at least quote exactly the statement from *Hansard*.

Some hon. Members: Hear, hear!

Mr. Lalonde: As to the hon. member's question, I would remind him that it took his government six months before it went to Alberta and really started to discuss detailed proposals with that province. I had a meeting with the minister of energy of Alberta within two weeks of my appointment to office.

Miss MacDonald: It took you ten years.

Mr. Lalonde: During the first two weeks of May, I intend to meet with my provincial colleagues, particularly those of the producing provinces, and discuss with them rather specific proposals.

Mr. Clark: Again he refuses to answer.

Mr. Crosbie: Madam Speaker, the blended price was a central proposal during the election campaign. Now the minister is admitting that he does not know what it is and that he does not have a proposal ready yet.

Miss MacDonald: That's right.

Mr. Crosbie: With respect to the accuracy of quotations, the minister told the hon. member for Athabasca yesterday that it was not the federal government which delayed the starting of the Alsands plant, but the government of Alberta. The president of Shell Canada Limited said yesterday, as reported in this morning's *Globe and Mail:*

> Completion of Canada's third oil sands plant will be put back a year to 1987 if Ottawa does not agree to world prices for output by the end of June—

In view of that fact, how can the minister now blame the government of Alberta, when Shell Canada is saying that completion will be put back one year if Ottawa does not agree to world oil prices for their product by June? Who is correct, the president of Shell Canada or the minister? I know who I think is correct, and it is not the minister.

Mr. Lalonde: Madam Speaker, obviously I do not expect the hon. member to exercise fair judgment on this issue, nor am I surprised by his conclusion. I would remind the hon. member, that well before our decision to use the force majeure clause within the agreement with Syncrude, and to put an end to the tying of tar sands oil prices to international prices, the government of Alberta had delayed for many months the necessary approval for the Alsands proposal, while the federal government had taken all the necessary steps to make sure that this project would go ahead. The decision to delay any further approval was taken by the Premier of Alberta at least a month, if not two months, before our announcement on tar sands prices. Those are the facts, and I challenge the hon. member to prove to the contrary.

Mr. Crosbie: Madam Speaker, in view of the urgency of settling the oil pricing question for the purposes of the budget, which the Minister of Finance is hesitating to bring down until this matter is settled, since the present agreement ends on July 1, in view of the fact that it is holding up the tar sands project, and in view of what the president of Shell Oil has said, that if we do not have that price, these projects will not be economically viable, when does the minister intend to pull his blended rabbit out of his blended hat and give it to the provinces and this House so that we can see exactly what he is aiming for and how he intends to accomplish his goals?

Mr. Lalonde: Madam Speaker, this government will not be blackmailed by the threats of any president of any company.

Some hon. Members: Hear, hear!

• (1130)

Mr. Lalonde: We are engaged in discussions with the provinces, the producing provinces in particular, concerning a new pricing arrangement. There is agreement between the government of Alberta and ourselves that we should set our target for early July. That point is agreed between our governments. I am working on that basis, and I hope that bv that time we will have an agreement.

By the way, Madam Speaker, if that does happen, we will have achieved an agreement twice as fast as it took the previous government not to reach an agreement.

* * *

GOVERNMENT EXPENDITURES

ANTICIPATED INCREASE IN PRICE OF DOMESTIC OIL

Hon. Sinclair Stevens (York-Peel): Madam Speaker, on the same line of questioning, perhaps I could put a question to the President of the Treasury Board. In introducing the main estimates in this House earlier this week, the President of the Treasury Board stated:

> The $2.6 billion provision in the 1980-81 main estimates for oil import compensation payments is based on the previous government's domestic oil pricing strategy—

Would the President of the Treasury Board confirm to the House that that strategy anticipated a $4 per barrel increase in the price of domestic oil in this current fiscal year?

Hon. Donald J. Johnston (President of the Treasury Board): Madam Speaker, as I recall, that was the figure that was produced in the projections of the former minister of finance in December, 1979.

INQUIRY WHETHER BLENDED PRICE FORMULA CONVEYED TO PRESIDENT OF TREASURY BOARD PRIOR TO FINALIZATION OF ESTIMATES

Hon. Sinclair Stevens (York-Peel): Madam Speaker, as we now have it confirmed that before this House we have estimates that anticipate a $4 per barrel increase in the price of oil, I would put my next question to the Minister of Energy, Mines and Resources. Did he at least convey the workings in detail of his blended price formula to the President of the Treasury Board prior to the estimates being finalized and put before this House, as certain oil compensation payments are reflected in these estimates, but apparently the $4 price was assumed still to be in effect?

Hon. Marc Lalonde (Minister of Energy, Mines and Resources): Madam Speaker, the government is working on various scenarios in terms of pricing—

Some hon. Members: Oh, oh!

Mr. Hnatyshyn: It is a great day.

Mr. Lalonde: —but I can assure the hon. member that for this year the wellhead price increase that the government is working on is below $4.

* * *

CONSUMER AFFAIRS

OIL COMPANY PROFITEERING—INQUIRY AS TO GOVERNMENT ACTION

Mr. Ian Waddell (Vancouver-Kingsway): Madam Speaker, I am pleased to hear that this government is tough and will not be blackmailed.

I have a question for the Acting Prime Minister. In view of the fact that oil company profits for the first quarter of this year have just been released, showing that Shell's profit is up 94 per cent, Gulf 72 per cent, Texaco 94 per cent and Sunoco's profit is up an incredible 364 per cent, what action is the Government of Canada contemplating to stop this exorbitant profiteering by these oil companies?

Hon. Marc Lalonde (Minister of Energy, Mines and Resources): Madam Speaker, as far as Suncor is concerned, the hon. member knows that we have stopped tying the price of tar sands oil to international prices, and that we are going to work on the basis of a negotiated price which has no relationship necessarily to international prices.

Mr. Hnatyshyn: What are you going to do, Marc?

INQUIRY WHETHER OIL COMPANIES ALLEGED TO HAVE FIXED PRICES WILL BE PROSECUTED

Mr. Ian Waddell (Vancouver-Kingsway): Madam Speaker, that does not answer my question on oil company profits, but I will direct my supplementary question to the Minister of Justice, if I might. I know he is tough and will not be blackmailed either.

In view of the fact that the Department of Consumer and Corporate Affairs has been conducting a seven-year investigation on price fixing by large oil companies and that lawyers in the department are running over themselves with evidence from this investigation, can the minister confirm to the House that there is going to be action taken now, including prosecution of these oil companies who are making these exorbitant profits and are alleged to have fixed prices?

Hon. Jean Chrétien (Minister of Justice and Minister of State for Social Development): Madam Speaker, I will look into the matter. I have not been informed of any immediate action concerning that file. I think it is a very important subject and I will look into it. If we have to take action, we will take it, but I am not in a position to report to the House at this time.

Mr. Waddell: Madam Speaker, the Minister of Consumer and Corporate Affairs knows about this matter, or at least should know of it. Could he confirm to this House that officials in his department are simply furious over the inaction of the last government and over the unwillingness of this government to be tough and to take on the giant oil companies over this price fixing? Can he tell us when there is going to be some action in this area?

[*Translation*]

Hon. André Ouellet (Minister of Consumer and Corporate Affairs and Postmaster General): Madam Speaker, I should not forgive myself for expressing publicly the personal feelings of civil servants. I shall not continue in that vein but will merely reply to the hon. member that an investigation is now under way, as the hon. member already knows. I am confident its director will do a thorough job of it. For the time being, anything else would be mere speculation. I feel it would be wiser to wait for the findings of the director of inquiries. When he has handed in his report, of course the government will act without delay.

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NATIONAL DEFENCE

CONSTRUCTION OF ESCORT SHIPS—GOVERNMENT POSITION

Mr. Jean-Louis Leduc (Richelieu): Madam Speaker, my question is directed to the Minister of National Defence. I should like to know what the intentions of the government are with regard to the future of escort ships in Canada.

Hon. J. Gilles Lamontagne (Minister of National Defence): Madam Speaker, I am glad the hon. member brings up the matter considering the updating of our Canadian armed forces, which process is making great strides, the purchase of fighter aircraft and probably, in the near future, that of other material. With regard to the ships we must purchase for the Canadian navy, I think it is important to mention that the Quebec shipyards will certainly benefit the most considering that we have two shipyards which need help very badly, and like in other parts of Canada the situation can certainly be improved.

* * *

[*English*]

NATURAL RESOURCES

OFFSHORE OIL AND GAS—RECOGNITION OF POSITION OF NEWFOUNDLAND

Hon. James A. McGrath (St. John's East): Madam Speaker, I would like to direct a question to the Minister of Energy, Mines and Resources. In view of the fact that the failure of this government to recognize Newfoundland's claim to offshore oil and gas is retarding commercial development of the Hibernia well, and in view of the position taken in Newfoundland by the minister's provincial colleagues in support of Newfoundland's position, I ask the minister if the government intends to recognize Newfoundland's position, vis-à-vis offshore oil and gas, in order to enable production of this very important well to get on and, if so, is the minister prepared to tell the House what the position is?

Hon. Marc Lalonde (Minister of Energy, Mines and Resources): Madam Speaker, what is retarding any development, if there is any such delay taking place, is also the failure of the government of Newfoundland to recognize the position of the Government of Canada.

Mr. McGrath: Madam Speaker, I have a supplementary question for the minister. The minister's colleague, the Minister of National Revenue, said publicly that the position of the Government of Canada is getting closer to that of the government of Newfoundland. My question is: has there been any change in the very stubborn position of the Government of Canada, and does the minister intend to enter into negotiations with the government of Newfoundland in order to enable the development of that very important source of energy to proceed and hence reduce the dependence on offshore oil and gas which is so costly to this country?

Mr. Lalonde: Madam Speaker, I am happy to hear that my colleague recognizes that the position of the Government of Canada might be coming closer to that of Newfoundland, and I hope this also means that the position of Newfoundland is coming closer to that of Canada.

As far as the other part of the hon. member's question is concerned, I intend to meet with my colleague, the Newfoundland minister of energy, in the near future.

Oral Questions

INDUSTRY

FINANCIAL SUPPORT TO CHRYSLER OF CANADA

Hon. Michael Wilson (Etobicoke Centre): Madam Speaker, my question is directed to the Minister of Industry, Trade and Commerce. Last Tuesday I asked the minister whether he was proposing to have discussion of the Chrysler Canada issue before an appropriate committee of the House. To my amazement, in light of the size of the proposed support, he has said that this will not take place. I do want to get some of the other matters on this important decision before the House prior to the decision taking place.

● (1140)

In view of the magnitude of the decision and its imminence, and in view of the fact that the fiscal position of the federal government is very tight right now, will the minister tell us out of what spending envelope any aid to Chrysler would come? Would it be out of the economic development envelope or would it be taken from social programs?

Hon. Herb Gray (Minister of Industry, Trade and Commerce): First, I have not finished my consultations with the House leader regarding having the auto pact situation studied by the appropriate committee. I would think that when the estimates of the Department of Industry, Trade and Commerce are before the finance committee this would provide at least a partial vehicle for the kind of consideration the hon. member has in mind.

As to the precise reference in his question, he should not assume that the larger amount speculated upon in the press is the amount the government is considering with respect to Chrysler.

Finally, the exact nature of the envelope would depend on the form and extent of the aid finally decided upon.

Mr. Wilson: I was not referring to the auto pact itself. I agree with the minister that the question of the auto pact should be brought before an appropriate committee of the House, but I am directing my question to the Chrysler decision which is to be taken shortly. Can the hon. gentleman assure us today that a decision to support Chrysler would not have any adverse effect on any other economic development program? Would any assistance to Chrysler be in addition to other economic development programs, in view of the importance of economic development in our country today?

Mr. Gray: Madam Speaker, any decision we take with respect to Chrysler would have as its purpose enhancing the economic development of Canada.

Mr. Wilson: No answer.

Oral Questions

CANADIAN BROADCASTING CORPORATION

INQUIRY AS TO REPLACEMENT FOR "OMBUSDMAN" PROGRAM

Mr. Mark Rose (Mission-Port Moody): Madam Speaker, my question is directed to the Secretary of State in his capacity as the minister reporting to Parliament on behalf of the CBC. In view of the fact that the CBC intends to drop three public affairs shows, including "The Medicine Show", "The Watson Report" and "Newsmagazine", plus—and I emphasize this—"Ombudsman", an investigative program and an example of access television because it addresses itself to the problems of the average person stonewalled by a faceless bureaucracy, would the hon. gentleman find out if and when the CBC intends to replace "Ombudsman" with some other kind of hard-hitting investigative program which will take up the cause of the little guy?

Hon. Francis Fox (Secretary of State and Minister of Communications): The CBC is, of course, completely responsible for the type of programming which it offers to the Canadian public. I will bring the concern the hon. member has expressed to the attention of the management of the CBC and see what reply they have to his question.

Mr. Rose: I am aware, of course, that the Secretary of State only reports for the CBC to the House, but I would ask him this by way of a supplementary. Will he also try to determine whether "Ombudsman" has been dropped not because it had poor ratings but because, like "This Hour Has Seven Days, over a decade ago, this program sometimes reveals high government officials in embarrassing posture, in addition to the fact that some of the top management of the corporation, perhaps even its president, never understood or liked "Ombudsman"?

[*Translation*]

Mr. Fox: Madam Speaker, this is the first time that representations have been made to me. I think the hon. member is well aware of the CBC's independence in establishing its programming. Considering the type of public affairs programs that the CBC has discussed over the years I do not think anyone in the House can say that such a decision was taken for political reasons, as the hon. member says.

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[*English*]

AIR CANADA

REPORTED PROPOSED CANCELLING OF LANDING RIGHTS IN UNITED KINGDOM

Mr. J. M. Forrestall (Dartmouth-Halifax East): Madam Speaker, may I direct my question to the Minister of Transport? It arises out of press reports of a week or ten days ago emanating from the United Kingdom to the effect that the U.K. government was prepared to cancel the landing rights of our national carrier between western Canada and the U.K. Can the minister tell us where this matter stands, whether negotiations are in progress at the present time, and whether or not Canada has taken a clear position and one to which it intends to adhere with respect to alternate rights being sought by the United Kingdom in this respect?

Hon. Jean-Luc Pepin (Minister of Transport): Madam Speaker, this question has to do with the entry into western Canada of foreign carriers, particularly the British. Negotiations have started on this subject and somewhat to our surprise—because we do not expect this from cool Britishers—the British negotiating team went to the press and announced that if the Canadian approach did not improve they would suspend flights of Air Canada from western Canada to Britain next year.

That is the situation. It shows how difficult these negotiations will be in the future. It shows, also, that the British, like everybody else, have a short memory and have forgotten that way back in 1966 some arrangements were reached that were advantageous to their side.

Mr. Forrestall: Would the minister take this opportunity to tell Canadians just what the difficulty is between Canada and the United Kingdom with respect to these freedoms? In particular, I would ask him whether or not this precipitate course taken by the United Kingdom was associated in any way with the difficulty we experience in maintaining a presence at Heathrow International Airport outside London, or whether it arises out of other negotiations and, if so, what are the factors that have contributed to this precipitate step on the part of the United Kingdom?

Mr. Pepin: I was told that Heathrow has not played a role in this matter. That is in the past. What is happening is simply the normal exchange between negotiating teams which have very clear interests at heart. I do not think we should be discouraged. These negotiations are very important in terms of Canadian and British interests and it is normal that the first steps should have been difficult. What is surprising is that they should have led to the British announcement.

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TRANSPORT

MOVEMENT OF GRAIN—INQUIRY AS TO GOVERNMENT UNDERTAKING TO PURCHASE HOPPER CARS

Mr. Stan Schellenberger (Wetaskiwin): Madam Speaker, my question, too, is addressed to the Minister of Transport. Reports across western Canada are that the government intends to partially renegue on its undertaking to buy 2,000 hopper cars to move western Canadian grain. Can the minister tell us whether this is true?

Hon. Jean-Luc Pepin (Minister of Transport): I can deny that with all the emphasis at my command. It is not true. The program is continuing. As a matter of fact, the situation is good at the present time. But a decision will have to be made before the end of the year as to the regularity with which we

are going to remain in this business of providing hopper cars to the western railways.

An hon. Member: What does that mean?

Mr. Pepin: It means simply that a good level has been reached but it might be advantageous if we could establish a level of regular purchasing in the future.

* * *

FISHERIES

POLICY RESPECTING LANDING OF GASPEREAU

Mr. Lloyd R. Crouse (South Shore): Madam Speaker, my question is directed to the Minister of Fisheries. I may say that in response to the minister's answer yesterday I have checked my facts carefully and, for the hon. gentleman's information, six trawlers are under contract in Denmark for the Uruguayan operation to which I referred.

My question today is as follows. Would the minister outline his policy concerning the 6,000 tons of gaspereau to be landed in his native province of New Brunswick, the number of tons promised by Canada to joint trawlers of Sweden—owned by Russia, trawlers which pay no taxes in Canada—and the reason for this action since Canadian processors could have taken up to 10,000 tons of gaspereau?

● (1150)

Hon. Roméo LeBlanc (Minister of Fisheries and Oceans): Madam Speaker, the hon. member may have verified some facts at the beginning of his statement but he did not do so with the second question. In relation to National Sea's decision, the hon. member forgets that this is a joint venture. There are other partners. He also forgets that in his own riding National Sea has expanded its processing plant, which is now the biggest in North America. Surely that must show some confidence in the future of the fisheries in his own province and his own riding.

As for the matter of direct sales to offshore freezers, the fishermen from different parts of the maritimes, particularly in this case of the gaspereau fishermen in New Brunswick, had put a request to the department for permission to sell fish for which processors had made no firm offer at a firm price for firm quantities.

I tried to have the processors and the fishermen work out the details of what could be an accommodation in a joint meeting. The processors did not come up with a firm offer to the fishermen at this meeting. Since the gaspereau were heading for our coast and the fishermen were waiting for an answer, I authorized the sale.

Mr. Crouse: One brief supplementary question, Madam Speaker. Since the minister's fisheries policies are obviously not leading to the progressive development of the Canadian industry, will he give consideration to an early meeting with the provincial fisheries ministers in Atlantic Canada in the hope that a more pro-Canadian fisheries policy may be established?

Mr. LeBlanc: Madam Speaker, the hon. member seems confused. Pro-Canadian policy "pro" a number of processes which do not offer fishermen a reasonable price and a reasonable guarantee to take the fish they have to sell. But a "pro-fishermen policy" is what I have tried through the years to give the fishermen, at least an opportunity to have something to say in their own industry. I intend to continue doing that.

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INCOME TAX

REQUEST FOR CLARIFICATION OF TAXATION OF NON-SALARY BENEFITS

Mr. Jim Fulton (Skeena): Madam Speaker, my question is directed to the Minister of National Revenue. In view of the continued uncertainty regarding income taxation of non-salary benefits for the years 1978-79 in northern Canada—such things as flights, subsidized housing, fuel, room and board etc.—will the minister clarify this situation for the House and assure members that the benefits for these years will not be taxed?

[*Translation*]

Hon. Yvon Pinard (President of the Privy Council): Madam Speaker, I will take note of the question and make sure that the hon. member gets a reply as quickly as possible.

[*English*]

COMPARABLE BENEFITS FOR NORTHERN NATIVE PEOPLE

Mr. Jim Fulton (Skeena): A supplementary question, Mr. Speaker. I did not notice that the minister was not in the House but I see that the Minister of Indian Affairs and Northern Development is. In light of the position of the Minister of National Revenue on a moratorium for at least the 1980 tax year, will he assure the House and northern native people that immediate consideration will be given to introducing plans that will provide them with comparable benefits?

Hon. John C. Munro (Minister of Indian Affairs and Northern Development): Madam Speaker, I am aware of the interest of the native peoples in the final outcome, following any governmental policy after the moratorium is over.

May I advise the hon. member, as he may know, that the vast majority of the Indian chiefs across Canada are gathering in Ottawa next week. I hope to explore further just what they have in mind with respect to how they would like to see the policy formed. I will perhaps be in a position to give more elaborate details after I have had a chance to receive their input.

[*Translation*]

INDUSTRY

INQUIRY AS TO DATE OF ANNOUNCEMENT OF NORDAIR SALE

Hon. Roch La Salle (Joliette): Madam Speaker, my question is related to that of my colleague but I think the Minister of Industry, Trade and Commerce has just left. Where is he?

An hon. Member: Maybe he resigned!

Mr. La Salle: I will therefore put my question to the Minister of Transport. Since he must have had the opportunity, I imagine, to examine the Nordair file after this appointment, since the public expects an early decision and since he met with the people concerned, could the minister tell us where this question is now standing and whether a decision will be taken, and when he will announce the sale of Nordair?

Hon. Jean-Luc Pepin (Minister of Transport): Madam Speaker, we had not been very hard on the previous government on that question. But I understand better now why they could not decide either way following their inquiry.

We are giving a good deal of thought to the question. I am now in the process of meeting a large number of people concerned and consulting my colleagues, and I will make an announcement as soon as I can.

Mr. La Salle: Madam Speaker, I could tell the Minister of Transport that we had seriously reviewed that issue and that we had already committed ourselves to protect the considerable interests of Quebec anyway.

Could the minister at least assure the House, whoever the buyers are, that the majority interests of Quebec will be protected in that sale? To my mind that is the important thing.

Mr. Pepin: Madam Speaker, it goes without saying that this government is as much aware of the interests of Quebec as the former government was.

* * *

[*English*]

PUBLIC SERVICE

CRITICISM IN REPORT OF AUDITOR GENERAL—INQUIRY WHETHER BACKGROUND MATERIAL WILL BE TABLED

Hon. Walter Baker (Nepean-Carleton): Madam Speaker, I have a question for the President of the Treasury Board. The minister is no doubt aware that the Auditor General's report with its comments on the public service has created or compounded an already difficult morale problem in the public service, since it is being interpreted as an attack on the working public service rather than the management system. Given that situation, is the minister considering tabling the methodology and the studies as well as the background documents that the Auditor General used with respect to this? Are any studies being carried on within the minister's department or elsewhere within the government to extend and broaden the rather narrow sample that he used in order to come to the conclusions which he did, in order to test the conclusions to which he came?

Hon. Donald J. Johnston (President of the Treasury Board): Madam Speaker, I hope to have the opportunity of meeting with the Auditor General. I would invite interested members of the opposition to join with me to determine the methodology and look at the sampling, unless it comes up before the public accounts committee in the very near future. As hon. members know, the sampling was in, I think, classes 1 to 4 of the clerical and regulatory group. There has been an understandable tendency, due to some of the comments, to extrapolate that across the public service which, in my judgment, is unfair and inaccurate.

As I indicated in response to a question last week, it must be placed in the context of the over-all management of human resources. In that regard, Madam Speaker, I have received a mandate to direct recommendations with respect to the Lambert commission and the D'Avignon commission acting in concert with a committee of cabinet which will be formed for that purpose and chaired by the President of the Privy Council Office.

I believe it is in that direction that we must move, Madam Speaker—to improve the management of human resources and not tend to attack the hardworking public servants who have been the subject of this particular study.

Some hon. Members: Hear, hear!

Mr. Baker (Nepean-Carleton): Madam Speaker, I just want to say to the hon. gentleman that I agree with that general approach as a rational one. I am happy to hear him say that the D'Avignon report is going to be studied by the government as well, since a reference to it did not appear in the throne speech, which only had reference to the Lambert report.

Could the hon. minister tell the House whether he is carrying on consultations with the Public Service Staff Association and unions with respect to the D'Avignon report relative to the conclusions of the Auditor General, and what shape are those consultations likely to take? I noticed they were absent from the recitation of the list of people for whom he would be working in concert.

Mr. Johnston: Madam Speaker, there are continuing consultations, of course, I have met with the Public Service Commission, I have met with Mr. Stewart and Mr. Myers of the National Joint Council. As hon. members know, Mr. Stewart is president of the Public Service Alliance. We are

continuing a series of meetings and consultations and, of course, in all of these discussions consideration of the D'Avignon report and Lambert commission is uppermost.

* * *

[*Translation*]

LABOUR RELATIONS

RADIO-CANADA DISPUTE—REQUEST THAT GOVERNMENT ASK RADIO-CANADA TO ACCEPT CONCILIATOR'S RECOMMENDATIONS

Mr. Lorne Nystrom (Yorkton-Melville): Madam Speaker, in the absence of the Minister of Labour, my question is directed to the Secretary of State. There is a possibility of a Radio-Canada strike at noon considering that the recommendations of the conciliator which was appointed by the Minister of Labour were accepted by the producers' union but rejected by Radio-Canada. Therefore, does the minister intend to have discussions with the management of Radio-Canada to urge them to accept the recommendations of the conciliator of his government and of his Minister of Labour?

Hon. Francis Fox (Secretary of State and Minister of Communications): Madam Speaker, this week I had the opportunity to meet a delegation of the union concerned which told me about their concern and their problems in the current negotiations between Radio-Canada and the union. At that time, and I think it was Wednesday afternoon, those people told me that they did not intend to strike, that instead they were withdrawing their services now and then. Of course I am going to discuss this with my colleague, the Minister of Labour, who appointed a conciliator in this conflict.

* * *

• (1200)

[*English*]

HOUSING

CALGARY, ALTA—INQUIRY AS TO GOVERNMENT ACTION TO RELIEVE SERIOUS SITUATION

Mr. John Kushner (Calgary East): Madam Speaker, I wish to direct my question to the Minister of Public Works, who is responsible for housing. A very critical situation has developed in the city of Calgary. Rents have gone up 30 per cent this year. There is zero rent vacancies. Families are doubling up and cannot afford to buy homes. To qualify for a modest home one must earn about $50,000, which puts it beyond the reach of the average Canadian. It strongly appears that the minister is dragging his feet in this area.

Madam Speaker: Order, please. Will the hon. member try to make his question briefer.

Mr. Kushner: Madam Speaker, I have concluded my preliminary remarks. Is the minister in fact going into deferred interest rates, or exactly what is the minister doing to relieve this serious situation?

Hon. Paul J. Cosgrove (Minister of Public Works): Madam Speaker, as the Minister of Finance indicated, I was given a mandate to meet with representatives of the industry. That includes lenders and private insurers.

I hope to have a meeting on May 9 with a good cross-section of the industry. I hope, coming together with the federal government in consultation with my provincial counterparts—and I am meeting with the ministers from British Columbia and Saskatchewan on Monday—that we should have an answer for this House and the public within a short period of time.

* * *

AIRPORTS

AVAILABILITY OF EVACUATION AND RESCUE RESOURCES

Hon. Jean-Luc Pepin (Minister of Transport): Madam Speaker, I want to answer a question raised yesterday by the hon. member for Regina West, who alluded to a rumour that firefighters are no longer responsible for the evacuation and rescue of people in an aircraft which has crashed. This rumour stems from a review which is being made now of standards for firefighters. A draft which was issued became the subject of a leak.

The truth of the matter is that the role of firefighters will remain to save lives, property being secondary to that primary objective of saving lives. However, the question being refined now is how to go about it, and the regulation is trying to determine that. It says that firefighters will provide fire free escape areas by maintaining "fuselage integrity" and very, very complex things of this kind, but should crew members be incapacitated, then firefighters will enter the aircraft and help in the evacuation.

This is, it seems to me, a very worth-while attempt to define in regulation what is the role of firefighters in terms of priorities in their responsibilities.

* * *

POINT OF ORDER

MR. BAKER (NEPEAN-CARLETON)—PROPRIETY OF MINISTERS ANSWERING QUESTIONS OUTSIDE OF QUESTION PERIOD

Hon. Walter Baker (Nepean-Carleton): Madam Speaker, I rise on a point of order. It relates to your recognition of the Minister of Transport, with which I do not quarrel because it is your right to recognize, but I know of no part of our procedure which allows a minister to make an answer to a question asked the day before or at some previous time.

Mr. Ouellet: Of course there is.

Mr. Baker (Nepean-Carleton): I just do not know of that. There may be one but, in any event, it could lead to supplementary questions. It could lead to every minister in the House standing up and answering fully questions they could not answer, for good or bad reasons, the day before. I think it is quite inappropriate to do that unless it is intended to extend the question period far beyond the hours. I think it is inappropriate for a point of order to be used for that purpose. I am quite prepared to discuss a way by which we could accomplish that, but I do not think we should revise the rules as we go.

Madam Speaker: I note the hon. member's comments. I thought I had made it clear that the question period was over, and the minister was giving an explanation as to a previous question.

Mr. Baker (Nepean-Carleton): That is the problem.

Madam Speaker: I think I will try to find some way of making it clear that the question period is over. I do it now by recognizing somebody else, sometimes knowing that it is on a question of privilege and sometimes knowing that it is on another point which hon. members would be allowed to raise at that time; but I will try to make it clear when the question period is over.

* * *

PRIVILEGE

MR. HNATYSHYN—JAMMING OF BROADCASTS OF HOUSE PROCEEDINGS—REQUEST FOR TABLING OF CORRESPONDENCE

Hon. Ray Hnatyshyn (Saskatoon West): Madam Speaker, I rise on a point of order with respect to a question of privilege which I raised, I think, a little over a week ago. Your Honour will recall that I brought to the attention of the House the fact that the proceedings of the House of Commons were not available in Saskatoon through the cable system there, Saskatoon Telecable Limited. At that time the Minister of Communications (Mr. Fox) indicated that he would put the full force of his departmental officials and his own personal attention into the investigation of the circumstances in order to see whether or not the broadcasting of these proceedings could be brought about.

I am rising on this point of order, in view of the fact that the Minister of Communications is here, to see whether he can tell us if that investigation is proceeding and when we might expect his report, which he offered to the House and Your Honour, so that I can have an opportunity to assess what position and what actions to take next on behalf of the people of the city of Saskatoon.

Hon. Francis Fox (Secretary of State and Minister of Communications): Madam Speaker, in reply to the hon. member's question, following the raising of the question of privilege by the hon. member last week I immediately sent a telex out to both the president of Saskatchewan Telecommunications, Mr. Forrester, and the minister responsible for communications policy in the Saskatchewan government, the hon. Roy Romanow. I have yet to receive a reply to the telex I sent to both those gentlemen. I drew their attention to the fact that members of the House in general are concerned about the fact that there has been an interruption in the distribution of the proceedings of the House of Commons in the Saskatoon area, and I requested that they look into the possibility of resolving the matter without prejudice to the rights of both parties involved.

As the hon. member knows, it is quite possible that this matter will lead to litigation, but my request of Mr. Romanow through the government of Saskatchewan is that they be able to come to some understanding on this problem without any prejudice to the eventual legal disposition of the matter.

Mr. Hnatyshyn: Madam Speaker, I appreciate very much the report the minister has given us and the efforts he is taking to allow the people of Saskatoon the right and privilege of watching the proceedings of the House of Commons. I understand that steps might be taken in other cities in Saskatchewan which might fall into the same category if a dispute arises with respect to private television companies.

However, what I was going to ask with respect to the report made by the Minister of Communications is whether he would be prepared to table in this House the correspondence so that we may have the benefit of seeing precisely the nature of the representation made by the minister and his officials. I would very much appreciate having the documents tabled if the minister was prepared to do so.

Mr. Fox: Yes, Madam Speaker, I would be willing to table the telex I sent to Mr. Forrester and Mr. Romanow. However, I request a delay so that I may advise Mr. Romanow and Mr. Forrester of my intention of doing so and also in order that I could table the documents in both official languages.

MR. STEVENS—GOVERNMENT EXPENDITURES—NOTICE OF POSSIBLE QUESTION OF PRIVILEGE TO BE RAISED

Hon. Sinclair Stevens (York-Peel): Madam Speaker, I would like today to give notice of a possible question of privilege I hope to raise next week after I have had an opportunity to read today's *Hansard*. My question of privilege will centre on the two responses I received today, one from the President of the Treasury Board (Mr. Johnston) and one from the Minister of Energy, Mines and Resources (Mr. Lalonde), which put this House in the dilemma of now being told that a premise which was used in putting the estimates before the House, namely, that there would be a $4 oil price increase in Canada, is now being challenged by the Minister of Energy, Mines and Resources.

• (1210)

The net effect of that challenge could be as much as $400 million. That would mean that we have before us estimates that are grossly erroneous, to the knowledge of at least one minister in the cabinet, I believe. After having read today's

Hansard, I would like to pursue this matter more fully when I see the true import with which the Minister of Energy, Mines and Resources has startled the House today.

Hon. Marc Lalonde (Minister of Energy, Mines and Resources): Madam Speaker, I should like to reply to the point raised by my colleague. I think he has completely misinterpreted and misread the answer given by the President of the Treasury Board (Mr. Johnston) as well as my answer. I hope that after he has looked at *Hansard* he will recognize that he has no point of privilege at all.

What the President of the Treasury Board has indicated is that the figures which have been mentioned were the estimates prepared by my colleague when he was in the Treasury Board and that the total figure there was based on the budget, the figures mentioned in the previous budget which was defeated. That does not necessarily mean that the same amount would be raised in the same way as in the previous budget. It is very simple.

Mr. Stevens: Madam Speaker, the Minister of Energy, Mines and Resources has now greatly complicated the question because apparently he is totally unaware of the fact that the estimates which have been brought in are an increase of $1,545 million over any estimate that we proposed to put before the House. My point is that even the $1,545 million is based on the premise that there will be a $4 per barrel increase in the cost of domestic oil in Canada. The Minister of Energy, Mines and Resources is now challenging that premise, and the thrust of my question of privilege may be the fact that we have been misled so grossly.

MR. TOWERS—IMPLEMENTATION OF METRIC CONVERSION PROGRAM

Mr. Gordon Towers (Red Deer): Madam Speaker, I rise on a question of privilege pursuant to the remarks made on April 23, 1980, as reported at pages 326, 327 and 330 of *Hansard*, by the Minister of State for Small Businesses (Mr. Lapointe) relating to the metric program, remarks which I believe to be misleading and not representative of the truth.

The minister would have this House believe that there was full and open debate on the implementation of the metric program and, as he said:

> —there were ample opportunities for hon. members to discuss this when the legislation on metric conversion was passed in this House.

The fact is that there has not been a metric conversion bill per se debate in the House. The metric program was foisted on the Canadian people through the back door in a devious manner.

The metric program had its genesis in the white paper which was tabled in the House on January 16, 1970. As is the custom with statements on motions, our spokesman, Mr. G. W. Baldwin, had only a few minutes in which to comment on the proposal. A metric converion omnibus bill was not introduced or debated in the House. Bill S-5, the Weights and Measures Act, was introduced in the Senate in October of 1970 and was passed in April of 1971. The bill provided that metric units could be used in trade in Canada. It would appear then that the government established a metric commission by executive order.

The Minister of State for Small Businesses stated:

> —the government has no intention of imposing the metric system—

But in fact this is what has been happening in Canada. Between June, 1971, when the metric commission was established, and November, 1976 when Bill C-23 was introduced in the House, there was no opportunity for hon. members to debate the principle. A metric program was already in place when Bill C-23 came before the House. Hon. members were presented with a *fait accompli*. Bill C-23 was simply a catch-all bill facilitating amendments to several pieces of existing legislation, such as the Wheat Board Act, the Consumer Packaging and Labelling Act, etc.

On page 330 of *Hansard* the minister is reported to have referred also to progress in metrication in the United States. To the best of my knowledge, the government and business community in the United States has not taken steps to go metric. Perhaps the minister has information we do not possess and he will be kind enough to make it available to us. At the time of the tabling of the white paper, Mr. Baldwin said:

> We should think particularly of our trading relations with the United States, which of course is and has been for some years examining its position with regard to adoption of metric. Whether we like it or not, what we must do to a considerable extent is to keep pace with what is being done in the United States. I think it might well be suicidal for us to adopt the metric system without considering what is being done in the United States.

The minister has not given the House an accurate chronology of events which led up to the introduction of metrication in Canada. I believe that my rights, along with the rights of millions of Canadians who are in opposition to metric, have been infringed upon by the misrepresentation of successive Liberal ministers, including the hon. member for Charlevoix (Mr. Lapointe).

After studying the case, Madam Speaker, if you rule that my rights as a member of this House, along with those of many Canadians resident in a supposedly free country, have not been upheld by the actions of successive Liberal governments, I am prepared to move, seconded by the hon. member for Moose Jaw (Mr. Neil):

> That the matter of the misrepresentation of the Minister of State for Small Businesses of the proceedings of this House on metrication be referred to the Standing Committee on Privileges and Elections.

[*Translation*]

Hon. Charles Lapointe (Minister of State, Small Businesses): Madam Speaker, I would like to make an initial remark. I feel that my colleague would have shown the most basic courtesy if he had given me advance notice of his intention to raise a point of privilege on this. Clearly, when there is reference to facts that happened over these last ten years, nobody in this House can be expected to recall every detail of the debates that may have been held. Had I been given notice of the question, I would be in a position to give a much more detailed answer.

But let me add a few general remarks, Madam Speaker. I would like to remind the hon member that when the white paper on metric conversion was tabled, in the early seventies, it was supported by the leaders of the three parties in this House. And it was recognized in that white paper that moving toward metric conversion was in the public interest.

I listened closely to the hon. member's remarks, and I humbly submit he has no valid point of privilege. It is only a difference of opinion between the hon. member's views and the position I took at the beginning of this week.

[*English*]

Right Hon. Joe Clark (Leader of the Opposition): Madam Speaker, I should like to speak very briefly on this point. I noted that the minister indicated that it is indeed possible for a human error to be made by a minister or by others and he suggests that that was the cause of the information he gave to the House to which a complaint has been made by my colleague, the hon. member for Red Deer (Mr. Towers).

It is my very clear recollection—and I have not had a chance to consult *Hansard* on that matter—that in fact there were two questions put to the minister, that there was a separation of time, and that he had the opportunity to become briefed on the matter. Indeed, he was provided with supplementary information having to do with the authority on which metric is based. The information of which the hon. member has complained was in fact a deliberate statement in his second answer, when the minister attempted to cite a number of pieces of legislation which he claimed gave authority for the implementation of the metric system. In other words, it was not a simple error based upon misinformation; it was a deliberate statement reflecting a consultation of the laws that had been passed and of the situation at the time.

I think the minister has raised the point that were there to be a simple error, the Chair might decide one way, that the Chair might decide that it was a simple error; but if a statement had been made after the minister has had the opportunity to consider the facts and if, in the course of that statement, he cited various pieces of legislation, as it is my recollection he did, then I believe the question of the hon. member for Red Deer for a reference of this matter is much more firmly founded.

● (1220)

As Madam Speaker will know, of course, there is a great concern in this House and indeed in this country that we are proceeding with reckless speed with the implementation of a program which has no, or the most suspect of, legislative authority. That is a side issue, but it is an important one. It speaks to the seriousness with which the question was raised by the hon. member for Red Deer and by others on this side of the House, and to the seriousness with which the country would react to a position taken by the government, deliberately or by accident, that in fact there was legal foundation for a system which we believe is being imposed without adequate legal foundation. The capacity to consider the answer by the minister is very germane to Your Honour's finding.

[*Translation*]

Mr. Lapointe: Madam Speaker, I listened very closely to the remarks made by the right hon. Leader of the Official Opposition (Mr. Clark). In my first answer, or that given to the first question, I recognize I was in error, because I had not enough time to be adequately informed. I quote from page 326 of *Hansard*:

> First I should like to remind the hon. member that there were ample opportunities for hon. member to discuss this when the legislation on metric conversion was passed in this House—

I recognize quite humbly that there has been no legislation on metric conversion that was passed as such.

In my second answer, when I had the opportunity to check further the available information, I indicated in this House that when the Weights and Measures Act and also the Labelling and Packaging Act were discussed in 1971, reference was made to the metric system, and I did not suggest that that was an act concerning metric conversion, but that within the framework of the discussions held on these two bills, hon. members had an opportunity to address the matter of the metric system. And if the right hon. Leader of the Official Opposition will read my answer again, as reported on page 327 of *Hansard*, he will see that this is what I said in the House.

[*English*]

Madam Speaker: Is the hon. member for Moose Jaw (Mr. Neil) seeking the floor on the same question of privilege?

Mr. Neil: Yes, Madam Speaker.

Madam Speaker: Then I will recognize the hon. member for Moose Jaw.

Mr. Doug Neil (Moose Jaw): Madam Speaker, at the outset I should like to say that I support what the hon. member for Red Deer (Mr. Towers) has said. I suggest that if the minister examines page 368 of *Hansard* dated April 24, he will see that the hon. member for Red Deer gave notice of the question of privilege which he planned on raising today.

I listened to the questions put to the minister on Wednesday which are recorded at pages 326 and 327 of *Hansard*. Quite frankly I was very disturbed because the response of the minister was such that it would lead people to believe that at some time or other, and perhaps on several occasions, members of the House of Commons have had the opportunity of discussing the implementation of the metric system. This is not so. He referred to the white paper which the minister said received the support of all parties.

Also I suggest that the minister should examine *Hansard* of January 16, 1970. There were three speakers, one from each of the parties. While there was general acceptance, there was no over-all debate and no indication at that time that the metric system would be imposed upon Canadians without a general debate.

I feel the answers of the minister were such that he has given the impression to the public of Canada that there was a general debate on metric conversion. As I said, this is not so. The debates were restricted. I believe my privileges as a member have been breached, and certainly I am in support of the question of privilege of the hon. member for Red Deer. This was the reason I was prepared to support the motion and to act as seconder.

Some hon. Members: Hear, hear!

Madam Speaker: Is the hon. member for Capilano (Mr. Huntington) seeking the floor on the same question of privilege?

Mr. Huntington: Yes.

Madam Speaker: The hon. member for Capilano.

Hon. Ron Huntington (Capilano): Madam Speaker, I too should like to speak in support of the motion of the hon. member for Red Deer (Mr. Towers). What the Minister of State for Small Businesses (Mr. Lapointe) has done in his statement is perpetuate the myth that the House of Commons, since 1970 or the tabling of the white paper, has given the Government of Canada, no matter which party, a mandate to implement or impose the metric system on the people of Canada. I sympathize with him in his new position, with the duties, paper work and study he has to do. In fact they are imposing it through governor in council or through members of a commission making deals with public servants in departments which have the power to implement aspects of weights and measures legislation or health of animals legislation that were never intended to impose a change in the measurement system on Canadians.

In 1975 the then prime minister wrote to the premiers of the provinces of Canada advising them that he had a mandate from the House of Commons to ask for their assistance in imposing the metric system across the land. If Madam Speaker examines that mandate, it goes back to some legislation in the 1870s when there was an act which allowed the Government of Canada governor in council approval for certain actions pertaining to the metric system. If one takes unbiased, independent surveys on this subject matter across the land by age group, one will find that the Canadians resisting this imposition exceed 75 per cent of the population.

If the House of Commons is ever to represent the people against governor in council imposition of deals behind the scenes, using acts that were not intended for that purpose, then I suggest that this motion has to be heard by Madam Speaker and placed before the said committee. The issue is very serious indeed.

Some hon. Members: Hear hear!

Mr. Huntington: Surely Madam Speaker will allow this chamber to represent the people at large when the power being used is vested strictly within the bureaucrats of the Government of Canada, with the use of the governor in council and acts that were never intended for this purpose. If Madam Speaker does not accept the motion, then it behooves the government to submit to the House of Commons a metric conversion act where the advantages and the reasons for it can be explored and explained to the people of Canada. I urge the House to support this motion.

Some hon. Members: Hear, hear!

Hon. Ray Hnatyshyn (Saskatoon West): Madam Speaker, I want to make a brief intervention in support of the motion and the proposal put forward by the hon. member for Red Deer (Mr. Towers) and so well articulated by my colleagues on this side of the House. I think it is important to get the whole question in context. I sympathize with the minister. The fact is that he has had only a matter of three or four months to be seized of this particular subject matter.

I think it is important for us to understand two basic principles. The minister should be fully aware of the background circumstances because it is important if we are to understand the responsibilities of members of the House of Commons. One of the basic principles is that the only reference to the House of Commons by way of debate was on a resolution brought forward by the government in which there were brief replies by representatives of each of the parties. As I say, this was only referenced by way of government initiative.

On reviewing the record, it would be interesting for the minister to observe that the spokesman on behalf of our party at that time warned the government respecting the question of the implementation and accountability of the conversion program. Mr. Baldwin pointed out with the forensic ability he has shown in his distinguished parliamentary career that the most dangerous aspect would be metric conversion taking place without ample consultation with the people involved, that is, the people of Canada.

The second point which should be brought to the attention of Madam Speaker and the minister is that one of the shortcomings of this particular conversion program has been the lack of accountability to Parliament, either directly through legislation or by reference to a committee of this Parliament. What it amounts to is this. The metric conversion commission is proceeding on the basis of a resolution of a most general nature, enacted in 1970 and passed by this House, which simply supported the concept of eventual metric conversion in line with developments around the world, which everyone understands.

• (1230)

We in Canada have a unique situation, as the minister well knows, with well over 70 per cent of our trade taking place with the United States. It is foolhardy for us, in terms of economics and in terms of public acceptance, to proceed at a pace that exceeds by much the conversion that is taking place in the United States.

This issue demonstrates the fact that if we in Parliament, as has been indicated by my colleague, the hon. member for Capilano (Mr. Huntington), are in fact to fulfil our respon-

sibilities, we must have accountability in respect of government-initiated actions which have taken place under orders in council passed by the government.

I say to the hon. minister, coming as I do from western Canada, that the Speech from the Throne made some reference to the responsibility of members of Parliament to stand up and state clearly in this House those issues that are of some concern to western Canada. If the minister wants to deal with a western Canadian issue that does cause some concern across that part of our great country, he should pay very strict attention to this question of metric conversion. He should take the lead in terms of having the metric commission made accountable to Parliament, and he should in fact give very serious consideration to the introduction of legislation which will outline the timetable and procedure under which metric conversion takes place in our country.

I do not want to go any further at this time except to say that I think this is a valid subject and a valid motion for the Standing Committee on Privileges and Elections, where members of Parliament could in fact, from a parliamentary point of view, bring forward their concerns in respect of this particular initiative on the part of this government and the responsibilities of the minister in that regard.

Some hon. Members: Hear, hear!

[*Translation*]

Mr. Lapointe: Madam Speaker, I would like to set a few facts straight. It is true that notice of a question of privilege was given on April 24, as evidenced at page 368 of *Hansard*, but if you read what was said carefully, the content of that question of privilege is not specified.

With respect to the comments made by the hon. member for Moose Jaw (Mr. Neil), there seems to be an apparent contradiction when he says that when Parliament discussed the issue in 1970, there was, and I quote him in English:

[*English*]

"A general acceptance of the principle".

[*Translation*]

So it was obvious, Madam Speaker, that the House had to vote at a certain time in its history on the principle of metric conversion. And my colleague, the hon. member for Saskatoon West (Mr. Hnatyshyn), indicated that, and I quote:

[*English*]

"An act was adopted in 1970 recognizing the broad principle of metrication."

[*Translation*]

So I think my predecessor held my portfolio longer than I did and I wonder how it is that now they should think it has become a problem of national urgency that action was not taken at that time. An action taken by my predecessor was to delay the introduction of metric scales in retail stores and I intend, Madam Speaker, to make the same recommendation he made to my colleagues in cabinet.

As to the rest of the debate, Madam Speaker, we cannot rewrite history. There was a discussion on that subject in 1970. It is not your fault nor mine nor that of members of this House if none of them spoke about that and I think the whole thing is basically a matter of a difference of opinion.

[*English*]

Mr. Huntington: On the question of privilege, Madam Speaker; I thank you for recognizing me again. The Minister of State for Small Businesses alleges that the action I took on this important subject matter was limited to the postponement of the implementation of metric action as it related to weights in the retail sector for one year. That is not so, Madam Speaker. I think I have the right to point to the record.

We imposed in a very careful manner a metric overview board that worked very industriously for a matter of months on this whole matter. It made six individual reports and a final report. The report was submitted to me in the last hours of my privilege of being a minister. I understand that under the new Minister of State for Small Businesses the report is not going to be circulated and made available officially, which I think is an absolute shame because the people of Canada have paid quite a few thousands of dollars for a report which does represent a very fair analysis of the concern that exists at large in this country.

I would think that the minister's predecessor acted in a very responsible manner in not doing unnecessary damage to the work that had been put in place by the metric commission, but rather represented the people of this country and represented one of the matters that was causing extreme alienation in more than one region in Canada. I should like him to please understand that I think I acted in a most responsible manner in this whole matter and did not do anything negative to damage any area that had progressed beyond the point of retreat.

Thank you for allowing me to say that, Madam Speaker.

Some hon. Members: Hear, hear!

Madam Speaker: I think at this point I must remind the House that we are in fact going well into debate, even to the point that members are expressing opinions as to the efficacy of those who now have responsibility or held responsibility before. I do want to remind the hon. member for Red Deer (Mr. Towers), while thanking him for his remarks, that it seems to me he is essentially dissatisfied with the answer he got to a question he addressed to a minister during the question period. He knows that he cannot debate that matter under the guise of a question of privilege.

The subject is important. Everybody has recognized the importance and the seriousness of the subject and I am sure the House will at some time want to debate it. I am entirely in the hands of the House as to the time at which it would want to do so.

In support of my ruling that it is not a question of privilege I should like to refer to what Mr. Lamoureux, one of my predecessors, said in similar circumstances, circumstances that

do arise very frequently in the House. He said that a member who essentially is not satisfied with an answer that he received to a question obviously does not have a question of privilege. He went on to say:

The hon. member, with his long experience in the House—

I think that would also apply to the hon. member for Red Deer.

—knows that he cannot rise on an alleged question of privilege to make reference to an answer which has been given in the House. The hon. member may be dissatisfied with the answer that has been given and he may feel there is a contradiction. He is entitled to his opinion about such matters, but this cannot be raised by way of a question of privilege.

Therefore I must rule, having heard this discussion at length, that there is no question of privilege.

MR. FORRESTALL—SHIPYARD CONTRACTS—NOTICE OF QUESTION OF PRIVILEGE TO BE RAISED

Mr. J. M. Forrestall (Dartmouth-Halifax East): Madam Speaker, I rise to give notice that, after some review of the electronic and printed record of the proceedings in this chamber, I reserve the right to rise on a question of privilege next week, a question of privilege arising out of a question posed by the hon. member for Richelieu (Mr. Leduc) to the Minister of National Defence (Mr. Lamontagne) in respect of ship repair and shipbuilding activity in Canada.

● (1240)

I regret that the Minister of National Defence is not present in the House, but so that he will have time to reconsider his reply, the area that I will be discussing is with regard to the implication in his reply to the hon. member for Richelieu—and I hope that I am quoting the minister correctly; I apologize if I am not— that Quebec shipyards would be favoured over other "Canadian yards" for contracts rising out of Department of National Defence requirements for fleet replacement programs and for ongoing government contracts, government account awards for building and repair.

The question of privilege which I will be pursuing is whether or not the government has the right to extend special favours in this particular area in light of the principle of tendering, and in light of the action already taken by the government with respect to the military fleet replacement program, such as the invitation of proposals to a number of interests in Canada with respect to this matter and, finally, the implication of the reply to what was very obviously a blatantly staged question, the effect of which was to buy shipyard workers in Quebec back to the No-side of the referendum.

The very important question is whether or not the government has infringed upon acceptable good business practices in suggesting to the Canadian shipbuilding industry on the west coast, the Great Lakes and the east coast that they need not waste their time, effort and money any longer to prepare tenders and estimates for shipyard work on building, repair, overhaul, maintenance and tenders of that nature.

Order Paper Questions

I would ask your indulgence, Madam Speaker, to allow me to reread the minister's response so that there is no question of misinterpretation of my words or those of the minister in response to the question put by the hon. member for Richelieu.

ROUTINE PROCEEDINGS

[*English*]

PETITIONS

ESTABLISHMENT OF CEILING ON MORTGAGE INTEREST RATES

Madam Speaker: I have the honour to inform the House that the Clerk Assistant of the House has laid upon the table the first report of the Clerk of Petitions stating that he has examined the petition presented by the hon. member for Vancouver East (Mrs. Mitchell) and finds that it meets the requirements of the Standing Orders as to form.

* * *

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. D. M. Collenette (Parliamentary Secretary to President of Privy Council): Madam Speaker, the following questions will be answered today: Nos. 108 and 544.

[*Text*]

GOVERNMENT AIRCRAFT

Question No. 108—**Mr. McKenzie:**

Did the Liberal Party of Canada pay for the use of any government aircraft in the period August 16 to October 16, 1978, in connection with the by-elections held on October 16, 1978 and, if so, in what amount for each trip?

Mr. D. M. Collenette (Parliamentary Secretary to President of the Privy Council): See reply to question No. 331, Thirty-first Parliament, answered November 26, 1979, page 1688 of *Hansard*.

PRIVY COUNCIL OFFICE—CONTRACTS FOR PROFESSIONAL SERVICES

Question No. 544—**Mr. Orlikow:**

1. For the fiscal year 1978-79, what contracts for professional services were let for studies, surveys and analyses into (a) present or future policies, programmes or information analysis and their efficiency and effectiveness (b) the examination of the administration or internal operation of the Privy Council office?

2. How much was committed on each contract and to whom?

Mr. D. M. Collenette (Parliamentary Secretary to President of the Privy Council): See reply to question No. 24, Thirty-first Parliament, answered November 20, 1979, page 1496 of *Hansard*.

[*English*]

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

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

Some hon. Members: Agreed.

GOVERNMENT ORDERS

[*Translation*]

SMALL BUSINESSES LOANS ACT

MEASURES TO AMEND

Hon. Charles Lapointe (for the Minister of Industry, Trade and Commerce) moved that Bill C-17, to amend the Small Businesses Loans Act, be now read the second time and referred to the Standing Committee on Finance, Trade and Economic Affairs.

He said: It is my pleasure today to present before this House for second reading Bill C-17, an act to amend the Small Businesses Loans Act. In essence, Madam Speaker, this bill will extend the Small Businesses Loans Act for two years and, by so doing, will become part of the reaffirmation of this government's commitment to support small businesses in Canada.

As you probably know, Madam Speaker, the Small Businesses Loans Act originally came into force on January 19, 1961 to make it easier for small businesses in Canada to obtain term financing. A major feature of this program is that loans are made directly between the borrower and the lender without any prior approval of the government. The government simply guarantees a loan transaction which takes place in the private sector and in this way supports and builds on the strength of the financial community. Since 1961 the act has been subject to legislative review on a regular basis and amendments have been made over this period of time to widen the scope of operations under the act.

At present, Mr. Speaker, loans may be made for (1) the purchase of fixed or movable equipment, (2) the improvement or modernization of premises, (3) the purchase or construction of new premises, and (4) the purchase of land.

These loans are granted in accordance with standard lending procedures and are fully secured. The maximum period over which they can be repaid is ten years.

[*English*]

Since 1961 almost 65,000 loans have been made, to a total value of over $1 billion. These totals are a clear indication that the Small Businesses Loans Act is an important source of financing for small businesses. The program has been growing very rapidly in recent years. In 1979 alone, over $250 million in loans was guaranteed by the government, fully one quarter of the total $1 billion lent over the entire history of the program.

The program has a broad national impact and it has steadily gained acceptance by the financial community. A breakdown by province of the total value of loans made in 1978 shows that 24 per cent were made in British Columbia, 18 per cent were made in the other western provinces, 12 per cent were made in Ontario, 39 per cent were made in Quebec and 7 per cent were made in the maritime provinces.

As for lender participation, the program was originally established to operate almost exclusively through the chartered banks and to encourage the banks to do more lending to small businesses in Canada. Since the inception of the program, however, participation by lenders has expanded. At this time, participant lenders include not only the chartered banks but also trust companies, mortgage and savings companies, credit unions and the Alberta treasury branches.

• (1250)

[*Translation*]

The bill before us, Mr. Speaker, proposes various changes and does two things. First of all, it amends the present act which has been in force since July 1, 1977 and is due to expire on June 30, 1980, and furthermore it amends and extends the act for an additional two-year period, from July 1, 1980 to June 30, 1982.

First, the bill amends the act so that the authorized lending ceiling which was established for the period from July 1, 1977 to June 30, 1980, is increased from $600 million to $675 million.

Mr. Speaker, when this act was last before this House it was extended for a three-year period. It was thought that a lending ceiling of $600 million would be sufficient to cover the three-year period. This amount has proved to be insufficient. With the growth of the program which I have already described, lending is rapidly approaching the $600 million ceiling. Bill C-17 proposes therefore that the ceiling for the present act be increased from $600 million to $675 million so that all of the borrowing which is required by small business will be accommodated under the terms of the present act which expires on June 30, 1980.

Secondly, Mr. Speaker, Bill C-17 extends the Small Businesses Loans Act for a two-year period, from July 1, 1980, to June 30, 1982.

It has been usual in the past to extend the act for a three-year period. This year, however, the government is undertaking an intensive review of all of its financing support programs for small business. This review will be complete in the coming months at which time the government will be coming forward with comprehensive proposals for small busi-

ness financing. Therefore a more normal three-year extension seems to me inappropriate at this time, Mr. Speaker, whereas a shorter two-year extension will more closely coincide with the conclusion of the government's review of its small business financing.

That is the main reason for the two-year extension, Mr. Speaker. I will return to make mention of the review by the government of the financing and of its support programs for small business at the conclusion of my remarks.

Now, I want to spell out the main amendments which are to be made to the act.

[*English*]

Most importantly, the limit on the size of individual loans has been increased from $75,000 to $100,000. This increase is absolutely necessary in view of the steadily growing demand for more and larger loans and in view of inflation. While inflation has hit hard at all of us in the business community, it has hit hardest at the small businessman and businesswoman. These smaller companies, Mr. Speaker, are less able than larger companies to defend themselves and to protect the viability of their companies. In this respect one of the real benefits of this program is that smaller companies can borrow at 1 per cent over prime, a rate which is considerably better than they would be otherwise able to obtain for the purposes which are eligible under the act.

As an additional amendment, Mr. Speaker, a new lending ceiling has been proposed for the two-year period of extension. Whereas the present ceilling will be $675 million for the three-year period ending on June 30, 1980, the new ceiling will be $850 million for the extended two-year period from July 1, 1980, to June 30, 1982. The fact, Mr. Speaker, that the proposed new ceiling is considerably higher than the previous one, even though it will cover a shorter time period, is very clear evidence both of the growing requirement for small business borrowing and the government's willingness to meet this requirement.

Finally, Mr. Speaker, the act has been amended to take account of the fact that administration of the program has been transferred from the Department of Finance to the Department of Industry, Trade and Commerce. This transfer is a natural one, as it puts the Small Businesses Loans Act into a department which has a mandate to work closely with and service the needs of small business.

[*Translation*]

Now that I have outlined the major points of Bill C-17, Mr. Speaker, I would like to return briefly to the government's review of financing support programs for small business.

As this House is aware, the government makes available a wide array of financial support for the deserving small business community. For example, the Federal Business Development Bank has been serving the needs of small business since 1944. The bank has established offices all over Canada and at this time has approximately $2 billion in loans outstanding. The FBDB in recent years has also been supplying venture capital to small businesses. In addition to the bank, the enterprise development program of the Department of Industry, Trade and Commerce supports a large number of loans to small business and their activity has been furthered by wide decentralization of the program. Last year the program provided approximately $140 million in loan insurance and $90 million in grants.

In addition, financial support is provided to small business through the lower corporate tax rate for smaller firms, and the Department of Regional and Economic Expansion operates financial programs which support small business.

Aside from these federal government initiatives, the provinces have established support programs for small businesses and the private sector has greatly increased its term lending efforts in support of small business, especially in recent years.

In view of all of these activities, the government has undertaken, over the coming months, to review its own programs so that they might better complement other programs, be they provincial or in the private sector.

[*English*]

Indeed, Mr. Speaker, it is the intention of the government during the course of the review to seek the views of the financial community, the small business community and the provincial governments. We expect that such consultation will provide the government with the kind of broadly based advice and analysis which will be necessary to establish the best possible financial support policy for small businesses in the years ahead. Mr. Speaker, this is a vital task. I am sure that my predecessor and members of his party as well as my colleagues in the New Democratic Party will also be most willing to advise me on the best ways and means at the disposal of the government to put in place the best programs for small businesses in Canada.

As I said, this is a vital task and it is being done in the knowledge that the health and vitality of the small business sector is of great and lasting importance to the over-all health of the Canadian economy.

Hon. Ron Huntington (Capilano): Mr. Speaker, I cannot say that it is a pleasure to follow my successor. I would dearly have loved to continue much of the work I had started as minister of state for industry and small business, but I am encouraged by the opening remarks of the minister to note that some of the very fundamental work and much of the very detailed discussion and intercourse that was going on between the ministry, members of Parliament on both sides, the small business secretariat and, indeed, at the various levels in the Department of Industry, Trade and Commerce, is being continued.

We on this side will have no problem supporting Bill C-17, to amend the Small Businesses Loans Act as initiated today in second reading debate by the minister. We are pleased to see that the amount has been lifted from $75,000 to $100,000, which is really nothing more than indexing to account for inflation. Even if we examine the additional expansion therein, it is just keeping the bill in touch and within practical limits of

the diminishing use or value of the monetary system, or the money within our monetary system.

I sometimes wonder if it would not be a little simpler and a less heavy workload for the House if we acknowledged that and allowed the bill to adjust to the inflation component.

We will not be opposing this bill, Mr. Speaker, but I take this opportunity, as will some of my colleagues, to offer a few comments in the whole area of small business and government assistance available to the small and medium enterprises.

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

Mr. Deputy Speaker: It being one o'clock, I do now leave the chair until two o'clock this afternoon.

At 1.01 p.m. the House took recess.

• (1400)

AFTER RECESS

The House resumed at 2 p.m.

The Acting Speaker (Mr. Blaker): Order, please. When the house rose at one o'clock the motion on second reading of Bill C-19, an act to amend the Employment Tax Credit Act, was then under consideration. The hon. member for Capilano (Mr. Huntington) had the floor.

My apologies to hon. members. I had the wrong form in my hand and that was the reason for my hesitation. When the House rose at one o'clock, Bill C-17, an act to amend the Small Businesses Loans Act, was then under debate.

Mr. Huntington: Mr. Speaker, I am glad my colleagues had that straightened out because I did not have my notes here regarding Bill C-19. It would have made quite a difference.

I was interrupted at one o'clock at the beginning of my remarks concerning the bill amending the limit and the area of responsibility for the Small Businesses Loans Act. I would like to put on the record a few comments and observations about the act, and perhaps the Minister of State for Small Businesses (Mr. Lapointe) might take note of these and, in his windup, reply to a question or two.

The Small Businesses Loans Act can, I think, be said to be a very successful program of financial aid to the small business community. As the Minister of State for Small Businesses has said, since it was taken from a ceiling interest rate to a 1 per cent over prime rate, the use of it has expanded dramatically in the private sector.

It has been a very inexpensive program to operate and the losses have never been higher than 0.42 per cent of average loans outstanding. Perhaps it is not generally known to members that the formula virtually removes all risk from the large lenders of these loans in that the government guarantees 95 per cent of the first $125,000 of loans made, 50 per cent of the next $125,000, and 10 per cent of the balance of loans made. This really represents an effective 100 per cent guarantee for the larger lenders.

I am glad to see that the amendment is to bring the dollar ceiling up to something that offsets the deterioration that has taken place in the value of our dollar as a result of the inflationary pressures on our economy.

One of the disappointing things that we might make note of, which the minister might reply to, is the fact that one of the real needs as we study the financial requirements and the changing conditions of the small and medium-sized enterprise sector is working capital. Too often the pressure on working capital or the use of liquidity within the small and medium-sized enterprise units of our economy is for fixed plant or equipment, covering losses, or for unforeseen poor accounts. That is an area where there is serious pressure. I think, when the minister says that the time has come for a total review of the financial needs of the small and medium-sized enterprise sectors, that working capital requirements should be a major part of that review. Also, perhaps the Small Businesses Loans Act might be widened to include working capital in the future. At the moment, working capital is not a part of its terms of reference. We would be wise as members of Parliament representing that important community to have a good look at that as we review this whole matter of financial programs for the business community.

Once again I would like to put on the record the importance of the small and medium-sized enterprise sector to the economy and why the review that the Minister of State for Small Businesses mentioned and suggested is so necessary. The small businesses secretariat did a very fine piece of work extracting information from income tax data. On 1,075,000 businesses in Canada, 325,000 were incorporated businesses and 750,000 were unincorporated. Ninety-nine per cent of these businesses have annual sales of less than $2 million; 429,000 of the unincorporated businesses were self-employed professionals.

• (1410)

The total sales of all of the businesses in Canada were $392.2 billion in the year 1976. Of that, the incorporated sector of the business community sold $347.6 million, the unincorporated sector, $44.6 billion. It is interesting to note that 28 per cent of the total sales came from businesses with less than $2 million in annual sales; it is this area which the small business secretariat tries to study and watch over, advising members of Parliament what is needed in that area and which forces for change are coming into play. That is a very important component of our industrial community.

About 225,000 of the unincorporated businesses have sales of less than $10,000 and, believe me, that is within the category of small business. That is what the budget of the former government was trying to do in allowing spouse deductibility in the unincorporated business sector. It would have allowed very considerable relief to that sector. That was an important initiative and I should like to see it carried through.

The business contribution to the gross national product in 1976 was 42 per cent. Thirty per cent of the business compo-

nent of the gross national product originated from firms with less than $2 million in annual sales. Fifty-five per cent of the business component of the gross national product originated from firms with less than $20 million in annual sales. That left government institutions, financial institutions, hospitals and the like, making up 58 per cent of the gross national product. I am putting this on record because it is important we get a feeling which will provide support of the Minister of State for small businesses and to the small business secretariat, and draw attention to a need which hon. members will have to regard with increasing concern.

Within the community I have described, total employment amounts to 6.6 million persons according to the 1976 statistics. Businesses with sales of less than $2 million employed 2.5 million people or were responsible for 42 per cent of business employment. Businesses with sales of less than $20 million, which brings us to the small and medium-sized enterprise sector, employed 4.1 million people, or were responsible for 66 per cent of business employment in 1976.

I put this on record again to outline the impact and the importance of these matters and these instruments and of the study which the Minister of State has told us is part of an ongoing process. It is to that study and to that financial review that I should like to address some remarks. Before doing so, however, there is one other point I wish to raise and I would appreciate hearing the minister's remarks with regard to it.

As the small businesses loans legislation has expanded—the minister told us about this in his opening remarks—outside the basic group of chartered banks, and has gone out to include credit unions and other lending institutions, I should like the minister to tell us whether he is aware of any change in his liability under this act. I have in mind the nature of the loan, the credit review, the type of institution which is now embraced by the legislation and which has probably opened up a pattern of activity which has not been reflected in practices to date by the larger, more conservative institutions. I, at any rate, would appreciate knowing whether the minister is aware of any change in the minister's liability as a result of the expansion of the program.

The minister told us a financial review was taking place related to all aspects of financial programs affecting the community I have described in my remarks. There is the Small Businesses Loans Act, the act we are amending today; there is the Small Loans Act, an entirely different measure and which perhaps does not touch on the business community other than with regard to accounts receivable. There is the Federal Business Development Bank with regard to which I had the opportunity of explaining my feelings in depth during the debate on Bill C-4 in the Thirty-first Parliament.

I am sure that the Federal Business Development Bank is sweating it out right now and in need of financial relief in light of the very high cycle of interest rates we are going through. I would think that the increasing rate of bankruptcies has been creating a magnitude of change in terms of their liquidity and in terms of pressure upon their accumulated surplus. We would, perhaps, like to be aware of the extent of this pressure. If the minister could advise as to the change that the last 90 days have brought, and the pressures it has placed upon the Federal Business Development Bank, those of us who are interested would much appreciate the information.

In addition to the extensive work of the Federal Business Development Bank in this field, we have the adjustment assistance programs of the enterprise development under the Department of Industry, Trade and Commerce. One of the things I found frustrating as minister of state for industry and small businesses in the former government was the magnitude of dollars which my colleague responsible for the Department of Regional Economic Expansion had at his disposal in his dealings with his provincial counterparts, or with industrial counterparts in the provinces, in terms of programs of assistance to the business community. So we have all these different activities going on, different departments all making their play for this audience which is described in the 1976 statistics. If there is one thing which needs co-ordination so as to bring about effectiveness in the use of resources and in the use of the program, it is this area which I have described.

I am very pleased the minister intends to continue the work in place in the department in bringing about the review of which he spoke. In my view, a basic change of structure is needed to assist the minister because, so far, we in Canada are reacting in what amounts to knee-jerk fashion to political pressures which accompany lobbying by the Canadian Federation of Independent Business and so forth.

Now that we have defined the audience and the importance of that audience in the Canadian economy, it behoves both sides of the House to move in on a structure which will serve that community more efficiently and will allow them to use the resources at the disposal of Parliament more effectively. In that review I would like to suggest and submit that perhaps the government should give consideration—or perhaps the minister of state can carry this forward to cabinet—to a standing committee of the House on industry and small business at which the constituency described and now defined could have a platform and a means of communicating with their elected representatives, and particularly with the bureaucracy responsible for the activities and subactivities within the various departments.

● (1420)

Having studied in some detail and debated the proper vehicle through which the industrial community could best be served—or this end of the spectrum of the industrial community—one looks at and studies in some depth the small business act of the United States which has built a massive bureaucracy, put in place programs, has got itself all caught up in definitions within each category, and has indeed become a very cumbersome situation.

If one then moves over into Europe and the European Common Market countries, one will find that the co-ordinating role of the secretariat and the advocacy of the secretariat are being enhanced, but that role in itself can be quite frustrating to the staff within the department. They really do

not have the clout that is necessary for the constituency—the statistics I put on the record—really demands and needs. I am sure my colleagues on this side of the House would assist and probably push for a vehicle such as a standing committee on industry and small business which would be able to assist that department and the outside community in co-ordinating the programs and improving the communication between ourselves as elected representatives, members of the business community and the various associations and lobby groups and the bureaucracy, because if there was one thing I found frustrating in the short period in which I had the privilege of serving my country as minister of state, it was the difficulty I had in moving between departments.

I could get an understanding and a working arrangement going within my area of responsibility, but it was extremely difficult to move that progress through the other departments within the bureaucratic structure, and I think a standing committee of the House would aid immeasurably in the efficient delivery of programs to the business community.

In addition, I am troubled about the ability of the political process, or this process, to communicate the needs and the feelings and the studies from organizations like chambers of commerce, boards of trade, and the various groups which study and gather up the inputs, feelings, wants and wishes of the community. I think the struggle that we, as elected representatives, are facing, is the will of the wealth-creating community outside—those people who are engaged in wealth-creating activity and in adding to the value of goods which, after all, create all the payrolls, cash flow and taxes upon which the consolidated revenue fund can finance programs—that the decision-making base be spread more widely where that community can have an incentive to direct its capital and its energies into certain directions.

To me, research and development crystalize the struggle which is going on. I believe the bureaucrats—and I speak respectfully when I use that term—within two or three departments of government naturally want to keep control unto themselves in terms of research and development, in terms of incentive programs and in terms of venture capital programs, rather than deliver tax points to the community whereby there is an incentive to make a decision to spend a particular block of money in a particular area of risk. That is the debate I would like to see enhanced, and I do not know of what forum it can be developed in other than the standing committee on industry and small business which I am proposing here as a result of the opportunity I had to spend some time studying this area of activity.

Basically the bureaucrat feels that there is more efficiency in delivering research and development incentives through programs than through tax points. I come from that industrial sector out there, and I can tell hon. members that I have not time to come through the paper work and the screening process for those programs, but if I had 125 per cent, I could have a board of directors' meeting and we could decide that the risk of doing something new that would add to the payrolls and wealth of this country was compensated in that 25 per cent factor. Then those decisions could be made across the land by the decision makers who, after all, are gambling their own working capital and their own savings, and to me that is an issue which I think we have to address, and perhaps we could challenge the desire for programs which many of our friends within the bureaucracy have.

I think what I have just mentioned is one of the causes of frustration within that industrial community, and I think again—I am sorry to repeat myself—that such a committee could do much to diffuse that level of frustration and improve the feeling and the spirit of communication between the three forces.

One of the other things that I found, I suppose while in office and particularly since being in office, is the lack of awareness that the small business community and the medium-sized enterprise sector have in terms of the government programs which are available, and I was going to bring into the House a stack of literature, the ABCs, all of the beautiful literature of the Federal Business Development Bank and the case counselling service, and all of the programs which have to do with each aspect of accounting or procurement in the small business sector.

All of this magnificant material has been put together in very well designed presentations, and yet there is a major lack of awareness within the community. I know that the Federal Business Development Bank has small business seminars. One can see university after university and institution after institution now putting on small business seminars, but the lack of awareness of what is available is another matter I would like to see addressed, and I use the opportunity in this debate on the amendments to the Small Businesses Loans Act to make the minister aware that we should again perhaps be in a committee addressing this awareness problem and seeing what can be done to make a more efficient and effective use of the material that is available.

One of the emerging needs in the review on finance that I have seen is the need for risk capital. It is a case now of moving any liquidity over into safer instruments and investments, or giving out some kind of an incentive which protects the high after-tax dollar cost of that type of capital in areas of risk.

I have mentioned working capital, and the province of Quebec and the province of Ontario—and I believe B.C. and one of the other provinces; not yet, the minister says—are moving in this area of vehicles for venture capital. There is potential for some abuse there, but I think anything that can move our conservative after tax savings dollars into risk areas of business, with tax shelter protection, would be an initiative that the minister of state could take, and it would have wide and great support from the community at large in Canada.

I have mentioned research and development policies and programs. We debated extensively through the Thirtieth Parliament, and if the minister cares to look into the files, he will find extensive studies on research and development programs and policies which really have to be delivered to that industrial community if we are going to keep the Canadian industrial

plant modern and effective and at highly optimal levels of production efficiency. Too many of the government programs I saw when in office—and which I am sure the minister will see—are running after industries which, because of obsolescence, old plant, or emerging technologies in other countries, really cannot compete in the global marketplace.

● (1430)

Tied in with this is the General Agreement on Trades and Tariffs and the phasing out of tariff protection for industries. I suggest that part of that review must be a change in attitude, a change in the use of the government resource from a protective attitude toward industries that are now obsolete in the global market place to delivering programs of front-end benefit and incentive which will allow us to put the highest technology of the world in place within Canada, within the Canadian industrial community, so that we can compete against global efficiency and labour in other parts of the world where there is a lower standard of living and perhaps not the burden of environmental protection that we demand of ourselves.

These are all areas which I do not think this community, through its elected representatives, is debating, and that is one of the reasons why I urge all members of the House to support the call for the establishment of a standing committee on industry and small business where these studies could get wider recognition and more input. Perhaps the combination of programs and tax points could reduce the frustration level which exists, and we could start delivering and creating an awareness of those industrial sectors that need assistance, because that is where the future is and where the payrolls will be tomorrow.

I am seriously concerned at the extent of the resource that we are delivering in protecting what is obviously obsolete. A classic example, I think, is the auto pact crisis which we in this country face today. We knew a decade ago that there had to be product design and product change and that environmental legislation would be coming soon, that we were going to be an energy short continent and that we could not carry on wasting in the way we were. Yet we allowed ourselves to continue blindly building cars with V8 engines, the high horsepower gas burner, while the United States was quietly putting in place the energy-efficient car. Now we have reversed the flow and caused a trade inversion in this country that is of crisis proportion.

If we are going to provide aid to these industrial areas, I think we should provide aid, programs and tax points only in those areas where the product fits the need of the people and of the continent for the decade ahead, where its fits into an energy efficient demand, where we are not protecting that which deserves to be flushed out by the market system, but rather where we are delivering something that can have a market mandate in the global market at large, particularly on the North American continent.

These are some of the problems that I have seen, and now I would like to close with one other in the financial area of the SME sector. Much of the Canadian dollar, through our Registered Retirement Savings Plans, ends up in pension funds in RRSPs, and in the financial institutions which require a secure covenant of safety. There is a financial vehicle that we have been trying to get through three departments of the government, the Department of Industry, Trade and Commerce, the insurance branch, and the Department of Finance. There is a vehicle which would allow a covenant to be given to lending institutions which would permit money from those institutions to be fully secured to the lender and yet made available to the business community in amounts of $500,000 to $5 million, in 15 to 30-year terms at interest rates below prime.

As I close my remarks here today, I make a plea that the bureaucracy really hear the message because there is a source of funding for the industrial community which lies dormant in these funds and in their security, and which could be made available to the industrial community, relieving the financial pressures which exist if a co-insured first-class covenant could be given to the lending institutions.

One thing that shocks me in the hold up of that vehicle is the fact that the federal government, or its advisers, fails, in its narrow definition of qualified lenders, to take into account such funds as workmen's compensation funds in the provinces, the Alberta Heritage fund, and pension funds from Crown corporations. I think there should be an open mind with regard to them so that that financial resource can be delivered to the industrial community and so that we can get on with building a first-class industrial plant, industries that can compete on an efficient, optimal basis in the global marketplace so that we can truly be ready as a country for the era ahead that the GATT agreement is bringing on us.

Some hon. Members: Hear, hear!

Mr. Nelson A. Riis (Kamloops-Shuswap): Mr. Speaker, I rise today to speak on the proposed amendments to the Small Businesses Loans Act which would raise the ceiling on the amount of money a small business may have outstanding under the act from $75,000 to $100,000, that would increase the amount that may be guaranteed under the act to $850 million, and extend the act for a two-year period until June 30, 1982.

I support this bill with reservations since the benefits accruing to small business under this act have been more than eroded through the government's monetary policy of maintaining high interest rates in Canada.

Bill C-17 is indeed an insult, not only to the Canadian small businessmen but to Canadians as a whole. It creates the impression that this government is prepared to act and do something for the small business community when, in fact, it is doing very little for Canada's small entrepreneurs. This was misused opportunity, for with this bill the government could have initiated measures which guaranteed to resurrect and build confidence throughout our business community at a time when economic expansion and entrepreneurship are at a very low level indeed. Now we have lost this opportunity to build faith and confidence in our country since the business commu-

nity is disappointed and dejected with the contents of this bill. They were expecting so much more.

This bill does nothing to assist the small businessman, and it comes at a time when serious, thoughtful, rational changes are required in our economic structure and in our economic system. In their hearts, Canadians know the present system is inadequate. Canadians know that we are an incredibly rich country with unlimited and unimaginable opportunities, coupled with a young, dynamic, creative and talented people, yet facing such serious problems and difficulties as exist in our country today.

Hon. members to my right, as well as members across the way, tell us that we live in a country committed to the principles of free enterprise and competition. I am afraid this is an illusion, this is a dream. Canadians believe that if an industry is competitive, then we can expect to get a better choice of products in the marketplace and obtain them at lower prices. There exists extensive empirical evidence to support this belief, so long as the conditions for competition do, in fact, exist. However, the reality of the Canadian economy is very different from this competitive model. The key industrial sectors of the Canadian economic system are dominated by a small number of large corporations, and if we recognize that many of these corporations are branch plants of foreign business operations, then we begin to place the structure of the Canadian economy in its appropriate international context.

I am certain that my colleagues in the House are aware of the extent of corporate concentration in the Canadian economy. No one can look back over the holes left in the economic landscape by the wave of corporate takeovers since the royal commission tabled its report on corporate concentration and fail to realize that our economy is undergoing dramatic and far-reaching structural changes, changes that are not necessarily in the best interests of Canadians.

● (1440)

It is not insignificant that a very key question was left out of the terms of reference of the Royal Commission on Corporate Concentration. That key question is: how has federal government policy contributed to and accelerated the process of corporate concentration in Canada? Or, to put it another way, how has the federal government contributed to the erosion of competitive enterprise in this country and as a result placed many small businessmen in an unfair competitive position?

Is it any wonder that, for decades, big business, and often foreign business, has exercised undue influence on the formation of economic policy in Canada? The current economic crisis has brought this to the attention of all Canadians, but to none more forcefully than those employed in small business. For it is here, in the small business sector, that the conditions for competition exist and the competitive forces of the market place have their greatest impact. For decades the government has ignored this vital sector of our economy. Only last year it finally got around to publishing its first major statistical review of small business. Using the criteria of sales less than $2 million to define small and more than $20 million to define big, the following picture of business in Canada emerged. I should like to refer to a few specific points in that review.

In 1976 there were 628,000 small businesses in Canada representing 97 per cent of all businesses. The 2,000 largest businesses in Canada represent less than one half of 1 per cent of all businesses. Small businesses account for nearly 28 per cent of total business sales. In terms of employment, small businesses account for approximately 40 per cent of the Canadian labour force.

A recent study by the Canadian Federation of Independent Business indicates that small businesses have created more than 50 per cent of new jobs outside the government sector since 1971. But small business is vital to the Canadian economy for other reasons. While 48 per cent of big business in Canada is foreign-owned, over 96 per cent of small business is Canadian-owned. I emphasize Canadian-owned and Canadian-operated. Small business in Canada is an expression of the Canadian character, and extension of Canada's energetic and imaginative people, representing their hopes, dreams, aspirations and concerns for the future.

The decision to go into business in Canada is a decision to take one's future into one's own hands. It involves risk, frustration, and great deal of hard work. When we talk of small business in Canada, certainly we are not talking about a faceless and soulless corporation, but indeed of people. Small business is a people business, and we must do everything possible to nurture, encourage and support it.

Small business has been hit especially hard in the present economic crisis. The uncertainties associated with the 1970s have contributed to a marked increase in the number of business failures. Commercial bankruptcies in the first two months of 1980 were up nearly 25 per cent over the same period last year. Bankruptcy experts estimate that at least 75 per cent of failures occur among small businesses. Just this afternoon I had the opportunity over lunch to meet with two visiting businessmen from my own riding. One businessman owned a small clothing store and the other businessman represented a small contracting firm. Both of these individuals are on the brink of bankruptcy. The high interest rates, and the monetary policy which is perpetuated and supported by the present government, have driven these entrepreneurs to the edge.

In the face of the current downturn, this bill to amend the Small Businesses Loans Act betrays a colossal failure on the part of the government. It will do virtually nothing to ease the burden on small businesses in Canada. The increase in the loan ceiling from $75,000 to $100,000 proposed in this bill, once one takes into account the inflation over the past three years, represents no increase at all in real borrowing power. In 1979 less than 3 per cent of the value of all small business loans were guaranteed under the Small Businesses Loans Act. There are a number of reasons for this which the legislation does not even begin to address.

For example, guaranteed loans can only be used for purchase or expansion of plant, equipment or land. Loans cannot be used to provide working capital which, of course, is one of the most important capital requirements of the small businessman, the small entrepreneur. The final decision to extend a loan rests by and large with Canadian chartered banks. They have been reluctant to use this act because of the limits placed on the interest that can be charged. Why charge prime plus 1 per cent if one can get prime plus 3 per cent? In fact the chartered banks have a vested interest in not supporting this program throughout the land.

Small businesses have indicated that branch managers in the chartered banks and other lending agencies are either reluctant to talk about the Small Businesses Loans Act or are not familiar with the program, or at least they say that they are not familiar with it. The one exception to this is the heavier use of the plan by the Banque Canadienne Nationale in Quebec. We hope the minister has received commitments from the chartered banks and other lending agencies that they will actively participate in the small business loans program, and if he has not received such a commitment, we hope that he actively seeks one.

Also I feel it is important to point out that less than $500 million will be available under the Small Businesses Loans Act each year. In fact this is only a small fraction of the $9 billion borrowed by small businesses in the year 1979. As one of my hon. colleagues mentioned previously, it does not address one of the serious problems facing entrepreneurs, that is, the lack of information. Some method must be found to enable potential investors or businessmen to be more aware of the existing 400 programs of interest to them.

The real failure to provide leadership, not only in the area of small business but to the Canadian economy as a whole, is the shortsighted and misguided monetary policy which has left small business and the economy in general saddled with record-high interest rates. When the prime interest rate is 16.75 per cent, the few benefits provided by the Small Businesses Loans Act cease to be meaningful.

Short-term, simplistic, cosmetic legislation such as the Small Businesses Loans Act which we are debating today would not be needed if the government had, in the past, provided responsible leadership in implementing a sound long-term industrial strategy for Canada. High interest rates, a record balance of payments deficit, and an unprecedented federal government deficit, all point to a colossal failure to fulfil the public trust.

In travelling about the country I have had the opportunity to speak with large and small groups of businessmen about the problems which they are currently facing. I hope the hon. minister and his government will be introducing legislation during this session which will address some of the serious problems mentioned previously in this discussion.

I have yet to discuss and examine the throttling impact that government red tape has on the small businessman. The paper requirements of the federal government have placed the small businessman in a very difficult position and have resulted in undue stress and frustration, as well as placing added personnel costs on his accounts book. Also I should like to remind the minister that at present a corporate tax system exists which treats small businesses differently than large businesses. The present tax system actually discriminates against small business by imposing higher effective tax rates on small businesses than on larger corporations.

• (1450)

In closing, I feel compelled to relate to this House an incident which occurred in my riding of Kamloops-Shuswap during the last election campaign. During that campaign I emphasized the fact that, of the three federal political parties, only one consistently and actively supports the concept of fair and equitable individual enterprise and fair and free individual initiative in the marketplace. I suggest that party is the New Democratic Party.

Some hon. Members: Hear, hear!

Mr. Riis: The hon. member for York-Peel, the former president of the treasury board, campaigning in my riding challenged this point publicly and suggested that the voters in the Kamloops-Shuswap area would ultimately decide which party supports the concept of fair enterprise and individual initiative. May I suggest that the voters of Kamloops-Shuswap did just that?

Some hon. Members: Hear, hear!

Mr. Ralph Ferguson (Parliamentary Secretary to Minister of State, Small Businesses): Mr. Speaker, hon. members, it is certainly my pleasure to speak to Bill C-17, an act to amend the Small Businesses Loans Act, which has been brought forward by my colleague, the Minister of State for Small Businesses (Mr. Lapointe). The minister has outlined the details of Bill C-17, and he has also briefly outlined the general purposes and the history of the Small Businesses Loans Act. In addition, he has outlined the government's intention to work with the financial community, the small business community and the provincial governments in preparing a complete review of the government's financial support programs for small businesses.

I should like to commend the hon. member for Capilano (Mr. Huntington) for his constructive remarks in relation to this review and to the amendments to the act presented here today.

I would like to refer ever so briefly to comments of the hon. member for Kamloops-Shuswap (Mr. Riis), and refer specifically to the drop in interest rates that took place for the last two consecutive weeks since the opening of this Thirty-second Parliament. I feel this reflects confidence in the government and it is an indicator that the proposals outlined in the Speech from the Throne are quite proper and correct.

Some hon. Members: Hear, hear!

Mr. Ferguson: In speaking to Bill C-17 I would like to add some comments on the coverage provided by the program. The Minister of State for Small Businesses has already referred to

the broad national impact of the program as witnessed by its regional coverage and the very wide and growing participation by a variety of financial institutions.

In addition to this coverage, a broad range of types of businesses are supported through the Small Businesses Loans Act. I submit at this time that this is an act that covers all of Canada, whether it be the small towns and villages in the rural sector or the small businesses in the cities across this nation. It is vital to the sustenance of the small business community from coast to coast.

Statistics for 1978 show, for example, that of the total value of loans in that year, wholesale trade accounted for 4.1 per cent, transportation accounted for 8.6 per cent, construction accounted for 9.9 per cent, manufacturing accounted for 14 per cent, retail trade accounted for 26.6 per cent, and service businesses accounted for 35.9 per cent.

It can be seen that the Small Businesses Loans Act provides broad coverage of types of businesses, many of which are traditionally in the small business category. It does not include two additional types of small businesses, farming and fisheries, but they are supported by two other special federal government programs; first of all under the Farm Improvement Loans Act, and secondly, the Fisheries Improvement Loans Act. As announced in the Speech from the Throne, both of these acts will also be brought forward for renewed consideration by the government in the very near future.

In the course of presentation of Bill C-17 I think it is important to note the philosophy which underpins not only the Small Businesses Loans Act but also all the other federal government debt-financing programs.

A basic premise behind all federal government debt-financing programs is that they should complement rather than compete with private sources of loan capital. This is more than just a philosophical stance in respect of the roles of the private and public sectors. It is based on the realization that the government can be most effective by working with the private financial institutions to make better use of the very extensive delivery systems that are already in place in the private sector. For this reason, the success of the Small Businesses Loans Act should be measured not only in terms of the volume of business undertaken, but also, and perhaps just as important, in terms of its success in stimulating private lenders to expand both the form and volume of financing to small businesses.

The Small Businesses Loans Act is in keeping with this philosophy. It is a program which has been administered effectively with as little government involvement as is possible. All of the transactions between borrowers and lenders takes place within the private sector with the government acting only as a guarantor.

We all know that this cannot always be the case, but there are good reasons behind the government which has also established direct lending and grant programs. The programs have been established to meet special circumstances which face Canada's ever-growing businesses. Even where direct lending programs are in effect, however, an attempt is made, if at all possible, to involve private lenders as co-financiers. This is as it should be, Mr. Speaker, and I think the small businessmen and small business women of this country would agree with me. They do not want handouts from the government. They want, and only when it is necessary, a boost from the government to assist them in their own efforts to build the businesses. They want to retain their independence and to go about their business as they see fit. The Small Businesses Loans Act is a program which follows this approach.

In concluding my brief remarks on this Small Businesses Loans Act I want to re-emphasize that this program is an important source of financing for small businesses. It provides suppport to thousands of deserving men and women who run businesses which are the backbone of our Canadian economy. I take great pleasure, therefore, in having spoken to this bill.

Mr. Bill Kempling (Burlington): Mr. Speaker, this is the first opportunity I have had to speak in the House since it reconvened and I should like to convey to you, sir, my congratulations on your appointment, and ask you to convey to your colleagues, especially Madam Speaker, my best wishes on the duties they have undertaken in this House. I know that all of you will serve the House well. You are all experienced in the operations of the House and we look forward with great pleasure to working with you.

Let me now say a few words about this bill. The small business sector, as we know it, is the largest employer in Canada of our labour force, employing some 6.6 million people. It is something that governments at all levels talk about, federal, provincial and municipal. It is the most difficult area for the federal people to really get involved with because so many of these businesses fall under provincial jurisdiction. When it comes down to it, I suppose it is really the role of the federal government to create an atmosphere in which that small business enterprise can flourish.

● (1500)

I am not that familiar with the new minister of small businesses, and I do not know his background or whether or not he was ever a small businessman. This bill may encourage him to become one in the near future. I feel that the former minister during our government, my colleague, the hon. member for Capilano (Mr. Huntington), was probably the first minister, at least since I have been present in this House, who knew what it was to be a small businessman because he has been one for a number of years. The hon. member for Capilano knows what it is like to go out and raise capital, employ people, and to design and devise a product which will sell and earn a profit.

If the present minister of small businesses does not have any business experience, then I hope that he is a good listener because there is much to learn from the small business community, and indeed from the members of this House. As I say, perhaps the minister will be encouraged at some future point to enter the field of business. It is a very fascinating endeavour to undertake.

As the hon. member for Capilano has just said, the problems which the small businessman must face are, to some extent, helped by this bill. One of the major problems that I found with the Small Businesses Loans Act when I have had to deal with it over the past eight years was that most people are of the false belief that the federal government lends the money. They do not understand. It would be a good idea to put out some publicity indicating that the government does not lend the money, but merely guarantees a loan through the bank. But that is an area I will cover in a moment.

Another thing which many people do not understand about the Small Businesses Loans Act is the interest rate which has had a series of strange manipulations over the years. As I recall the original act the rate of interest was 6 per cent. At that time the bank interest rate was 7.5 per cent. Obviously the banks were not interested in loaning money under this act at the lower rate. The bank rate increased to 8 per cent and 9 per cent while the small business loans rate remained at 6 per cent. Then the interest rate under the act changed. I believe that the rate was determined by the yield on a selected series of government bonds which was altered biannually in April and October.

Mr. Knowles: Semi-annually.

Mr. Kempling: At any rate, it was twice a year. However, the bond market dropped, and of course the rate of return on the bonds dropped, leaving the interest rate on small business loans in the same mess that it was in before. At this time hon. members would rise in the House during question period or during speeches and ask the minister of finance, who was John Turner, I believe, why the small businessmen were not able to get a loan under the Small Businesses Loans Act and why the banks were playing games with the small businessmen. When these small businessmen would say to the banks, "I would like to borrow some money under the Small Businesses Loans Act", the bank accountant would say, "I've never heard of it". Mr. Turner would answer, "I'm having lunch tomorrow or next week with the president of the Canadian Bankers' Association. I will bring the matter up, and we will see what we can do". Of course, nothing ever happened.

This charade went on year after year, and to some extent is still going on today. In fact the banks at one time, in order to keep the Minister of Finance off their backs for not lending money under the Small Businesses Loans Act, were using the act as a form of a gift to their better accounts. The banks were not helping the small entrepreneur who had a venture capital problem and needed assistance. They were giving loans under the act to their good accounts which paid their bills regularly, kept up their deposits, and had a good record with the bank. In other words, they were using it as a plumb.

The banks would say to these good accounts who were interested in expanding their business under the Small Businesses Loans Act, "Yes, we will get the loan for you because the rate is lower than what we charge on our normal commercial accounts, which will be of some advantage to you". These banks should have been loaning money to businessmen who did not have the necessary collateral to obtain the money in the private sector. For the most part, that charade has disappeared.

I would recommend that the minister speak to the officials of his department and, while I do not like to see more paper, recommend that a pamphlet be printed. It could be entitled, "How to get a loan under the Small Businesses Loans Act". The Minister of Finance should lean a little more on the chartered banks and insist that they display these pamphlets on the counters of the branches across the country. This would help a great deal.

Mr. Baker (Nepean-Carleton): Put the minister's picture on it.

Mr. Kempling: When this bill gets to the committee of the whole stage, standing committee, or wherever it is to go, I intend to introduce amendments which cover areas of some concern to me. I am a small businessman, so I know the problems.

Mr. Pepin: Did you say small?

Mr. Kempling: I will get you for that!

I would like to see an amendment which will allow loans under this act to be used for working capital. I would like to see provision within the act to allow for loans to be used to complete research and development projects. Let me expand on that topic for a moment. I have been in and out of big business, small business, and I have worked for multinationals, conglomerates, and I now have my own business. I know what it is all about. The person who turns off the research and development project in a small business is not the engineer or development man but the comptroller, the guy who controls the cheque book. He or she is the one who turns off the cash flow because there are just not enough funds to complete the project.

Most innovations and most of the patents are made by people in the small business field. There should be an amendment in the act to allow for the completion of research and development projects. I would be fair and say that the applicant would have to prove that the amount of money being loaned would in fact complete the project.

The third amendment which I intend to move would allow the Small Businesses Loans Act to register patents on a product, process or device developed in the small business field. Many times a small businessman expends all his money developing a device, process or product, only to find that he needs a good deal more money to register the patent in Canada, the United States, Great Britain, or any country where he wishes to protect his product.

The Small Businesses Loans Act could be used in the acquisition of a patented process, product or device to be used by a small business. The way the market is going today and particularly considering the volatility of foreign exchange, one finds that some in the small business community are in a

position to license a product which they are presently importing. This helps their balance of payments problem and helps to develop the whole entrepreneurial level of small business.

If the minister would like to introduce these three amendments, I would be happy to convey them to him for introduction, as long as it is done. That is all I am interested in. Something must be done.

The Solicitor General (Mr. Kaplan), when he was chairman of the finance committee in a previous parliament, and I went through the Bank Act. I am sure that he will recall section 88 of that act which deals with accepting as collateral raw materials and work in progress. At our in camera committee meeting where we were dealing with the inspector general of banks, we agreed to amend that section of the Bank Act, especially for the small businessman. We felt they should be able to offer their inventories as collateral. I know the minister recalls this because we had a long conversation with the inspector general of banks. He and I finally saw eye to eye and had the act amended. That is the bill that will now come before this House and we appreciate that, because it is going to help the small businessman.

● (1510)

It is the small businesses that employ the bulk of the labour force in this country and contribute the largest amount of the gross national product that is the stabilizer in our economy. When you look at the labour involvement in the small business community at large, you find that they rarely lay people off. Even if the economy turns down, they keep them on because of the difficulties they have in getting and retaining people. One of the ways they retain staff is not to lay them off as some of the larger companies do, when the economy turns down. By adopting that sort of principle or philosophy or strategy—call it what you will—they impart a great deal of stability to our economy. If we can do anything to assist them, Mr. Speaker, and to expand this sector, we will help the economy to flourish and move ahead.

There has been mention of the amount of paper that small businessmen have to deal with. I recall that a previous minister in the small business portfolio of an earlier Parliament set up a committee to examine the problems of the small businessman in dealing with all this paper. I should like to tell you something of the practical difficulties that I faced when I was in business because of the amount of paper that came in. We used to separate the paper into two piles—that from Statistics Canada was piled on one side of the table and that from Revenue Canada was piled on the other side. We knew that we had to pay our taxes, so we always looked after the pile from Revenue Canada. The other pile grew higher and higher and we started getting threatening phone calls from some clerk in Statistics Canada. It became a serious matter for us. With only a small staff, we had to ask ourselves whether we were going out to do some business, to design something, fabricate something, sell something—or were we going to sit down and fill out all these forms, some of which were totally irrelevant to our operation.

I am a very practical person, Mr. Speaker, and I was determined to find a solution to the problem. One day up town I went into a rubber stamp shop and bought a large rubber stamp which said "Not Applicable." I also bought a red stamp pad. Back at the office I stamped this great pile of government forms with "Not Applicable" and sent them all back to Statistics Canada.

Some hon. Members: Hear, hear!

Mr. Kempling: In return I received a computerized letter which said something to the effect that "we are in receipt of flip-flip, your communication on form so and so which we understand is flip-flip not applicable." We duly filed this in our folder and when the repeat form came in we stamped it "not applicable", made a copy of the letter from Statistics Canada and sent it back to them. Mr. Speaker, we cut our paper load by 66 per cent.

I would recommend that to anyone as a method of cutting down on the paper work that comes across his desk from government. Much of it is just so much nonsense.

Mr. Evans: Would you change?

Mr. Kempling: No, I would not change.

Let me move into another area of operation for small businesses, Mr. Speaker. One of the difficulties that small businessmen in this country face is the constant change in the method by which their products are distributed throughout North America. The United States is our largest supplier and we are their largest customer, so there is a tremendous amount of trade back and forth. That applies to Europe to some extent as well.

A series of events have occurred in North America, starting with the imposition of the 10 per cent surcharge that President Nixon put on imports to the United States when that country was having a balance of payments problem. Following that, the United States established DISC, the Domestic International Sales Corporation, the purpose of which was to entice American companies operating overseas to return to the United States, produce their goods there, and then export them.

One of the provisions of the DISC program was that 50 per cent of the profit may be retained by business, tax free, at the pleasure of the president. That meant that the profit on a great deal of export dollars was retained in the business—tax free at the pleasure of the president. Mr. Speaker, I do not know that any president is going to have the courage to rescind that! The program has had a dramatic effect on the conduct of commerce in the small and medium-sized business sector of this country. It has changed the whole method of distribution. In the past a manufacturer built a product, put it in inventory and then shipped from inventory. That is not done today. Now a product comes off the production line and is shipped immediately to the downstream distribution system. This has taken the cost of carrying inventory from the manufacturer and passed it on to the wholesaler and the retailer. The difficulty

with this is that in this country our financial system has not responded, and the effect is felt by the small and medium-sized businessses.

For that reason, Mr. Speaker, I say to the minister, through you, that I want to see this Small Businesses Loans Act amended to ensure that the funds that are acquired may be used for working capital.

Earlier I mentioned section 88 of the Bank Act which will become section 177 of the new act. It will help as well, because at the present time a small retailer like the one mentioned by an hon. member opposite, a clothing retailer in the throes of bankruptcy, has to pay for his merchandise when he receives it. If he offers it to the bank as collateral, he will only get 30 per cent of its value because the bank will take it under a floating charge. The result is that he is only getting 30 per cent of the value of an asset when it is offered to the bank as collateral.

Through this change in the act we hope that we can help in such cases by having a greater proportion of the value of finished inventory accepted as collateral by the banks so that the small businessman could pay his bills and stay in business.

The record of bankruptcies between 1968 and 1979 is absolutely staggering—the number more than doubled, and I suppose by the end of 1980 it will have tripled. These were all little manufacturing concerns, Mr. Speaker, and the major reason for them going under was the lack of working capital. Someone goes into business, mortgages his house, his cottage, his car, his wife—everything—

An hon. Member: His mother-in-law?

Mr. Kempling: His mother-in-law—anything the bank will take.

Mr. Baker (Nepean-Carleton): How much would he get for his mother-in-law?

Mr. Kempling: That depends! At any rate, he mortgages anything he can to get his business going. Once he does, he thinks it is great and that he is really going to make some money. He gets a large number of orders, but then he has no working capital. That is exactly what happens. You have people who have the initiative to start something, to design something, and to invent something. They get their business going and then run out of funds. What do these people do? They sell out, maybe to their competitor, or they tough it out and go bankrupt. A few of them that are wily enough shake the surface and manage to succeed. So we have to find a series of ways to help this small business sector. Part of this help is here before us.

• (1520)

I commend the minister for introducing this bill. I am not opposed to the Small Businesses Loans Act coming under the jurisdiction of the Minister of Industry, Trade and Commerce (Mr. Gray). In fact I think that is a step forward and a good thing. Considering when it came under the jurisdiction of the minister of finance, if past experience is any criterion. The businessman will get a better shake from the Minister of Industry, Trade and Commerce than he ever would from the Minister of Finance. At least we will not have to rely on the Minister of Finance having lunch with the chairman of the Canadian Bankers' Association and asking him, "Charlie, can't you help those little guys?". To which Charlie replies, "Well, we are up to the limit of the amount of money we can lend, Mr. Minister. We have done about everything we can", and the thing just falls apart.

One of the great things about our economy is that it is resilient. A lot of that resiliency is in the small business sector. While there is a lot of doom and gloom around, I am not at all pessimistic about the future. I have a great deal of confidence in the business community, and in the small business sector particularly. But these people do need help. They need it now, and they are going to need it for some period of time.

I can only ask the minister to take these remarks into consideration, to give whatever aid and assistance we can to these people, and even if he is not a small businessman himself, as long as he is prepared to listen and take the advice of others, I am sure he will do well in his portfolio.

Mr. David Weatherhead (Parliamentary Secretary to Minister of National Health and Welfare): Mr. Speaker, I am pleased to have the opportunity today to say a few words in support of Bill C-17, an act to amend the Small Businesses Loans Act. I am even more pleased to say a few words on behalf of small business in general.

First, I would like to remind the House that it was our government in a previous Parliament—I believe it was the Thirtieth Parliament—that brought in this very important ministry, the Ministry of State for Small Business.

Some hon. Members: Hear, hear!

Mr. Weatherhead: Frankly, I think the setting up of this ministry was long overdue at that time, but at least around 1977 the government at that time did bring in this ministry to look at the specific interests of small businesses.

I would also like to congratulate the present Minister of State for Small Businesses (Mr. Lapointe), and to wish him well in his new portfolio.

I listened with interest to comments of members opposite and, of course, to what the parliamentary secretary had to say. I believe that there is no question the former minister, the hon. member for Capilano (Mr. Huntington), is well known for his commitment to small business in Canada. I believe his comments and suggestions will be well taken by the minister.

I thought the hon. member for Kamloops-Shuswap (Mr. Riis) perhaps ranged a bit far in some of his comments, but when he was talking about the importance of Canadian small businessmen I agreed with him wholeheartedly.

The hon. member for Burlington (Mr. Kempling) made his comments based on suggestions with respect to possible amendments—while it is not up to me to say whether the amendments might be in order on this particular fairly limited

type of bill that is before us as far as amending the present bill is concerned—and with regard to the need to look at some of these matters to help small business, and these are well taken and should be considered further.

There is no question that small business, as other speakers have said today, is the life-blood of the Canadian economy. These are the people who make the Canadian economy tick.

I see by my notes that Canadian small business employs more than 2.5 million people representing 40 per cent of the work force in the private sector. However, I remember that the hon. member for Burlington talked in terms of over six million people. But I believe that if we are really talking about 2.5 million it must be because of a very narrow definition of small business, because surely Canadian small business really takes in the bulk of the work force in Canada in one way or another.

A healthy small business community in Canada is the best way that there is to ensure more employment in Canada. These are the people who can and do employ more people when times are good and things are expanding. Therefore we must do everything possible to encourage small business in every way.

In my own borough of Scarborough in eastern Toronto, small business employs most of the people in this borough which has 400,000 people. There are a few big businesses but almost all business in Scarborough is small business of various sizes. New small businesses have been encouraged in recent years in the Scarborough area, particularly by the municipal government. This has been especially so under the leadership of the present Minister of Public Works (Mr. Cosgrove) who was mayor of Scarborough during most of the 1970s. However, the financial well-being of small businesses depends very heavily on the economic and fiscal climates of Canada as a whole, as well as particular pieces of legislation that can make financial life a bit easier for Canadian small business.

Bill C-17 is an amendment of one such necessary piece of legislation that will help Canadian small businesses.

We heard from the minister earlier today that the program has been a highly successful one which has been in place since 1961, and it is now quite well accepted by the Canadian financial community.

Private financial markets are doing most of the job in lending the money to small businesses for long-term financing, with automatic federal guarantees on eligible loans. We have heard that since the program started over $1 billion in loans has been guaranteed. Last year alone some $250 million worth of loans was guaranteed.

We have heard the details of the amending bill, the fact that it extends the act for two years, and that the limit to a borrower is being raised to $100,000 and that the aggregate amount of guaranteed loans for the period ending June 30, 1980, has been increased to $675 million. The act also proposes that for the next two-year period to June 30, 1980, a maximum of $850 million be guaranteed.

The jurisdiction changes from being under the Minister of Finance to that of the Minister of Industry, Trade and Commerce as far as the main minister is concerned.

I would like to note that extensive review of the financial support programs for small business will be undertaken during the next two years. For example, the programs of the Federal Business Development Bank, the enterprise development fund, and Small Loans Act, which the minister referred to briefly this morning and outlined some of the benefits, will be reviewed. This review may require some substantial amendments at that time as conditions change and opportunities develop in this important sector of our community.

I believe that this review, which the minister undertook this morning and which has been commented on extensively, particularly by the hon. member for Capilano, is probably the most important part of the minister's comments, if I may say so. It is essential, in my view, that the programs of the Federal Business Development Bank, the enterprise development fund and the Small Loans Act be strongly and critically reviewed, and that amendments be proposed, and also that new legislation should be introduced which will make those programs more beneficial and useful for this most important part of the Canadian economy, Canadian small business.

● (1530)

Hon. Alvin Hamilton (Qu'Appelle-Moose Mountain): Mr. Speaker, I am no expert on the details of small business but I do have a great interest in doing everything possible to help small business in Canada carry the load it is presently bearing.

It is not a new principle that loans guaranteed by government should be advanced to private business. The best example of precedent for this type of legislation is the Farm Improvement Loans Act introduced some 30 years ago which did so much to help farmers improve the efficiency of their operations and increase their incomes as well. In the course of its application, even the banks learned something about agriculture; some bank managers become very proficient and were most helpful to their farm clients.

I am not here to speak against the principle of this legislation. What I am here to do is to suggest the rock upon which it is going to collapse. This rock has been there for many months but we, at this moment in our history as parliamentarians, should see where the danger lies and take the necessary steps to avoid it. My proposals will not require any amendment to the legislation. They will simply require the minister to take power under the regulations and, in arranging the interest rates, to do the things which are necessary to avoid the pitfalls which exist at this moment in monetary and fiscal policy in Canada.

It is obvious I am referring to the fact that we are at a mad moment of economic history in the western world. All the countries in the western world find themselves under the firm control of people advocating monetary philosophy and principles that in fact are wrong. What they learned in school 30 or 40 years ago does not apply to the type of economy we see today in the western industrial world. Without going into a

long lecture on this subject I say flatly that every person in this Parliament understands what I am talking about. Last fall we had the ridiculous spectacle in Canada of the Bank of Canada raising interest rates sharply on the grounds that the Americans were raising their interest rates. The Germans are now doing it, so are the Dutch, the Swiss and the Japanese.

We are all in a period of international monetary madness which every single person of common sense in every country knows is madness. It is not enough for us to make that generalized statement. What we have to do as parliamentarians is to use one quality we possess—a quality these brilliant theoretical people of a generation ago are ignoring. And that is common sense. Every one of us can stand up in this House and give horror story after horror story of what has happened to individuals who were called small businessmen—and that includes farmers—in their own constituencies. The rock which has smashed these promising, enterprising businesses has been these unrealistic, highly dangerous interest rates. And all because of a fallacious theory.

A number of hon. members in this chamber sat with us on the finance committee when we questioned the governor of the Bank of Canada and the minister of finance. Those who were present will recall that the governor admitted that the three reasons he had given for following the Americans were not borne out by quantitative evidence. I asked him whether he had the evidence after two years of raising interest rates following the American pattern, that his policy was working, and in each case the record shows that he said no. He was flying by the seat of his pants in heavy clouds with hard, rocky mountains in the clouds. He was trying to direct the plane of monetary policy in a very dangerous situation.

For example, one of the fears of these brilliant minds who guide our destinies in the monetary and fiscal fields in Canada, is that if the dollar drops in value by 1 per cent this will cause increased costs to those in Canada who buy imported goods. That is true. When I questioned the third-last minister of finance—they come pretty fast in this House, as you know, Mr. Speaker—he told us that for every 1 per cent by which the dollar dropped, the cost to people across Canada would probably be one-quarter of 1 per cent. One-quarter of 1 per cent of what? We import about $50 billion worth of goods a year. I cannot work with quarters; it is beyond my mental capacity. Take the figure of 1 per cent, four times greater than the minister of finance mentioned.

If the dollar drops 1 per cent on $50 billion of imported goods it costs all the people of Canada an extra $500 million every year. That is the inflationary lift, cost-push. When I asked the governor of the Bank of Canada what was the total amount of money out on fixed terms of interest in Canada he very kindly sent me a letter containing all the figures. Over $500 billion at any given moment in Canada is out at fixed terms of interest—like this loan will be at under the amendment we are considering. Add 1 per cent to that rate across that whole body of debt and you add $5 billion a year to the cost to all the people of Canada—$5 billion as opposed to half a billion, which is ten times more by trying to fight inflation by monkeying around with the Canadian dollar than it would be by forcing interest rates up.

• (1540)

Every parliamentarian can take that easy figure, half a billion versus five billion, and so the enormity of what this crazy madness has done to our western countries, particularly the United States and Canada, this last two years is there for all to figure out. Interest rates have literally gone from 7 per cent and 8 per cent to way over 16 per cent and 17 per cent. When we realize what that does as we change our financial instruments—mortgages are a prime example—up to higher rates and when it spreads through the system, we have added to the cost of living and the cost of producing, many billions of dollars in a single year. I use the word "madness" because that is the mildest word I can think of to describe it.

I am not going to continue talking about the gloom and doom effect that this will cause us all. I simply want to find positive, simple and constructive ways of avoiding it. Let us make up our minds that it is no fault of the governor of the Bank of Canada that he is following this theory, because every economist in the whole western world is doing it. God is in his heaven, and Keynes is right there beside him.

The reality is that we are destroying the country. We are destroying the United States, Canada and the western world, not to mention the newly developing nations. Therefore, let us get down to what our job is.

I am not going to talk about the money supply. I think the bank governor is doing a fairly satisfactory job in bringing down the snake. I am not going to talk about the lack of co-operation, co-operating that should have been there for the last thirty years between the central bank, ministers of finance and the great commercial banks. The hon. member for Burlington (Mr. Kempling) gave an example of why there has to be that co-operation. I am not going to talk about that.

What is one simple thing that we can do under this legislation, without amending it, which will get away from this danger? On the assumption that we all agree that interest rates are the most dangerous part of the inflationary package, how can we get them down and still be economic and still not subsidize? There is nothing new in this idea that I am going to propose. It is as old as the system of money itself. If we look at the business sections of newspapers from this last year, almost every week we see some large corporation announcing it is going to issue a tremendous amount of equity.

Massey-Ferguson talks about putting $500 million of equity on the market. Noranda used that device to fight takeovers. They use this money they get in from equity to pay off this fixed rate of return on interest charges and get down their costs. They gamble, rightly, that every individual in the country who is interested in saving money or investing, knows that a person who has invested in a bond or any type of financial instrument with the same fixed return on it has lost money in the last ten-year inflationary period. They know that he is willing to gamble on putting his money into a type of instrument, equity, which has no guaranteed return, as a rule. He

will gamble that that company can save itself, and he will get more money out of the dividends that accrue to him inlater years. Because we see big companies saving themselves this way gives us the clue of how we can do it for small business.

Small business, as a rule, is not set up at this moment in a public company form or even a private company form, for they can go out and issue equity and change the amounts from time to time. However, under this legislation there is a way of doing it, and that is to suggest that the interest rate you are going to charge is, say, 8 per cent. I pick the figure of 8 per cent out of the air. It is very close to the amount of interest that is available to the same small businessman under this development bond concept which was put forward in the Crosbie budget and was renewed by the minister the other day in the mini-budget, where you can call your loan a development bond on which you do not pay interest. You pay dividends, and you take advantage of the loophole in our tax techniques. The banks say, "If you borrow under this provision, since we do not have to pay tax on that type of income, we will give you the interest rate at about half the average interest rate". That is my layman's understanding of how the development bond concept works.

I am simply saying—that is still going to go forward, as I understand the mini-budget—why not make this roughly the same? If the average interest rate under the development bond concept is now 7.5 per cent or 8 per cent, let us make it 8 per cent for the small businessman in this legislation. The immediate reaction I get is that that is subsidy and that I am asking the government to go out and borrow money at 15 per cent and 16 per cent and lend it at 8 per cent. My answer is very simple. You say you are going to lend the money at 8 per cent, but you are going to have a faster pay-out with this lower interest amount, and then after the debt is paid off you want a percentage of the profit for "X" number of years.

When you put that up to the lender and you put your hypothetical cash flow chart for the next ten or 15 years in front of him and he sees that this loan of $100,000 is going to add, say, $20,000 a year to your profit picture, even though there is a negative cash flow in the early period, if he can get that debt paid off quickly at 8 per cent and get his money back to re-invest and then have this 2 per cent, 3 per cent, 4 per cent, 5 per cent—even up to 10 per cent, depending on the situation—of the new profit, he can figure it out over a 20-year period that he is going to make more money this way than the other way. The borrower is better off. He does not have a heavy front-end loading during the period of negative cash flow. The lender is going to make more money. There is no subsidy by the government. The guy feels independent. It is a straight business deal.

That type of proposal is not new. I have suggested in the committee that we should use it for Farm Credit Corporation loans. All the regulations are there to allow for it. I have suggested we use it for export business, which takes a longer period of time before you get a cash flow in, and the walking money period is three years, four years, and sometimes five years.

I have suggested it should also apply to the buying of homes. There is not much use in using the word "profit" when buying a home, but let us just change the word "profit" to "capital gains". You will lend the money to a man on a home at 6 per cent. Then you say, "If you sell that home in ten years and make any capital gain, we want half of it". All of a sudden they get their pencils out and the fellow realizes he can afford to buy the home at 6 per cent. The other fellow takes his pencil out. He knows what the figures are. He knows that 80 per cent of all new homes built in Canada and the United States in the last ten or 15 years change hands in ten years. He just plays the average. He knows the capital gains. They go up and down. Whatever figure you take—make it 8 per cent for the loan for the house and a quarter of the capital gain—you can show mathematically that both people are better off.

This is not a new type of thinking. I have seen it being done in business. I told several of my friends last fall that I talked this way to a group of businessmen who wanted to lend money in Canada, and I suggested there was not much point in lending money at 14 per cent because you put such heavy front-end loading onto this business that they never get up and get the product these people want. They asked what I would propose. I said, "Well, make it 8 per cent." I said, "Go back and work out your cash flow charts. You know the costs. You know the value of the product because that is in the contract. You know the length of the contract. See what you propose". I said, "make it 8 per cent, pay off the debt faster, get a share of the profits, and you will be better off." They came back in two months, the deal was signed and was in the headlines of all the Vancouver newspapers. It amounted to $30 million at 5 per cent. This was not 20 years ago, it was last fall.

● (1550)

You lend money not because you worship the rate. You lend money to make money. If you make more money at 5 per cent and a share of the profit, that is where you go. There is this worship of the fixed type of finance instrument in every type of business we do that has developed in the last ten or 15 years in the western countries, and they call it leverage, etc. If interest rates are low, it is advantageous to borrow the biggest proportion of your capital and operating needs. But now that the interest rates are no longer at that level, it is certainly destructive to business. I say that at their present level it is suicidal to the great majority of big business and little business alike.

I think I have said enough to make my point clear. I have suggested that this can be applied to other legislation we have already on the books. I am certain that if we think really hard, we could find other examples where we could apply the same principle where you still have the guarantee to the bank, where you still have the concept of trying to get money into the hands of those who do not have all the types of assets that most lending institutions want. I want to suggest that credit unions and banks will be forced by competition to go into this type of practice, as well as the governments.

Every one of us, I know, has read the reports of the Economic Council of Canada. They put out last fall their major report

for 1979 and just recently, last week, another report came out. What are they telling us? Our Economic Council is set up to give to politicians advice other than the one they get from the Department of Finance. It is warning Canadians that a peculiar phenomenon is taking place in Canada. This peculiar phenomenon is that instead of doing what you are supposed to do according to the text book in this inflationary period of going out and buying everything today because it will be worth twice as much tomorrow, Canadians do not do that. From 1975 to 1979 Canadians have doubled their rate of savings.

We were the leading saving nation in the world in 1975. We were saving at the rate of around 4.5 per cent and 5 per cent of our disposable income. Now we are saving at over 10 per cent. Canadians do not fit into the text book that the economists have down at the Department of Finance. Do you realize what 10 per cent of the disposable income of this nation is in a year? Our banks, our credit unions, our mortgage companies and our trust companies are bulging with money. They are in the tightest financial squeeze in our history. The more money you borrow at these high rates that they are offering, the greater the liabilities they have to make. If they cannot get this large amount out, the little guy goes down. Already the bank statements and the mortgage statements show the downward trend of earnings. They are in a squeeze just like the government is. I am simply saying that reality will force them to follow the practice, which I hope will be taken up by this government, instead of following these silly myths.

As I said, these ideas are not new, and I can give you other precedents back in 1965, and so on. But I am trying to make the point to the House that we have before us legislation which is good amending legislation. The principle is sound, it has worked, it does not cost the government very much, and it helps the bankers get along with their boards of directors, with a government guarantee. They lose no money. It has helped farmers, it has helped small businessmen, it has helped exporters, and it has helped the housing people in CMHC. But when the facts change, let us be willing to change here in the House. Let us put the ideas before our ministers so they will stand up to the brilliant advisers on the monetary and fiscal policy and say, "This is the quantitative evidence, let us get on with it." I would be very surprised if they did not agree. They must be shaking from top to bottom when they look at the evidence of what they are doing to us. These are not evil men, just men drilled to stay in a pyramid and never get away from the attitude of uniformity.

I have spoken like this around here for 25 years, and the battle goes on—the battle has to go on because, as the member for Burlington said, this country is in good shape and the United States is in good shape. But let us get the government and financial institutions off our backs. They cannot object, because if they go the way I am suggesting—and I know the government wants them to go that way—they are going to make more money. They cannot stay mad at you if they are making more money. Also the government will get more taxes, and I could go on on that subject.

I think, Mr. Speaker, that I have said enough to indicate that the House is tired of these band-aids in the last ten or 15 years. Raising the amount from $75,000 to $100,000 for the individual is a pretty small band-aid for the small businessmen today. The $500,000 on the development bond is a little better. But the basic weakness is not the amount that is available; the basic weakness is that if you lead people, who have to borrow for inventory purposes or operational purposes and all other purposes, into borrowing at these high rates of 12 per cent, 14 per cent or 16 per cent. You destroy them and you destroy the country at the same time. In all seriousness I would like the minister to accept these ideas, first, as being worth while, second, as being constructive, and third as having worked before for many centuries, which I am willing to demonstrate.

If I may throw a little bit of erudition into the debate, Mr. Speaker, let me point out that this is the same debate as was carried on between Plato and his student, Aristotle. The two fellows argued for a lifetime. Things have not changed much in this world.

I am simply pointing out to you that there is an opportunity here, with good will on both sides of the House. We are not trying to gun the minister or the government down. Let the idea be considered. You cannot lose by trying it, because there is no way of losing.

Mr. Blaine A. Thacker (Lethbridge-Foothills): Mr. Speaker, I am pleased to have the opportunity to speak today on the Small Businesses Loans Act. It is of great regret to me personally that this represents only a small step of no great significance in the history of this nation because the problems are so much more fundamental. While I have to agree with this bill, I should like to put before the minister, with all good will, some ideas for him to consider. It is amazing, given the underlying structural problems, that although this is the second bill with which we are in this Parliament, we should be giving much more time to the major aspects. It is interesting that we have just come through a $60 million election. The increase under this bill is $25,000 for small businesses. If we had not had the election, we could have given 2,400 businesses the full $25,000.

The underlying structural problem which the government must face, and which I hope this minister will face, is the reality on energy. The simple fact of the matter is that Canada is not an independent nation with respect to oil. We are a major importer of oil. Yet the federal government is carrying on as if we were independent. The structural problem is not one of price, on which the government has made its decision and which we are now spending time debating. We are into a conflict which may well tear this nation apart if the central government tries to move in on our Alberta oil at the price it has set. This could rip the nation apart; the issue is not price, it is supply. A government which is really trying to provide leadership should be more concerned that we have supply.

As one goes out and talks to any small businessman, he will say that all he wants is certainty. He is not so much concerned with what the price is, but he needs to know what it is so that he can plan and take those steps down the road. By this facade

of keeping the price in Canada allegedly below the world price, we are causing an effect which is very serious in terms of conservation.

• (1600)

We could be conserving. We know that a world price would result in more conservation. We know that 50 per cent of world price is blocking the production of goods. We know that 50 per cent of world price is blocking the signals which go back to the real producers in this nation, that is, our farmers and our small businessmen. Those signals are being blocked.

One might say that it is the big oil companies which control the price. That is simply incorrect. In the province of Alberta we have over 700 oil and gas companies. Other than the big five, they are small businesses which employ husbands, wives and children—60, 70, up to 100 people employed by them. They are the people who make this nation go.

The first structural problem is with respect to supply and price. The government could go a long way if it would just recognize that the people of Alberta have already forgone revenues of $17 billion. The people of Alberta have given up about $3 billion in the export tax. Never in the history of this nation has one province been called upon to make such a massive contribution to our nation. Yet I do not hear any real words of thanks, words of appreciation, or even an acknowledgement from the minister that the province which made that contribution would be appreciated. What we have is the Minister of Energy, Mines and Resources (Mr. Lalonde) going out and immediately attacking the oil industry in Alberta, attacking the 695 small businesses which really get out and do the skilled expertise of the seismic work, the geological work, the production of oil and gas, the refining of it, and then distributing it to the market. That is the key. The small businesses do that, not the big ones.

In spite of the major contribution of over $20 billion from the province of Alberta, it has managed to save $6 billion in its magical fund called the heritage trust fund. It is that fund which is so distorting the relationship in the country, because it is thought by the people in central Canada and the east that it is a massive money tree and that anyone can pluck it. We need to realize that $6 billion is nothing more than one year's budget for the entire province of Alberta. As a result of the gross mismanagement of the Canadian economy by the government of this federal nation, that $6 billion would be used up in six months. Six months of deficit financing would use the entire fund from Alberta.

Why would there be such a concern that one government in the country is building up this pool of money? What this country needs is this pool of money in order to make capital investments. That is what the province of Alberta does with its heritage trust fund. A percentage goes into Alberta industry and a percentage is allocated for Canadian industry. The types of investments required in this nation are what the Alberta heritage trust fund can undertake. Surely it is better to borrow the money from one of our own provinces which then keeps the interest circulating within our own country, rather than all of us going off and borrowing in New York, Tokyo and Germany as we are right now.

I am moved to ask what price we as Canadians would be paying for our oil if that oil were located in the province of Quebec. I submit that the cabinet and the government would be much less aggressive in its attacking of the people of Quebec than it is the people of Alberta. I suppose the same applies to Ontario. I am moved to say that because I watched the members from Quebec make a major power move with respect to the F-18A at a time when our nation is at a critical stage vis-à-vis Quebec and the rest of the country. But there is also another dynamic, the dynamic between a central government and a provincial government like Alberta. I submit that the cabinet would have been much less aggressive in attacking Quebec members standing up and wanting that oil at 50 per cent than it has been with the people of Alberta.

The second major structural defect in our nation is simply the question of a balanced budget. I do not need to tell Mr. Speaker that the accumulated deficit is something in the order of $70 billion. The most recent budget of April 21 predicted a $14 billion deficit for one year. As well, Mr. Speaker knows that last year the United States had a deficit of $14 billion. That resulted in an immediate movement of citizens to convene a constitutional convention to block deficit financing at that level. But for the United States to be at a comparable debt level to us, it would have to have a yearly debt of $140 billion. They had a mere $14 billion and they are moving. We have $14 billion and our government seems to be proud of it.

The critical aspect of the budget deficits which affects small business is that we know as an actual fact that every nation only has a fixed amount of capital, and that different parts of that nation draw upon that capital in order to make the nation grow and prosper. Historically governments have always had a small part of that capital. That has left the rest of the capital for small business and creative people to use, to invest, to make more jobs, and to have more taxes flowing into the central government. What has happened, as a result of the Liberals taking power in 1968 and having no parliamentary responsibility for our budget, is that we have built up this massive deficit of $70 billion with a yearly deficit of $14 billion.

I wonder how many Canadian people genuinely realize that the amount of money we spend each year on interest to service the debt, without paying one cent of capital, is larger than the entire federal budget of 1968. I wonder if our friends in the NDP genuinely understand that their honest concern for the small man is frustrated by their collusion with the Liberal government in getting us into this deficit, because the people they purport to help, the small man or the person who is trying to keep the country together, is the person who is hurt the most by these massive deficits and high interest rates. As a result of the government making such a demand on our capital markets, it has had to compete. The government competes unfairly because it borrows money and it pays high interest rates with which small business cannot compete. That too is another major, underlying structural change.

We are talking about constitutional change. We hope we can keep this nation together. As members of Parliament, I would hope that each one of us would be pushing for a constitutional amendment which would force governments into balanced budgets, and that there would be no such thing as a deficit budget unless we were in times of a national economic crisis, war, depression or something really major, and not for the ongoing daily operations of governments.

● (1610)

I know the Liberal government has had quite a desire to spend but not to collect taxes. Not meaning to lecture, we all know the theory is that any group of social people have to create a government in order to make those decisions. The government, in its wisdom, comes up with programs, and it finances those programs by levying taxes on the citizens. In theory the government convinces people of the program need, and they are, therefore, willing to pay. If they are unhappy with either the programs or the amount of taxes, they vote people out.

We also know that in this nation over the last ten years the Liberal government has developed a system of being able to get money from the people, put programs in without having to tax people directly, and they do that by the mechanism of the Canada Savings Bond. They borrow money from their own citizens and pay them a return. They pay them not only the capital but they pay them interest, and the interest is borne by all of us.

I wonder how many people realize that in this last week $218 million in Canada Savings Bonds were redeemed, with $116 million redeemed the week before, as compared to a normal week when there is only $20 million being switched? The reason is simple. People are now realizing that the nation is in deep trouble and that they have to put their money in more secure sources, sources that will perhaps bring them a higher return.

Another way the government fools us is by going into the international market. When I told you a few minutes ago that we spend over $10 billion in interest alone, I neglected to say that the vast bulk of that money goes out of this country to service the debt in New York, Tokyo or Geneva.

The New Democratic Party actively colluded with the government to get us into that position, yet this is hurting the small man they purport to represent. They would have you believe, sir, that the amount of money that is leaving is really that of multinationals sending out interest and dividends to their head offices. This is sheer, unadulterated nonsense, because that is not correct. The bulk of the money leaving this country is interest the government itself is having to pay.

If instead of going into deficit financing, which is so hurting the small businessman today, the government had even increased taxes honestly, we would have been better off. If you take ten million taxpayers and they each pay $1,000, that is $10 billion of revenue per year.

In summary, while I have to say that I am fully in favour of this bill going through, I want the minister to consider honestly the thought that it is a small stop-gap measure, that the real solution is not in amending the Small Businesses Loans Act, but instead it is in directing our efforts nationally to the question of supply of energy and directing our efforts to the size of government and the amount of money that government pulls out of our economy. If we had less government involvement in the money markets we would have more money available for small businesses which are really the backbone of this country, as the hon. member for Capilano (Mr. Huntington) pointed out so well. They are the backbone, taking a little bit of money, hiring a dozen people who are all working hard toward a common objective, this resulting in taxes for us as members of Parliament to spend.

I wish the minister well in his efforts to convince the cabinet to solve the problems associated with energy supply and to direct its efforts to the size of government and the economic market, because if he is not successful the nation clearly is in deep trouble.

Mr. Cyril Keeper (Winnipeg-St. James): Mr. Speaker, I rise to comment on Bill C-17, the Small Businesses Loans Act amendment which we in the New Democratic Party will support with the clear understanding, however, that this is really not a full solution to the problems of small businesses.

When we speak of small business we are speaking of quite a range of economic activities, including manufacturing, the wholesale and retail trade, service businesses, construction, transportation and communications. In the case of this legislation, all of these businesses would have to be of less than $1.5 million in annual revenues.

The amendment proposes to raise the ceiling for loans under this act from $75,000 to $100,000. This is an increase of 25 per cent, yet inflation during the period from 1977 to 1980 went up by 30 per cent. Raising the ceiling under this legislation does no more than take care of the inflation rate since the ceiling was last established.

Loans are provided at the prime rate plus 1 per cent. This provision, however, is not used that widely. Many more loans are given at a higher rate because lending institutions can make a greater return outside the act. In 1979, small businesses borrowed something like $9 billion, whereas under this act the money that will be available is something like $425 million, so that we are talking about a small percentage of the loans to small business. Therefore we must do something to increase the use of this program.

I think there are a number of ways of coming to that, and one is to make small business more aware of the availability of these loans. Another way of coming to it is to encourage banks to use the act more aggressively. The Minister of State for Small Businesses (Mr. Lapointe) could pressure the superintendent of banks to encourage greater use of this act and the program.

The amendment has limitations to the extent that the impact on interest rates will be minimal. It will be something in the order of .5 per cent to 1 per cent. That is not sufficient, given the very high interest rates we have today.

In addition, the loans under this act are available only for expansion of equipment, premises and land. There is no availability of loans under this legislation for operating capital. We should, therefore, be considering expanding the scope of this Small Businesses Loans Act to include operating capital.

As well, this amendment to this legislation is no substitute for sane interest rates. We need generally low interest rates in order to ensure access to capital for small business for all purposes.

The raising of the ceiling for loans under this legislation is also no substitute for sound economic policies, and it is no substitute for a growing economy, for one of the things that small business needs most is a demand for its services and a market for its goods. Because of the limited capital on which small businesses operate, they are very vulnerable to economic downturn and recession, and that certainly is the state of our economy at this point. Raising the ceiling under this legislation also does not in any way replace the need for a general and comprehensive business policy.

The New Democratic Party has many suggestions in this area which we would encourage the government to pick up on. For example, government procurement policy should favour small business. In the United States one-third of such procurement goes to small business, and we should do the same here.

The Economic Development Corporation should be helping small business find overseas markets. Research and development grants must be available, particularly in the area of high technology. Affordable capital must be made available for small businesses, whatever the purpose. A "buy-Canada" policy should be developed which will encourage large corporations in Canada to buy from small Canadian businesses. Also, when we come to the bill dealing with amending the Bank Act, which we will be dealing with next week, we must ensure that sufficient capital is allocated for small business. A great deal could also be done in the area of freeing up small business from the very heavy paper load under which they presently labour. NDP policy also deals with misleading advertising which would protect small business against unfair competition.

● (1620)

The need for a small business policy is very clearly evident from the present jump in the rate of bankruptcies in Canada. In the early part of this year, bankruptcies went up by 24.8 per cent over the same period last year. Clearly this demonstrates the need to help the small business community. This increase in the rate of bankruptcies brings the whole matter much closer to home for me because the economy of Manitoba, to a large extent, is made up of small businesses, particularly the economy of Winnipeg. For example, by way of statistical illustration, over 75 per cent of the 20,000 businesses in Manitoba are small businesses. Approximately 80 per cent of the 1,300 manufacturing companies in Manitoba are small businesses. A strong and sound small business policy is very crucial to the future of Manitoba.

Small business contributes a great deal to community life because those who run these small businesses live in the community, are committed to it, and are not likely to pick up their business and go elsewhere. These people are residents and are an asset to the community. Small business is important, not only to Manitoba, but to Canada as a whole. Businesses with assets of less than $1 million constitute 90 per cent of the firms in Canada and over 50 per cent of the labour force. In this context it is necessary to take note of present economic conditions. The recession which Canada faces today creates very high unemployment, reduces the market for the services of small business, and points once again to the need for policies that will help small business, policies which will stimulate the economy and bring about sane interest rates.

Once again, I would indicate that my party will be supporting this legislation, but, while it is a good measure, it is by no means to be mistaken for a sufficient measure.

Mr. Gordon Taylor (Bow River): Mr. Speaker, the backbone of the Canadian economy is the family farm and small business. The number of bankruptcies in the small business community is a fair indicator of the health or sickness of our economy. For instance, in 1978 there were 392 manufacturing firms that went bankrupt. The total number of bankruptcies in Canada for that year was 5,546. Right across the nation, 5,546 owners and their families suffered bankruptcy and all that it means. This figure is far higher than the bankruptcy figure for 1977.

I suggest that the minister and his government ought to pay very careful attention to the rate of bankruptcy in Canada. In 1977, 279 manufacturing firms went bankrupt. The total number of bankruptcies for that year was 3,905, as opposed to 5,546 in 1978. Those figures do not tell the whole story. The whole story is indicated by the actual dollars lost by these companies. In 1977 loss through bankruptcy amounted to $307 million. In 1978 the figure doubled to $638 million.

It behoves every member of this House, because all of us have small business in our constituencies, and certainly it behoves the Minister of State for Small Businesses (Mr. Lapointe) to take a look at this problem in an effort to ascertain why these companies have been going bankrupt. I should think that the minister would want to pursue the matter even further and have his department carry out a study to determine the real causes of these bankruptcies. Normally, if a person is sick, the doctor diagnoses the cause so that he can make that person well. When the doctor finds the cause of the sickness he or she can then take remedial action, either by operation or otherwise. The person then gets well.

I wonder what the causes are of the bankruptcies in this country. Since small business is the backbone of our economy, the more it expands, the more new starts there are, the less is the rate of unemployment and the greater the buoyancy of the economy, which means more income for the federal and provincial governments. If the scenario goes the other way and there are more bankruptcies and higher unemployment, the economy is stagnant and there is less money for governments, whether at the municipal, provincial or federal level.

I would like to suggest to the House three items which I think have contributed to some of the bankruptcies, or which may contribute to many of the bankruptcies in 1980 if something is not done. The first item is capital gains tax. Once the farmer, or the small businessman, has paid his income tax at the end of the year, and pays all that he should properly pay, then he puts some of the profits aside. This is done year after year to build up a fund for retirement, education of the children, or for the happiness, continued happiness and maintenance of a standard of living for the family. There comes a time when the owner wishes to sell the business. At this point he or she is levied a capital gains tax.

The business was developed through the sweat of his brow, the sweat of his wife and the sweat of his children and employees. The businessman or the farmer has already paid income taxes each year, so why does the government want to take another lump out of the amount for which he is able to sell that business? Capital gains tax on the sale of businesses is highly inflationary. The businessman says that he must have "x" number of dollars to retire or to do with as he wishes. To get "x" dollars he must raise the price beyond the normal sale price of the business. Therefore it is highly inflationary.

The real danger is to the man who wishes to stay in business, but there is no initiative or motivation for him to expand his business. A small businessman in one of the small towns in my constituency recently asked me about the government's intention with regard to capital gains. I told the man that I could not answer this question because I am not the government. I then went on to say that, if I had my way, capital gains would be eliminated. At the time we were standing in front of his thriving little business, and he informed me that it was his. He had built it up by the strength of his back and the strength of his hands. He had seven employees and was prospering. The lot next to his building was his as well.

● (1630)

He wanted to double the size of his business and build on that lot so that he could have perhaps ten or 12 employees because he felt there was enough business to justify expansion. I asked him if lack of capital was stopping him but he said that was not the case and that his credit was good. He said, "If you think I am going to work for another 20 years using the sweat of my brow and the strength of my hands and my back so that some blankety-blank government can take half of my wealth through capital gains, you are mistaken." He said he was willing to give the government its proper share every year but not the big chunk that he felt was due to his family. He said he would just leave the business as it was because he was getting by.

How many other people in this country, Mr. Speaker, do not expand their business because of the capital gains tax. How many bankruptcies occur because a business was unable to expand and take advantage of a greater available market? This man claimed that he would work ten or 12 hours a day to build up a business for his wife and family but that there was a limit to what he would do for any government. Ladies and gentlemen of the House, I think that man was expressing a viewpoint that is sensible and sound. We look after our own first—wife and family are the first responsibility; then we pay our proper share of running the country. When that proper share appears to be exorbitant then we are inclined to say, "Hold on—if that is the case I shall not extend as much as I could."

Referring to the capital gains tax again, Mr. Speaker, if it cannot be eliminated then there are some ways it could be alleviated. One man I know sold his business and then had to pay a huge chunk of what he made in capital gains tax. What irked him most was that he did not have to pay only on the capital gains—which he said he would have done without complaint—but he had to pay on the inflated value of the business as well. That being the case, he felt the capital gains tax was out of line. If we cannot eliminate the capital gains tax, Mr. Speaker, surely we can at least index it so that the farmer or businessman who sells out can get a reasonable return—a return that he deserves for a lifetime of work, not just one year or five years.

I spoke to a farmer in the Nanton area of my constituency who wanted to retire because of bad health. He wanted to have enough income to guarantee that he could continue a reasonable standard of living for himself, his wife and child. He claimed that because of the capital gains tax there was no one left within the family to whom he could sell his property and so he would have to sell to an outsider. Apparently there had been one or two deferrals and he was now stuck with a gigantic bill for the taxes that should have been paid previously had they not been deferred. He was faced with selling to an outsider, and this represented a terrific burden to the family.

I know of one group in the province of Alberta who had to borrow money to pay part of the capital gains tax after their property was sold. I would ask the minister to look into this problem and find out if we are gaining anything through double taxing people who are trying to build up businesses or farms.

The second point I want to raise, Mr. Speaker, is the problem of bankruptcies. I do not have any examples of actual bankruptcies but I have examples of what storekeepers have told me will happen if we continue with the metric system. A storekeeper in my riding showed me a scale he had bought just four years ago at a cost of $1,500. With just a small margin of profit on his merchandise he claimed that he would have to sell thousands of items before he could make up that $1,500—even with the deductions permitted under the Income Tax Act. Now he has to replace it with a metric scale at a cost of $3,500. He is just a small country merchant and he is afraid that he will be put out of business because of the imposition of the metric system—something that none of his customers want. They are quite happy with the imperial scale.

Another storekeeper in the Drumheller Valley, in the beautiful canyon of the Red Deer—which I hope many hon. members will visit some day to see the bones of the dinosaurs that used to roam there and see the wide-awake people there today who are trying to contribute to the wealth of this

country—showed me a scale which cost $150. The only thing in the store that he needed to weigh on that scale was fruit and vegetables. Now he has to convert to metric and a metric scale will cost $300. Mr. Speaker, that may not sound much to rich MPs—if there are any rich MPs—but $300 is a lot of money to someone operating a small business. When I was in business there were occasions when I was happy to have a $50 net profit at the end of some periods, although other periods were much better. To this man $300 was a tremendous amount of money, and he felt that he would just have to stop selling fruit and vegetables. His customers would then have to use gasoline to drive the four miles to Drumheller or the eight miles to East Coulee.

I suggest that the metric system is not helping the economy of this country at all, Mr. Speaker. I urge hon. members to slow it down. I hope it will stop, but I do think at least we should slow it down.

Recently I was invited to attend a meeting of businessmen and farmers which was called an "anti-metric" meeting. One farmer, who was not a wonderful speaker, said, "This metric system—I don't understand it. I don't know what it is all about." He looked at me and said, "Don't make me a foreigner in my own country. I was born in this country." Incidentally, he was born in Quebec. He said, "I have lived in western Canada most of my life. Don't make me a foreigner in my own country by bringing in a system of weights that I cannot understand."

If there is merit in metric, Mr. Speaker, let us do it properly—through the schools so that our boys and girls may become acquainted with it and not become foreigners in their own country. I am speaking now of metric from the point of view of business, Mr. Speaker, the economic aspect. I think it is a factor in the destruction of some of our businesses.

● (1640)

There is one other point I would like to mention to the minister. I know that it is not his responsibility, possibly it is that of the Postmaster General (Mr. Ouellet). It concerns the mail service. An insurance agent in the town of Turner Valley, Alberta, told me that the Post Office was ruining his business. Why? Because the agent is not a self-issuing agent. Instead she has to take the application for a policy and mail it to Calgary or Edmonton, or in one or two cases mail it to companies which have offices in Regina or Winnipeg. She told me that it was taking her three or four weeks to get a policy back. I would suggest to the minister that the government take a real look at this situation and carry out corrections in order to give us a mail service that will get the mail to the people. We do not expect it to be a press-a-button solution but we think steps can be taken to improve the situation so that businesses are not being hurt by mail that does not arrive on time.

I agree with the bill. I wish the bill would cover inventories. I wish it would go beyond the $100,000 limit because I have one or two businesses in my constituency that want to expand beyond that point. But it does not matter what figure is used, there will always be someone who wants to go beyond it.

I want to express to the minister that in administering this act we hope we can prevent bankruptcies and bring back the buoyancy to the economy of our country.

Mr. Scott Fennell (Ontario): Mr. Speaker, I would like to congratulate you and your colleagues on your appointments, and I particularly want to congratulate Madam Speaker.

Yesterday in this House we had a debate on Bill C-19 which had to do with the employment tax credit. Today we are debating Bill C-17, an act to amend the Small Businesses Loans Act. All I can make of this is a whole bunch of patchwork solutions created by the administration on the other side. All this administration does is create problems for the small businessman, and for the industry of this country, without facing up to the reality of what the problem is today. We hear it stated that this is a marvellous situation, that there will be an increase of $25,000, that is, up to $100,000. What would the rate have been last week for the poor businessman borrowing that money? It was one per cent over prime which is one per cent over 17 per cent. That is 18 per cent. No businessman can stand that type of interest cost.

We are talking about small business. What is small business? It is not what we knew it was 20 and 30 years ago. We are talking about micro-business. In the United States, SBA addresses small business based on the industry and based on the number of employees in different industries. You are not looking after anything but storekeepers, which is great. But in this country we are forgetting the medium-sized industry, we are forgetting about the micro-business, the mini-business, the small business and the medium business. But I am really annoyed that we are forgetting about Canadian business and Canadian production.

Why will the government not bring in one composite package to give us a total overview of where this country is going? Instead of businessmen having to go through books and consult lawyers in order to determine what kind of grants they can get, let us get one package together so that business—not small, not mini, not micro—can exist in this country.

Returning to the subject of interest rates, which members on the other side are trying to overcome with the $500,000 bond that our government put in—

Mr. Evans: It is Bill C-17, please.

Mr. Fennell: I am talking about the interest which the small businessman has to pay, and the small business loans. I have said it before a man cannot pay an 18.5 per cent interest rate. The interest rate has been compounded by this government. It has been compounded because it keeps spending money. As it spends money, it costs us more to borrow money. We cannot borrow money at lower rates today. This government is now asking small business to compound the same problem. We have no control on our interest rates. We are completely dependent on American corporations and people who sponsor us going into debt.

Small business in this country needs help, but it needs more than $100,000. We should be looking at $1 million basic. We should be looking at more than that. We should be encouraging Canadian manufacturing. An example of that is the electronics industry. We are putting no funds to speak of into that industry. We are not encouraging people. We are not providing enough funds or giving them enough risk capital. Why can we not tie all of these programs together? We have one in Ontario, one in Ottawa, one in Quebec, and one in Saskatchewan. We talk about the FBDB. I had to tell a man to go to his own bank for a loan, which he got because the FBDB could not give him the money.

The whole thing is a mishmash. We have all kinds of programs here. The average man does not know where to go to get started. Suppose he has $100,000, but he does not know where to go to get the next $100,000. Now he is told he is going to get $500,000. Where does he go for that? We have to get these things into one package.

This country has been dependent on the small businessman. Some people do not really relate to the farmer, but he is one of the largest groups of small businessmen. We have forgotten about him.

In my riding I have a microcosm of Canada. It contains small businesses, it is urban, it has small towns, and it has agriculture. Most of the people are connected with small business. But the ones we are talking about here, the small manufacturers, the small processors—this $100,000 is not enough for them.

Let me make it clear that I am not opposing this bill. I am only saying that it does not go far enough, and that it is too little too late. As someone else has said, all we have done is index. We have to do more in this country for that important segment of the population, namely, the entrepreneurs.

I have no great solutions to our problems. I came here from the business world, and I do not only blame the federal government. I blame the provincial government, the municipal government, and regional government that we are blessed with here in Ontario. It is a whole composite of government. Some day we have to get it all together. The Ontario government has the SBDC. If one could interrelate that with the $100,000 or with the $500,000, it would help. But through you, Mr. Speaker, I would like to ask the minister what about research and development for Canadian products? This country is going nowhere. We are importing all our products from Japan, Taiwan, and the United States. We must get on in Canada and develop our country. It is a wonderful country. We have the resources and we have the materials, but we are doing nothing with them. We are doing patchwork fix-ups. That is all we are accomplishing.

I ask the minister to please do something in a concrete way not only for the storekeepers, the farmers, the dry cleaners, but also for the manufacturers and the processors. Please do something about these raw materials that are being exported. Do something to create secondary manufacturing. If these things are done, we will not have to worry about the unemployment tax credit nor will there be the same problems with unemployment insurance. The problems of this country will be resolved. We must keep in mind that by 1985 a smaller number of people will be coming into our labour force. Therefore the unemployment problem will diminish. It can shrink twice as fast if something is done in a realistic way, such as a complete over-all strategy to help this country, and to make it work.

● (1650)

Going back to my riding again, one of the major business areas is Ajax. Ajax was created by the federal government during the war, by Dominion Industries, for the manufacture of munitions. Many small businesses started up in Ajax right after the war but since then they have all been taken over by U.S. parent firms so it is nothing more than a branch-plant economy. The situation there is largely similar to the situation in all the suburbs around Toronto.

What happened between the end of the war and 1948-49 when they had dreams of men moving out there and starting their own businesses? What happened between 1950 and today? We sold out. Admittedly the government put in FIRA to try to stop the process, but it didn't do any good. It will never do any good. As my hon. friend from Qu'Appelle-Moose Mountain pointed out, we have driven the public into putting their money into the banks. We have got to get the money out of the banks and into industry. And we must see that that industry is owned by Canadians instead of being owned by Americans. New plants are not going up. They are still using the old plants built during the war, which were supposed to expire in 1947. They are still getting along on the basis of the government's program. So I plead with members on the government side that in your term of office—and you have a relatively long period of office before you—you should begin seriously to address yourselves to this problem.

We had only six months and that was not enough time to accomplish anything. But I will say for our government that it was well on our way to introducing programs to remedy the situation. Our cabinet had many more programs to introduce. I say to the minister: we on this side will work with you and co-operate with you in an effort to make Canada a better place, and the only way you are going to make it a better place is to let people invest in their own businesses without the government putting its hand into their pockets.

The Acting Speaker (Mr. Blaker): Order. I recognize the hon. member is expressing himself with some feeling, but if he could address his remarks to members opposite through the Chair it would be more in keeping with the rules.

Mr. Fennell: I apologize, Mr. Speaker. This is my maiden address. I will learn.

An hon. Member: A good speech, too.

Mr. Fennell: Another thing which disturbs me is that our funds are not staying in Canada. I understand why the government has to follow the U.S. interest rates. The money was flowing out. That happens in every country throughout the

world when there is a higher interest rate across the border. How are we going to get this Canadian money from the foreign banks back to Canada and into Canadian industry? I will tell you how, Mr. Speaker. We can develop an industrial strategy for this country which will make us number one in the world.

An hon. Member: That wasn't a Tory campaign promise.

Mr. Fennell: I am sorry, it was mine. Mr. Speaker, I think I have got most of my points across. When I talked to a few people about giving this address they said; "You could never speak for 40 minutes, you can only talk for five." I have stretched my points out and I apologize to hon. members for doing so. But my final word is: please, as members of the common house, let us all work together to make this country great. Let us encourage the minister to come up with positive programs. He can do it and we want to help him. Of course, we would prefer to be over there, and I am certain that if we were over there we would be doing those things. But because we cannot wait any longer, I ask that something proceed and that we get this show on the road.

Some hon. Members: Hear, hear!

Mr. Dave Nickerson (Western Arctic): Mr. Speaker, just a few short weeks ago when I was on the other side of the House it was always a frustrating experience to be quiet and listen to the other people waffling and carrying on at great length about matters which were not contained in the bill under discussion. I would have wished that the rules of relevancy would have been adhered to more strictly. It is a little different when one is on this side, but I still think we should try to respect the rule of relevancy. So, in the few minutes that are left I want to speak specifically about the various clauses of this bill, clauses which, of course, deal only with guaranteed business improvement loans.

The first provision is that the administration of the act is to be transferred from the Minister of Finance (Mr. MacEachen) to the Minister of Industry, Trade and Commerce (Mr. Gray). I am not sure why this transfer should take place. If we look at clause 5 we find that the Minister of Finance is still required to be part of the set-up necessary to study interest rates; he is still not completely divorced from the procedure. Maybe we are getting ourselves into administrative trouble by having two people involved, instead of just one. This is something we should look at in committee.

Another of the main provisions is that the maximum amount of loan which can be made to any one borrower is increased from $75,000 to $100,000. This is obviously intended to take inflation into account. It is one of the things we need to do periodically in regard to various pieces of legislation which specify dollar amounts and I guess we shall have to continue to do this until we get inflation under control.

I have some comment to make with respect to clause 4. This is the clause which will allow the maximum aggregate number of guarantees to increase from $600 million to $675 million up to June 30, 1980. Today is April 25 so there is one month left until this date takes effect. I have a rather suspicious mind and I am wondering why this is necessary. There is no way an additional $75 million is going to be guaranteed within the next 30 days or so, and therefore I strongly suspect that this is a cover-up and that loans have already been guaranteed in excess of the $600 million allowed by law. This aspect will require careful study when the bill goes to committee to determine how this over-guaranteeing has taken place. Possibly we shall need to put in place controls to see that it does not happen in the future.

Clause 4 will extend the aggregate limit to $850 million up to June 30, 1982. There is an additional figure within that two-year time period of $175 million.

● (1700)

I see that it is five o'clock. May I call it five o'clock, Mr. Speaker?

* * *

BUSINESS OF THE HOUSE

Mr. Knowles: Mr. Speaker, I wonder if there is someone on the government side who can tell us what the menu is for Monday.

Mr. Evans: Mr. Speaker, I wish to confirm arrangements that were made by the Parliamentary Secretary to the President of the Privy Council (Mr. Collenette) with the parties. The government has given the Table and the parties notice of a motion relating to supply proceedings, and it is the government's intention to call the motion for debate as the first item on Monday, if necessary.

Other business on Monday will be the resumption of the debate on Bill C-17, then Bill C-5, and then Bill C-18. Future business will be arranged by the government House leader on Monday.

Mr. Knowles: What are we going to do Monday night?

Mr. Cousineau: We will find out on Monday morning.

The Acting Speaker (Mr. Blaker): It being five o'clock, this House stands adjourned until Monday next at 2 p.m., pursuant to Standing Order 2(1).

At 5.01 p.m. the House adjourned, without question put, pursuant to Standing Order.

HOUSE OF COMMONS

Monday, April 28, 1980

The House met at 2 p.m.

● (1405)

ROUTINE PROCEEDINGS

[*English*]

SECOND WORLD WAR

EXPRESSION OF SYMPATHY FOR HUMAN SACRIFICES MADE BY POLAND—MOTION UNDER S.O. 43

Mr. Jesse P. Flis (Parkdale-High Park): Madam Speaker, I seek the attention of all hon. members on a matter of urgent and pressing necessity under the terms of Standing Order 43.

Taking into account that this year marks the fortieth anniversary of the Katyn forest tragedy, and that 1980 has been declared by Polish people as the year of Katyn, I move, seconded by the hon. member for Kingston and the Islands (Miss MacDonald):

That this House sympathizes with our fellow Canadians of Polish extraction over the great human sacrifices Poland had to endure during the course of the Second World War and declares that those who lost their lives at Katyn and all other sites of tragedy in Poland will long be remembered.

Madam Speaker: Such a motion requires the unanimous consent of the House. Is there such consent?

Some hon. Members: Agreed.

Motion agreed to.

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FISHERIES

NOVA SCOTIA—DISASTER TO LOBSTER INDUSTRY—REQUEST FOR COMPENSATION—MOTION UNDER S.O. 43

Mr. J. M. Forrestall (Dartmouth-Halifax East): Madam Speaker, I rise, under the provisions of Standing Order 43, to move a motion of extraordinary urgency having to do with the lobster fishery on the east shore of Nova Scotia.

Severe bottom and surface storms in the early part of last week combined to virtually wipe out the lobster industry in that part of Canada for the present season. Fourteen fishermen contacted out of about 280 lost about 96 per cent of their traps. In a survey of some 2,300 trap positions a week ago last Saturday, it was found that 2,072 had been lost or damaged beyond repair.

I move, seconded by the hon. member for Central Nova (Mr. MacKay):

That this House request of the government its immediate attention to this disaster, that it devise and implement a trap replacement program, that it give immediate consideration to making interim cash compensation available so as to enable trap replacement and, finally, that it consider the extension of the lobster season in this district by one to two weeks.

Madam Speaker: Such a motion requires unanimous consent. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

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THE SENATE

ACTIVITIES OF SENATOR PERRAULT—MOTION UNDER S.O. 43

Mr. Jim Fulton (Skeena): Madam Speaker, I rise on an issue of urgent and pressing necessity under the provisions of Standing Order 43.

In view of the increasingly partisan nature of Senator Perrault's activities in government ministries within which he has no responsibilities, in view of that senator's decision to assemble, at public expense, a partisan staff, and since that hon. gentleman is in no way accountable to this House or to the people of Canada, I move, seconded by the hon. member for Burnaby (Mr. Robinson):

That this House directs the hon. senator to confine his activities to those normally reserved for members of the upper chamber and that all expenditures by him and his staff, including flights of government and commercial aircraft, be tabled monthly by the Prime Minister.

● (1410)

Madam Speaker: Such a motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

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AIR CANADA

FLIGHTS FROM OTTAWA TO ST. JOHN'S, NEWFOUNDLAND—MOTION UNDER S.O. 43

Hon. John C. Crosbie (St. John's West): Madam Speaker, I rise on a matter of urgent and pressing necessity under the provisions of Standing Order 43.

In view of the fact that under the winter schedule of Air Canada it was possible to leave Ottawa at 8 a.m. on an Air

Canada flight to Halifax, change planes at Halifax and arrive in St. John's, Newfoundland, at 1.45 p.m. Newfoundland time—four hours and 15 minutes total duration—and in view of the fact that under the summer schedule of Air Canada the traveller to St. John's, Newfoundland, must leave Ottawa at 7.35 a.m. on a flight to Montreal, wait at Montreal airport for some four hours and then take a flight at 12.10 p.m. from Montreal via Halifax to St. John's, Newfoundland, arriving at 5 p.m. Newfoundland time—or eight hours after leaving Ottawa—I move, seconded by the hon. member for St. John's East (Mr. McGrath):

That all officials of Air Canada who have had any connection with or responsibility for the summer Air Canada schedule for flights from Ottawa to St. John's be "Mackaseyed", without any golden handshake, and that the schedule be changed to ensure service at least the equivalent of the winter service for travellers from Ottawa to St. John's, Newfoundland, particularly in view of the direct service offered to capitals of provinces such as Nova Scotia and Prince Edward Island from Ottawa, and that this continuing rank discrimination against Newfoundland by way of air services cease immediately.

Madam Speaker: Such a motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Baker (Nepean-Carleton): Mackasey said "Yes".

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FORESTRY

ALTERNATIVE EMPLOYMENT FOR LAID-OFF WORKERS—MOTION UNDER S.O. 43

Mr. F. Oberle (Prince George-Peace River): Madam Speaker, I have a motion, under the provisions of Standing Order 43, which lends itself to the serious consideration of this House.

It concerns the mounting problems experienced by the forest and wood-converting industries which result in ever-increasing unemployment, particularly on the west coast but throughout our country and, of course, the serious effect this will have on unemployment insurance statistics. Therefore, I move, seconded by the hon. member for Prince George-Bulkley Valley (Mr. McCuish):

That the minister engages himself immediately in discussions with his colleagues, the minister responsible for manpower, and the Minister of Industry, Trade and Commerce, and their counterparts in the governments of the provinces in an attempt to work out a program whereby workers whose employment has been terminated for reasons of depressed market conditions can be engaged in the important task of renewing our forests, and that the federal government undertakes to offer direct subsidies to companies that undertake such programs.

Madam Speaker: Such a motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

POST OFFICE

OPPOSITION TO AMALGAMATION OF MANITOBA AND SASKATCHEWAN DISTRICT OFFICES—MOTION UNDER S.O. 43

Mr. Bob Ogle (Saskatoon East): Madam Speaker, under the provisions of Standing Order 43, I rise on an issue of urgent and pressing necessity.

In light of statements made late last week by Saskatchewan postal officials which confirmed plans to amalgamate Manitoba and Saskatchewan district offices, thereby removing the district office from Saskatoon, and from Saskatchewan, taking with it jobs and a measure of local control over postal services, I move, seconded by the hon. member for Regina East (Mr. de Jong):

That this House goes on record as being opposed to this amalgamation which will reduce services, reduce efficiency and serve only to further centralize postal operations in this country.

Madam Speaker: Such a motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Hnatyshyn: You are a week late.

* * *

EXCISE TAX

REQUEST TAX BE REMOVED FROM GASOHOL—MOTION UNDER S.O. 43

Mr. Bill J. Yurko (Edmonton East): Madam Speaker, I rise, under the provisions of Standing Order 43, on a matter of urgent and pressing necessity.

In view of the fact that the technology involving the production of gasohol is now proven and available, and that gasohol could replace up to 10 per cent of the fuel requirements now served completely by gasoline, I move, seconded by the hon. member for Lethbridge-Foothills (Mr. Thacker):

That this House directs the Government of Canada to provide positive leadership by exempting gasohol from the excise fuel tax of approximately seven cents per gallon on gasoline that contains at least 10 per cent biomass fuel alcohol, thereby making gasohol prices competitive with those of gasoline.

Mr. Baker (Nepean-Carleton): A first-rate idea.

Madam Speaker: Such a motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

NATIVE RIGHTS

CALL FOR AMENDED LEGISLATION TO RECOGNIZE HUNTING RIGHTS—MOTION UNDER S.O. 43

Mr. Rod Murphy (Churchill): Madam Speaker, I rise, under the provisions of Standing Order 43, on a matter of pressing and urgent necessity.

In light of the fact that in the spring of 1978 native people in Le Pas, Manitoba, were charged, prosecuted and later convicted, for hunting ducks in May of that year; that these convictions were a result of previous governments reneging on treaty agreements with native people when the government instituted the Migratory Birds Convention Act; since the Liberal government promised in 1978 and 1979 to change the legislation in order to recognize native hunting rights, and since a protocol was signed last year with the government of the United States allowing for these changes, I move, seconded by the hon. member for Cowichan-Malahat-The Islands (Mr. Manly):

That this House instructs the Minister of the Environment to make the necessary changes in legislation immediately in order to ensure that no more native people are dragged before the courts for exercising their traditional and treaty rights.

Madam Speaker: Such a motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

• (1415)

ORAL QUESTION PERIOD

[*English*]

ENERGY

ELDORADO NUCLEAR, HOPE TOWNSHIP—REQUEST THAT GOVERNMENT RECONSIDER MOVE

Hon. Allan Lawrence (Durham-Northumberland): Madam Speaker, my question is for the Prime Minister. In his press statement on Friday justifying the move of the Eldorado plant out of Hope township, the Minister of Energy, Mines and Resources used grossly inadequate cost estimates, which undoubtedly were the same ones he used in cabinet in order to justify the change.

Now that it is apparent these extra initial costs alone will be over $50 million, and not just $2 million as the minister indicated at his press conference, will the government reconsider the move?

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, there is no question of reconsidering the move. The minister has just informed me that he used no cost estimates at his press conference. So if the hon. member has been misled in some way or other, he should perhaps ask the minister for the correct facts.

Mr. Lawrence: Madam Speaker, if the Prime Minister is now indicating that there is no chance at all of the government reconsidering the move at all—

An hon. Member: He didn't say that.

Mr. Lawrence: Maybe I am misinterpreting the Prime Minister. Perhaps he will clarify that. I have given him notice of this supplementary.

Because the contract to put in the services to the cancelled plant in Hope township will require compensation to be paid if the services are not connected, and because that work alone will keep some of the construction workers busy over the next few months, could the government complete the servicing of this site for the cancelled plant and then turn it over, fully serviced, to the municipality—hopefully, for a token amount—so that the municipality itself could then attract other industries to the site? As I say, I have given notice of that question to the Prime Minister's office.

Mr. Trudeau: Yes, Madam Speaker, I am told that is one of the options being considered. I think the hon. member, quite properly, is seeking a solution to this problem for his constituency, but if he wants further detail I would ask him to direct his questions to the Minister of Energy, Mines and Resources, who is much better informed of the details of this matter.

Mr. Lawrence: I have a further supplementary question, Madam Speaker. I am sure the Minister of Energy, Mines and Resources heard my last request of the government in respect of the servicing of the site and turning it over to the municipality. Will the minister take that as a question directed to him?

Hon. Marc Lalonde (Minister of Energy, Mines and Resources): Madam Speaker, this is a matter that is being examined at the present time by Eldorado, and it will be discussed with the local authorities eventually as to what, if anything, should be done.

URANIUM REFINERY SITE AT BLIND RIVER, ONT.

Mr. G. M. Gurbin (Bruce-Grey): Madam Speaker, my question is for the Minister of Energy, Mines and Resources. Since the government has selected a new uranium refinery site at Blind River, partly on the basis of storage of waste, does this mean that the community of Blind River has accepted that it will become the nuclear waste storage site for Canada?

• (1420)

Hon. Marc Lalonde (Minister of Energy, Mines and Resources): Madam Speaker, in answer to the previous question, I would indicate that at the press conference there was no mention of cost figures in the press communiqué.

I indicated at the press conference certain figures in response to the question as to how much it would cost. I said

that the plan would cost $133 million if it were delayed for one year, and if the increased cost of construction were 10 per cent, then that would be $13 million more. That is the way the question was put. I did not give any specific, additional cost figure.

With regard to the question raised by the hon. member, no specific site has been selected, but—as the hon. member knows—all the experts indicate that the best possible site in Canada for the disposal of spent fuel is in the Canadian Shield which is found in northern Ontario. Sites are being considered. No site has been selected as yet. This will require extensive research, analysis and consultation with local authorities.

I hope that the decision made by the government last week will ensure the co-operation of the communities in northern Ontario so that the matter can be fully investigated, and that with the co-operation of the provincial government of Ontario and the local communities the best and safest arrangement can be found in order to dispose of spent fuel.

Mr. Gurbin: Madam Speaker, my supplementary question is directed to the Minister of Energy, Mines and Resources. Is the government committed to expansion of the Candu system both internationally and in Canada and, specifically, does the government intend to promote the use of the Candu system for heavy oils extraction in western Canada?

Mr. Lalonde: Madam Speaker, on the first part of the question, indeed the government is very committed to expansion of the Candu system both in Canada and in the international community. For instance, last week I met with representatives of the Argentinian authorities on this issue, and I believe we made progress on some of the outstanding issues between Canada and the government of Argentina.

With regard to the second part of the question, obviously this is a matter which must be discussed with the government of Alberta. The government has made no such decision, but such an avenue could indeed be explored further.

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THE CANADIAN ECONOMY

HIGH INTEREST RATES—HOLDING OF NATIONAL ECONOMIC CONFERENCE

Mr. Bob Rae (Broadview-Greenwood): Madam Speaker, my question is to the Minister of Finance. In light of statements which have been made by the minister of the treasury for Ontario and by the four provincial premiers who met out west last week, can the Minister of Finance tell the House whether or not his government is reconsidering its high interest rate policy which was criticized by the present Minister of Industry, Trade and Commerce and by the present Minister of Employment and Immigration when they were in opposition; and, particularly, whether the government has been giving active consideration to the possibility of holding a national economic conference as soon as possible?

Hon. Allan J. MacEachen (Deputy Prime Minister and Minister of Finance): Madam Speaker, the hon. member wrongly characterizes the policy as a high interest rate policy. If he wishes to be accurate, he will recall that recently there have been two drops in the bank rate and in the prime rates of commercial banks. Certainly that is a move in the right direction.

I have not given consideration to calling a national economic conference, but I would be glad to take into account the hon. member's representations.

Mr. Baker (Nepean-Carleton): Think about it, Allan.

Mr. Rae: Madam Speaker, I would remind the minister that the bank rate now stands at 15.67 per cent, and when he took power the rate was 14 per cent. That is a rise of something over 1.5 percentage points in the space of time since the government was formed.

Press reports indicate that governor Bouey declined to meet with the four western premiers on the grounds that he had an alternative engagement, and also on the grounds that he felt it would be inappropriate for a federally-appointed public servant to meet with the four western premiers. I would like to ask the minister if that is also his view of the function of governor Bouey.

Mr. MacEachen: Madam Speaker, I should explain to the hon. member that governor Bouey has been ready to meet with western premiers on an individual basis, has done so in the past and is prepared to do so in the future. With respect to an invitation to appear at a formal conference of western premiers, which might carry implications as to which level of government had responsibility for monetary policy, the governor of the bank chose not to attend, and he gave an explanation.

• (1425)

In that position I supported the governor of the Bank of Canada. But I do reiterate his willingness to meet with the premiers, as he has done in the past, and to explain the basis of his policy and the reasons why monetary policy is being administered the way it is at the present time.

Mr. Rae: Madam Speaker, a supplementary question. Since the minister is not prepared to accept responsibility for his government's high interest rate policy, I am not surprised that there is a little confusion about which member of the government is responsible.

As my final supplementary question, Madam Speaker, I would ask the minister if he is prepared to give consideration to the recommendation of the four western premiers, that instead of having a board of directors appointed by the Liberal government of the day, the Bank of Canada be advised by an advisory board which would be at least partly appointed by the provincial governments, which would allow a far greater degree of national economic consultation and disclosure of national monetary policy and which would give rise to a far

greater degree of trust by all Canadians in the policies of the Bank of Canada.

Mr. MacEachen: Madam Speaker, I want to make it clear to the hon. member that the governor of the Bank of Canada has received representations, and will continue to receive views and representations, from western premiers and other interested groups.

I do not think it appropriate, in this context, to revise the constitutional arrangements and to provide for a formal structure which is unnecessary in light of the free access which all groups have both to the governor and to the government.

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EXTERNAL AFFAIRS

EMBARGO ON AGRICULTURAL EXPORTS TO SOVIET UNION—GOVERNMENT POSITION

Hon. Ray Hnatyshyn (Saskatoon West): Madam Speaker, I have a question for the Prime Minister. The Minister of Agriculture is quoted as having said at the weekend that he favoured a complete embargo on Canadian agricultural exports to the Soviet Union.

Can the Prime Minister tell the House whether the Minister of Agriculture was stating government policy, in view of the fact that an embargo on grain sales to Russia alone could cost Canada in excess of $400 million per year.

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, the Minister of Agriculture has not had an opportunity to make this particular suggestion to me. He may have discussed it with the Secretary of State for External Affairs or other ministers. I shall inquire.

Mr. Hnatyshyn: Madam Speaker, the statement by the Minister of Agriculture has caused very great ripples throughout the agricultural industry, which is now concerned that this is a new direction being taken and that the person who should be speaking on behalf of western agriculture and agriculture generally is now making suggestions that we limit our exports to the Soviet Union.

Madam Speaker, due to the fact that the Prime Minister has allowed him to answer this question at least, I should like to put a question to the Secretary of State for External Affairs. In view of the statement made by the minister on the Olympic boycott, to the effect that we were going to maintain traditional levels of grain sales and continue traditional exports of agricultural products to the Soviet Union, is this particular initiative one which he endorses and one he has discussed with the Minister of Agriculture?

If there are other embargo items, is he now prepared to bring the House into his confidence and let us know whether he plans other initiatives with respect to the Afghanistan problem?

Hon. Mark MacGuigan (Secretary of State for External Affairs): Madam Speaker, the Minister of Agriculture and I are continually having discussions on these and other problems. I also discussed the embargo question with the United States Secretary of State, as he then was, last week.

Mr. Hnatyshyn: Look what happened to him.

Mr. MacGuigan: There is no further announcement to be made at this time. We will certainly keep the House informed. I will say that there is in place a very full range of sanctions on the Soviet Union with respect to Afghanistan.

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PARKS CANADA

PROPOSED RELOCATION OF REGIONAL OFFICE FROM CORNWALL TO PETERBOROUGH

Mr. Bill Domm (Peterborough): Madam Speaker, my question stems from a question put earlier today which dealt with the cancellation of construction of the Eldorado Nuclear plant in Hope township.

My question to the Minister of the Environment concerns another regional office relocation of Parks Canada from Cornwall to Peterborough. Would the minister advise this House if he has had a change of mind about that move which is currently under review, or has he decided to permit it to move as planned to Peterborough from Cornwall?

• (1430)

Hon. John Roberts (Minister of State for Science and Technology and Minister of the Environment): Madam Speaker, as the hon. member has suggested, the matter has been under review. I have made some recommendations to my colleagues concerning it and I hope very shortly—perhaps within the next two weeks—to be able to announce a definitive decision on the matter.

Mr. Domm: Madam Speaker, my supplementary question is to the Minister of the Environment and it deals with the same subject. Going back to the last election, the employees of the office in Cornwall were told that they would be advised within seven to 14 days should the government decide to cancel that move. Those 14 days have passed. Could the minister advise this House why every time 14 days pass he requires another 14 days to review the move?

Mr. Roberts: Madam Speaker, the basis of the hon. member's question is incorrect. When I met the employees in Cornwall, I said that I hoped very shortly, within two weeks, to have come to a conclusion in my own mind about the matter and I would then be making recommendations to my cabinet colleagues. The fact of the matter is that I have decided on the proposals I want to present and I am discussing them with my cabinet colleagues. I indicated at that time that I would have to discuss the proposals I wished to make, and it might take further time before a decision could be announced.

Oral Questions

AIR CANADA

CALL FOR DIRECT FLIGHT FROM OTTAWA TO ST. JOHN'S

Mr. Brian Tobin (Humber-Port au Port-St. Barbe): Madam Speaker, my question is for the Minister of Transport. In view of the proposed changes in the Air Canada schedule, in view of the fact that St. John's is the only provincial capital not served by a direct Air Canada flight from Ottawa, and in view of the fact that all Newfoundland members of the House of Commons would like to have direct access to our provincial capital, can the minister say whether he will make representations to Air Canada for such a direct flight from Ottawa to St. John's?

Hon. Jean-Luc Pepin (Minister of Transport): Madam Speaker, I will obviously do that. But my very recently acquired information is that there will be such a service direct to St. John's, and that will be announced next week—or start next week. I will get further information tomorrow, Madam Speaker, because I would like all members from Newfoundland to be properly served in terms of transportation from the capital.

Mr. MacEachen: Especially on the outward run.

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ENVIRONMENTAL AFFAIRS

PROTEST AGAINST PROPOSED CONSTRUCTION OF ALUMINUM COMPANY OF CANADA PLANT IN BRITISH COLUMBIA

Mr. Lorne McCuish (Prince George-Bulkley Valley): Madam Speaker, my question is directed to the Minister of the Environment. The Aluminum Company of Canada has declared its intention to proceed with the Kemano II hydroelectric project in central British Columbia under provisions of a 1949 agreement with the province of British Columbia.

The Aluminum Company of Canada feasibility studies disclose that the project will result in irresponsible and irreparable environmental damage, including the loss of spawning grounds on the Maurice, Skeena, Nechako and Fraser River systems, a change in water tables affecting both municipal and private water and sewage systems, and the loss of agricultural lands and wildlife habitat. Because of the grave danger which will affect over 200,000 people, would the minister assure this House and the people of British Columbia that the federal government will not permit the Aluminum Company of Canada to proceed with this project?

Hon. John Roberts (Minister of State for Science and Technology and Minister of the Environment): Madam Speaker, my understanding is that the British Columbia government has already given assurance that there will be a full public inquiry before this matter is proceeded with. We will, of course, see what happens in that inquiry and make a full study of the environmental effects—particularly as they relate to fish species—before coming to a final conclusion, in order to assure ourselves that there is no damage in proceeding with this matter, if that is the decision of the British Columbia government.

Mr. McCuish: Madam Speaker, surely the minister is aware that his predecessor had taken positive steps and there will be ample evidence in his own office as to the impact? I would like the assurance of the minister that he has made it loud and clear to his counterparts in the British Columbia legislature that he will not accept the conditions of this project as they now stand.

Mr. Roberts: Madam Speaker, as I indicated, there is going to be a full public inquiry. I think it will be wise for us to delay an absolutely definitive decision until we see the full effect of that inquiry.

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PRIVACY

OPENING OF MAIL BY RCMP

Mr. Svend J. Robinson (Burnaby): Madam Speaker, my question is for the Solicitor General. Two weeks ago the minister gave a commitment to this House that within a few days, as he put it, he would make the kind of presentation that hon. members would like to hear on the subject of mail-opening. The Solicitor General knows, of course, that although the RCMP have been opening mail illegally for years, they were not able to produce any such evidence before the McDonald commission.

Will the Solicitor General now perhaps confirm that, as an alleged former civil libertarian, he understands the people of Canada want no further incursions into their privacy, and will the minister tell this House why there has been such a lengthy delay in preparing this important study?

Hon. Bob Kaplan (Solicitor General): Madam Speaker, first I would like to remind the House that there is no intention on my part or on the part of the government to change the rules which prohibit the opening of mail, by regulation or in any other way. If it is to be done, it will be done by bringing forward legislation for the full consideration of this House.

Mr. Baker (Nepean-Carleton): When?

Mr. Kaplan: I indicated recently that because of the announcement of the McDonald commission, its report would be forthcoming before the end of the summer and that no action would be taken before that time. I did tell members that a report is being prepared. I have seen a version of it that does not contain enough statistical information, but in view of the fact that the matter is not urgent, that no pressing action is contemplated by the government or by me at this time, I think it is worth waiting to have the opportunity for a very full report to be brought forward, and I intend to bring it forward as soon as it is available.

Mr. Robinson (Burnaby): Madam Speaker, I am not surprised that the statistics are unavailable. My supplementary

question is to the Prime Minister, in the absence of the Minister of Justice. For over a year now the government has had evidence of systematic violations of the Post Office Act by members of the RCMP. The Prime Minister will now, hopefully, be aware of the fact that it is the responsibility of the federal government to prosecute under that particular act.

My supplementary question, then, to the Prime Minister is: What action does the government intend to take to prosecute those persons who have been shown clearly to have violated the Post Office Act. Second, how quickly will the government be acting? Hopefully, it will be with the same kind of speed with which it moved in the case of the prosecution of CUPW leader Jean Claude Parrot.

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, in the case of the hearing before the royal commission, I made it clear before—various ministers have also—that we do not intend to act piecemeal as the evidence unrolls and unfolds in front of the commission. Some of these hearings are in camera; others are in public. Some of them are in parts, and they are joined again at later stages.

I am sure that the hon. member would not want the government to take action and prosecute somebody on partial evidence. We have always said that we would not comment on the evidence as it came out in a piecemeal fashion; that we were waiting for the whole report. That remains our position.

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POST OFFICE

MAXIMUM LIMIT FOR AWARDING ROUTE CONTRACTS—REQUEST FOR INCREASE

Mr. Bill Vankoughnet (Hastings-Frontenac): My question is directed to the Postmaster General. In view of the fact that the maximum limit for letting postal route contracts without tender is currently $10,000, and that this maximum amount has not been increased since 1968, could the minister please tell the House whether he will give consideration to raising this limit?

[*Translation*]

Hon. André Ouellet (Minister of Consumer and Corporate Affairs and Postmaster General): Madam Speaker, of course we would like to raise that limit as soon as possible. The hon. member must know that, unfortunately, to do so an amendment must be passed to the Post Office Act. If the hon. member can consult his colleagues and assure me that we could pass such a bill unanimously in a few minutes in Parliament, I would be the first to go ahead with such a measure and have it approved immediately.

● (1440)

[*English*]

TOURISM

FUNDING OF PROPOSED CONVENTION CENTRES

Mr. Girve Fretz (Erie): Madam Speaker, given the fact that the Liberal cabinet was sworn in at the beginning of March and that the Prime Minister has not yet seen fit to name the minister who will have responsibility for tourism, an industry that is Canada's sixth largest earner of foreign exchange and one that contributes 5 per cent to the gross national product, I would like to direct my question to the Minister of Industry, Trade and Commerce who perhaps may have been briefed on this important aspect of tourism.

It is a well-known fact that the previous government had approved funding for the proposed convention centres in Vancouver and Toronto. Can the minister give his assurance that this government will honour the commitment made in good faith to the cities of Toronto and Vancouver? I ask this question as it is difficult to plan without knowing the basis of funding.

[*Translation*]

Hon. Charles Lapointe (Minister of State, Small Businesses): Madam Speaker, the whole question of the funding of convention or commercial centres throughout Canada is now being reviewed within the Department of Industry, Trade and Commerce. We shall be in a position to put before our cabinet colleagues a document for discussion purposes within the coming weeks.

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[*English*]

NATIONAL FILM BOARD

STEPS TO ENSURE TALENTED CANADIAN ARTISTS REMAIN IN CANADA

Mr. Simon de Jong (Regina East): Madam Speaker, my question is for the Secretary of State: in his absence, I will direct it to the Acting Secretary of State. Two weeks ago, a Canadian film animator, working for the National Film Board, won an academy award for his film "Every Child", yet this person was laid off by the National Film Board because of budget restraints. He has not been able to find a job in the Canadian film industry since last November.

The net result is that talented Canadians end up leaving Canada, taking with them valuable resources and further weakening the Canadian film industry. What steps is the government prepared to take to ensure that talented Canadian artists remain in Canada, and to ensure the continuation and improvement of the Canadian film industry?

Hon. John Roberts (Minister of State for Science and Technology and Minister of the Environment): Madam Speaker, I know that my colleague is aware of the situation

and I will draw the hon. member's comments to his attention when he returns.

Mr. de Jong: A supplementary question, Madam Speaker. Perhaps the former secretary of state can answer this. I would like to have an answer today by the Acting Secretary of State.

The former Liberal government in 1978 had cut the National Film Board budget by $4.6 million. The former Conservative government restored it by some $350,000, only for last year. It is obvious that the cutbacks have severely limited the role of the National Film Board. Would the minister inform the House if his government will consider increasing the National Film Board budget, especially the budget for production?

Mr. Roberts: Madam Speaker, clearly, the restraint programs have had a considerable impact on the National Film Board. The question about further spending priorities in relation to the National Film Board is one to which the present Secretary of State should respond. As I said earlier, I will be happy to draw the hon. member's concerns to his attention.

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EXTERNAL AFFAIRS

BOYCOTTING OF MOSCOW OLYMPICS—GOVERNMENT POSITION ON OTHER SPORTS ACTIVITIES WITH SOVIETS

Mr. Otto Jelinek (Halton): Madam Speaker, my question is directed to the Prime Minister. In light of the long overdue but welcome decision by the government to boycott the Moscow Olympics, and in order for this government to be consistent in its actions condemning the Soviet Union's military invasion of Afghanistan, can the Prime Minister tell this House whether or not his government is now prepared to cease all further artistic and sporting ties with the Soviet Union, including the prevention of the Soviet hockey team from participating in this fall's Canada Cup hockey tournament? If not, can the Prime Minister explain the obvious inconsistencies that exist within his government's position in this regard?

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, I cannot comment on all the detail of this. Here again, the Secretary of State for External Affairs would be better able to do it than I.

On the specific point raised by the hon. member concerning the World Hockey Cup competition to be held here this fall, I point out to the House that the position of this government has been, not to ban the Olympics or sporting events, per se, but to ban them because they were being held in Moscow. That is the point we want to get through. I think that is the point President Carter first emphasized in his own policy. It is certainly our policy.

In other words, we are not condemning all contacts with Russian athletes, Russian artists or Russians of other kinds. We are condemning the Moscow Games. That is the purpose of this government's policy. I do not know what the hon. member's policy was.

Mr. Jelinek: Madam Speaker, Canadian amateur athletes will forfeit their once-in-a-lifetime opportunity to participate in the Olympic Games, and rightly so under the circumstances. But the question I put to the Prime Minister—and I suppose he did not understand it the first time—is, how can he justify the fact that on one hand Canadian amateur athletes will have to forfeit this opportunity, and on the other hand the hockey players, for example, or the Soviet-built Lada car sales people in Canada, will continue to bring to the forefront Soviet Union industry and Soviet Union sporting events which, as the Prime Minister knows, is the number one propaganda tool of the Soviet Union?

Mr. Trudeau: Madam Speaker, it has nothing to do with amateur or professional status. Our condemnation is of games to be held in Moscow. That is the total aspect of it. We are not condemning sporting events, amateur or professional, held in other fora. As a matter of fact, and as the hon. member knows, Russian athletes were in the United States at Lake Placid just a couple of months ago. Therefore, the creators of the policy of the boycott, the Americans themselves, are interpreting the policy the way we are, not the way the hon. member is suggesting.

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FISHERIES

OVER-THE-SIDE SALES TO FOREIGN FISHING FLEETS

Hon. Elmer M. MacKay (Central Nova): Madam Speaker, I should like to ask the Minister of Fisheries and Oceans to elaborate briefly on the reported guarantees by his department in connection with over-the-side sales of fish, specifically to Joint Trawlers Limited, a Swedish-based consortium. I wonder if this is not tantamount to a subsidy and whether he could tell the House briefly the basis of this, if it is true.

Hon. Roméo LeBlanc (Minister of Fisheries and Oceans): Madam Speaker, the discussions with the foreign company have, in fact, included the possibility of commensurate benefits being offered in exchange for coming in and buying Canadian fish from Canadian fishermen.

As the hon. member knows, we have experimented with the guarantee formula. We found that this created a lack of incentive to hang in if, for example, mackerel did not show up at the appointed time. We are now looking at the possibility of making available, as a commensurate benefit, fish in which Canadian fishermen have shown no interest in the past and which is surplus to our needs, for example, a certain quantity of silver hake. That is the approach we will be taking this year.

Mr. MacKay: Madam Speaker, I appreciate the minister's answer. I wonder if he could say whether or not there are any safeguards or provisions in place that would make sure that

fish sold under these conditions would not be used to compete directly with existing Canadian markets.

Mr. LeBlanc: Madam Speaker, if one of the negotiations is successful, it is for a country that is a high consumer of mackerel and any of the fish for which they have need in their own internal consumption bracket.

Hon. James A. McGrath (St. John's East): Madam Speaker, I have a supplementary question for the Minister of Fisheries and Oceans. Can the minister tell the House why it is necessary to provide guarantees to Joint Trawlers, or to any other foreign trawlers, which amount to a subsidy, when Canadian processors have the capacity to handle that fish?

Mr. LeBlanc: Madam Speaker, the hon. member knows very well—and this policy is not that different from the one I believe he advocated in Charlottetown last January—that if you are going to ask freezer vessels to come over to Canada and be ready to buy fish, which in the case of mackerel may not appear on the scene for some time, you may have to offer some compensation for the time in which the freezers are waiting in the bay.

It is this approach that we are looking at, not a guarantee but a payment for steaming time. If the amount of fish that is delivered to the foreign vessel is not above a certain level, we are looking at a system which would guarantee a range between a minimum and a maximum sold by Canadian fishermen.

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● (1450)

ENVIRONMENTAL AFFAIRS

MOVEMENT OF OIL BY TANKER—GOVERNMENT REPRESENTATION AT U.S. HEARINGS

Mr. Jim Manly (Cowichan-Malahat-The Islands): Madam Speaker, my question is for the Minister of the Environment. Since 1975, the minister's government has allowed the movement of Alaskan oil down the British Columbia coast. Now we are faced with greatly increased traffic, with vastly increased potential for disaster.

At present, in connection with the Northern Tier proposal for an oil tanker port at Port Angeles, in the state of Washington, the state is holding site evaluation hearings at Olympia. Canada has neither representatives nor observers at those hearings, but has contact only through our consulate general in Seattle. Given the importance of this issue and these hearings, this is not good enough.

Will the minister undertake to have an official Canadian presence at the hearings or, failing that, will he fund an independent public interest group which would be willing to send a representative?

Hon. John Roberts (Minister of State for Science and Technology and Minister of the Environment): Madam Speaker, it is not the practice of the Government of Canada to make representations at such hearings nor, I regret to say to the hon. gentleman, do we have funds available in my department to finance interest groups who wish to appear before them.

However, as the hon. member touched upon in his question, we do ensure that there are observers via the consulate who are present at the hearings, and I am satisfied that they will keep us very much in touch with the hearings as they progress.

Mr. Manly: Madam Speaker, I am sure the people of British Columbia will feel that the government is not fulfilling its election promises in this regard, with that answer.

In order for the Canadian government to make a strong case regarding tanker traffic on our coast, we need independent environmental impact studies. Is the minister's department relying on the National Energy Board requirement that Trans Mountain Oil Pipe Line Company Limited do such studies before it can proceed with its application or, knowing that Trans Mountain's application could be withdrawn at any time, is the department prepared to proceed with environmental studies on its own?

Mr. Roberts: Madam Speaker, we are very much in touch with the situation. We are opposed to the tanker traffic on the west coast and we are, in a continuing way, assessing the potential impact which might come from the various schemes which are discussed.

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AGRICULTURE

REQUEST RAPESEED NOT PUT UNDER CONTROL OF CANADIAN WHEAT BOARD

Mr. S. J. Korchinski (Mackenzie): Madam Speaker, I have a question for the Minister of Transport. Now that farmers are in some cases working their land, or in others are making plans for seeding, there are suggestions that the government might be moving toward putting rapeseed under the control of the Canadian Wheat Board.

Could the minister allay the fears of the farmers and indicate to this House that there is no intention of the government to move now so that the present crop or future crops will be put under the control of the Canadian Wheat Board as far as rapeseed is concerned?

Hon. Jean-Luc Pepin (Minister of Transport): Madam Speaker, the minister in charge of the Canadian Wheat Board made a speech recently in the west in which he stated quite emphatically that he had no intention of doing that unless he were to take the normal procedure, which is to bring it to the attention of the cabinet as a whole. Most people have taken that as an understanding that he will not move unilaterally toward that change. That is the way things are now.

It seems to me that there are other things of much greater importance to do in western Canada at this time, namely, to

increase the railway capacity and to tackle the Crowsnest Pass rate which will necessitate a climate of co-operation, which I very much hope for.

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NATIONAL UNITY

POSSIBILITY OF HOLDING HOUSE OF COMMONS' MEETING IN QUEBEC

Mr. Paul Dick (Lanark-Renfrew-Carleton): Madam Speaker, I would like to ask a question of the Prime Minister. As the House of Commons has moved from its chamber in the past, and there is no technical reason to keep it from doing so again, as many parts of Canada have not firmly expressed in the last while their desire for a renewed Canadian federalism including Quebec, and as the Parti Québécois has intimated that the rest of Canada does not care or that Quebec would be better off without Canada and Canada would be better off without Quebec—things which we in this House do not believe—would the Prime Minister consider discussing with the other party leaders and Your Honour the possibility of adjourning the House of Commons to the city of Montreal, or elsewhere in the province of Quebec for two or three sitting days, not to debate the referendum, which is a question Quebeckers must decide, but to allow members representing every part of Canada to express the overwhelming view of their constituents that there is an important place within a renewed Canadian federation for Quebec, and to express that the overwhelming desire and attitude of other Canadians toward Quebec is one of, "Stay. Let us join together to build a greater Canada"?

Some hon. Members: Hear, hear!

[*Translation*]

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, I must say to the hon. member that I share his views and admire the objective as expressed in his question. As for the specific suggestion of adjourning the House of Commons to Montreal where it would sit for a few days, I find it very interesting indeed and I am convinced that generally speaking my caucus would find the proposal most acceptable. I shall ask the Leader of the Government in the House to discuss the matter with the other leaders. If there is consensus to that effect, we can then discuss the matter with Madam Speaker and the appropriate authorities.

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[*English*]

POST OFFICE

PROPOSED RELOCATION OF SASKATCHEWAN DISTRICT OFFICE FROM SASKATOON TO WINNIPEG

Mr. Bob Ogle (Saskatoon East): Madam Speaker, my question is to the minister responsible for the Post Office. Last week, the hon. member for Saskatoon West moved a motion asking that the proposed relocation of the Saskatchewan district office from Saskatoon to Winnipeg be revoked.

Can the minister indicate whether there has been any follow-up, and why he has not responded to my letter asking for clarification of the situation and reversal of the decision, if indeed one has been taken?

[*Translation*]

Hon. André Ouellet (Minister of Consumer and Corporate Affairs and Postmaster General): Madam Speaker, I am quite pleased to answer the question and I thank the hon. member for asking it. I think he is acting much more responsibly than the hon. member for Saskatoon West who recently raised that question knowing quite well that I was unable to answer. I am pleased to advise the hon. member that the amalgamation of administrative services is not settled. No final decision has been made, but if we ever wanted to amalgamate administrative responsibilities, services would in no way be reduced in Saskatchewan. It would not affect employees in the Saskatchewan postal service. Finally, if it were done to reduce our administrative staff all those employees in Saskatchewan would be offered jobs in the public service or in the Post Office so they might continue to work for the Canadian government in Saskatchewan if they want to do so.

[*English*]

Mr. Ogle: Madam Speaker, I wonder if the minister really understands the serious problem that the people of Saskatoon feel they are facing when they hear of the idea that this office could be taken away from them. I wonder if he realizes that the alienation which is taking place there now toward the government in that respect is becoming very widespread.

Would the minister reassure me that everything possible will be done to leave that office in Saskatoon for the district of Saskatchewan?

Mr. Ouellet: Madam Speaker, I want to say to the hon. member that the allegation presented by the hon. member for Saskatoon West was grossly exaggerated and had no foundation. No decisions were taken.

Mr. Clark: Was it carried by Radio-Canada?

Mr. Ouellet: If, indeed, we do something, it will not diminish or curtail good service in Saskatchewan. It will not deal with hundreds of employees, as has been alleged, but with only a few employees at the administrative level, and we will make sure that we continue to give good service in Saskatchewan. We will not substantially diminish the service.

Mr. Epp: What do you mean by "substantially"?

Mr. Ouellet: I see some Conservatives do not like the answer.

Mr. Hnatyshyn: Right.

Mr. Ouellet: However, I think it is important that I reassure the hon. member—and I thank him for asking the question—

and the people there that job security is assured. If such a decision is taken, those who could be affected will be guaranteed jobs in Saskatchewan in the public service, if they want to stay.

* * *

AIRPORTS

PLANS FOR EXPANSION OF MOUNT HOPE FACILITY

Mr. Geoff Scott (Hamilton-Wentworth): Madam Speaker, since this government took office, we in the Hamilton area have not heard a peep out of the Minister of Transport, and certainly nothing official from his department, about his plans for expansion of the airport at Mount Hope.

● (1500)

Can the minister tell us now whether the government will adhere to the $45 million commitment of the previous Conservative administration, or does he intend to revise upward or downward government spending on Hamilton's ticky-tacky terminal and airport facilities?

Hon. Jean-Luc Pepin (Minister of Transport): Among other things, I did have a conversation with the Ontario minister of transportation on this very subject: he has a great interest in that particular item. A couple of things came up. One of them was that we would pursue the definition of the "concept"—that word is in quotation marks—or the orientation of the runway, which is still uncertain and needs clarification. Another thing that would be done—

An hon. Member: Come on.

Mr. Pepin: I am using technical words that I did not know the meaning of two months ago. That is how fast I can learn.

Some hon. Members: Oh, oh!

Madam Speaker: Order. Since the question period is coming to an end, would the minister please make his answer as brief as possible?

Mr. Pepin: Yes, Madam Speaker, I was about to mention that there is another aspect of very great importance, namely, the servicing of that airport by Air Canada. There are a number of negotiations to take place in that connection because it would be rather useful to have the assurance of regular service if the airport is to be expanded.

Mr. Scott (Hamilton-Wentworth): I would still like to know whether the government is going ahead with the $45 million expansion program which had been approved by the previous government. Also, will the minister undertake to meet personally with the mayors of the greater Hamilton area to iron out some of these outstanding problems? Can he give us an assurance that the airport expansion plan will go ahead?

Mr. Pepin: I was trying to say that the promise which was made by the previous government will be honoured if it makes sense to do so—

Some hon. Members: Hear, hear!

Mr. Pepin: —which involves the information I am looking for at the present time.

* * *

PRIVILEGE

MR. BAKER (NEPEAN-CARLETON)—ECONOMIC REMARKS OF MINISTER OF FINANCE—RULING BY MADAM SPEAKER

Madam Speaker: Order. On Tuesday, April 22 last, the hon. member for Nepean-Carleton (Mr. Baker) raised, as a question of privilege, the participation in the address debate the day before by the hon. Minister of Finance (Mr. MacEachen). I have now had an opportunity of reviewing the arguments presented on both sides of the question of privilege. Essentially, the Chair has to determine whether the Minister of Finance has breached the privileges of the House.

Perhaps a brief examination of the criteria for a question of privilege or for contempt would be appropriate at this time. Privilege relates to the obstruction of members in the discharge of their parliamentary duties and contempt relates to manifestations of disrespect for this House. The facts set out by the hon. member for Nepean-Carleton and the complaint he raises relates rather to the manner in which the Minister of Finance was proceeding during the proceedings in Parliament last Monday night.

Our ways and means practice, that is to say, our practice regarding taxation proposals, was changed fairly substantially in January, 1969. Until then, most matters of taxation were dealt with in the committee of ways and means, in which the taxing resolution preceding the bill was subject to debate. The House resolved itself into a committee of ways and means by the vehicle of a government order which permitted the Speaker simply to leave the chair.

When it came to the traditional "budget presentations", the House embarked on that debate by a debatable motion for the Speaker to leave the chair in order for the House to resolve itself into a committee of ways and means. When that debate ended, the ways and means motions based on the budget were adopted after debate in the committee of ways and means, and bills based on these motions were then introduced.

The practice since 1969 is for a ways and means motion to be tabled by a minister at any time during a sitting without notice, provided that it may not be dealt with until a later sitting, and then without debate. With respect to the budget presentation, notice is given by the government to designate a day certain for its presentation and a six day debate follows. The ways and means motions—taxation proposals—which always flow from such budget presentations are tabled during the budget presentation and are treated the same way as those

ways and means motions mentioned earlier; in other words, they are dealt with at another sitting and then without debate.

The gist of the complaint of the hon. member for Nepean-Carleton is that what the Minister of Finance was doing last Monday was to all intents presenting a budget without adhering to the established procedures for budget presentation, and he thereby deprived opposition members from replying in the usual six-day debate that follows.

On the other hand, the position of the Minister of Finance appears to be that, whatever he did in the chamber last Monday night, he did not present a budget as envisaged by our rules but rather spoke in the context of the debate on the Speech from the Throne, and also tabled ways and means motions permitted by Standing Order 60(1), which tabling was not required to be preceded by a budget presentation.

Because the practice in respect of taxation procedures has changed considerably since 1969, the pre-1969 rulings are perhaps not as relevant, particularly since the taxation proposals were debatable then, and the complaint here is that no debate is being permitted on what is alleged to be a budget presentation.

Certain things are clear. First, taxation proposals may be tabled by a minister of the Crown at any time during a sitting. Second, a motion for their adoption is not permitted on the same day they are tabled. Third, the motion for their adoption is not debatable. Fourth, the Standing Orders of the House of Commons provide a procedure for a budget presentation. Fifth, a budget presentation for which the Standing Orders provide a procedure may be presented at a time when the government is so disposed.

Finally, it would be difficult to argue that any member may not address himself or herself to any subject when speaking during the debate on the Speech from the Throne. The practice of the House, as the records will show, has been to allow much greater leniency and not insist strictly on relevancy in the debate on the Speech from the Throne.

While the complaint, if I may so refer to it, is that the Minister of Finance showed disrespect to the House in the manner that he proceeded, the House has set down rules and has built up a practice in regard to the proceedings for ways and means, or procedures in respect of taxation, and therefore from a procedural point of view the complaint relates to the regularity of these proceedings and accordingly is a matter relating to order rather than privilege or contempt. Therefore, it seems to me that the basic criteria for a question of privilege are lacking in this instance.

[*Translation*]

The complaint made by the hon. member relates to the regularity of these proceedings rather than to privilege or contempt. Therefore, it seems to me that the basic criteria for a question of privilege are lacking in this instance.

• (1510)

[*English*]

The House of Commons is guided by its rules and how they have been practised. While the spirit of the rules respecting taxation procedure may have been strained last Monday night, compared with the recent practice of October 20, 1977, when the then minister of finance tabled taxation proposals during his interventions in the debate on the Speech from the Throne for that session, in my view there was not that element of irregularity in the procedures of the Minister of Finance last Monday night which would require me to intervene.

[*Translation*]

Concerning the agreement or what some people assumed to be an agreement between the parties on the order in which speakers should have been heard, the House found itself in an almost identical situation in 1977. However, at that time, the Chair had been advised of an agreement between all party leaders and it was able to fulfil the wishes of the House without any confusion. I quote from *Hansard* of October 20, 1977, on page 98, when the then parliamentary secretary to the president of the privy council had the floor:

> I rise on a point of order, Mr. Speaker. There is hardly two minutes left and we agreed with each party's representatives to adjourn the debate at six o'clock to allow the Minister of Finance—
>
> —who was then Mr. Chrétien—
>
> —to have the floor at eight o'clock.
>
> The minister would be followed by a speaker for the Progressive Conservative Party, one for the New Democratic Party and finally one for the Social Credit Party of Canada. The agreement was that the previous speaker—the one who just spoke—would close his remarks at six o'clock. Since it is now a few seconds to six—
>
> —and I am still quoting the Parliamentary Secretary—
>
> —I ask that the House call it six o'clock to comply with the agreement we had reached.

[*English*]

If the House wishes to depart from the conventional principles regulating the process of debate, it should do so by a clear agreement, or preferably by an order of the House, if the Chair is to be the servant of the House.

Hon. Ray Hnatyshyn (Saskatoon West): Madam Speaker, I want to rise on a similar point with respect to the question of privilege raised by the hon. member for Red Deer (Mr. Towers) on Friday. I think I should bring this matter to the attention of the House and the Minister of State for Small Businesses (Mr. Lapointe) to make sure that there is absolutely no question in the minds of anyone here, because I know the minister would not want knowingly to mislead the House.

During the course of his remarks on page 424 of *Hansard*, the minister allegedly quoted me with respect to a position I took which was completely contrary to the position I did take. He quoted me as saying that an act was brought into place; I found that in the transcription. The fact is that I said that there was no act; I specifically referred to that particular fact. I am sure the minister will agree that I did not make any reference to a specific act.

ROUTINE PROCEEDINGS

[*Translation*]

CANADA ELECTIONS ACT

TABLING OF REPORT OF CHIEF ELECTORAL OFFICER RESPECTING PARTIES' AND CANDIDATES' EXPENSES

Madam Speaker: I have the honour of tabling in the House a special report from the Chief Electoral Officer of Canada respecting electoral expenses made by registered parties and candidates for the thirty-first general election held May 22, 1979.

Pursuant to statutes, this report is referred to the Standing Committee on Privileges and Elections.

* * *

[*English*]

PETITIONS

REDUCTION IN INTEREST RATES

Mr. Rod Murphy (Churchill): Madam Speaker, I rise to present a petition to the House of Commons signed by over 2,000 people, most of whom live in the city of Thompson. The subject of the petition is to ask this House to instruct the government to take whatever steps are necessary to bring interest rates down to a reasonable and manageable level.

For the information of the House, I inform hon. members that many of the petitioners signed prior to February 18 and were reacting to statements of the previous minister.

[*Translation*]

FEDERAL BUSINESS DEVELOPMENT BANK ACT

AMENDMENT RESPECTING INCREASE OF ADVANCES TO CORPORATION

Hon. Charles Lapointe (Minister of State, Small Businesses, for Minister of Industry, Trade and Commerce) moved for leave to introduce Bill C-20, to amend the Federal Business Development Bank Act.

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

* * *

SAFE CONTAINERS CONVENTION ACT

MEASURE TO ESTABLISH

Hon. Jean-Luc Pepin (Minister of Transport) moved for leave to introduce Bill C-21, to implement the International Convention for Safe Containers.

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

* * *

ADJUSTMENT OF ACCOUNTS ACT

MEASURE RESPECTING ACCOUNTS OF CANADA

Hon. Yvon Pinard (President of the Privy Council (for President of the Treasury Board)) moved for leave to introduce Bill C-22, to adjust the accounts of Canada and to make related amendments to certain acts.

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

* * *

SUPPLEMENTARY ESTIMATES (A), 1980-81

REPORTING FROM STANDING COMMITTEES

On the order: Government notice of motion

April 25, 1980—*The President of the Privy Council:*

That, notwithstanding any Standing Order, the Supplementary Estimates (A), 1980-81, shall be reported or be deemed to have been reported from the several standing committees no later than May 9, 1980;

That, no later than fifteen minutes before the ordinary time of adjournment on May 15, 1980, the Speaker shall interrupt the proceedings then in progress and put, forthwith and successively, without amendment or debate, every question that may be necessary to dispose of any item of business relating to interim supply, the said supplementary estimates, the restoration or reinstatement of any item in the said supplementary estimates or any opposed item in the said supplementary estimates and, notwithstanding the provisions of Standing Order 72, for the passage at all stages of any bill or bills based thereon,

providing that the ordinary time of adjournment shall remain suspended until all such questions have been decided; and

That, for the year 1980, Standing Order 58 shall be amended as follows:

(i) by replacing in section (5) thereof the word "five" with the word "eighteen" and by deleting the words "Thirteen additional days shall be allotted to the business of supply in the period ending not later than June 30.";

(ii) by replacing in section (9) thereof the word "two" with the word "four";

(iii) by replacing in section (14) thereof the words "March 1 of the then expiring fiscal year" with the words "April 30"; and

(iv) by replacing in section (14) thereof the words "May 31 in the then current fiscal year" with the words "November 10".

Madam Speaker: Pursuant to Standing Order 21(2), this notice of motion is transferred to and ordered for consideration under government orders later this day or at the next sitting of the House.

* * *

[*English*]

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. D. M. Collenette (Parliamentary Secretary to President of the Privy Council): Madam Speaker, the following questions will be answered today: Nos. 41, 266 and 343.

[*Text*]

DEPARTMENT OF SUPPLY AND SERVICES—METHODS USED FOR PURCHASING

Question No. 41—**Mr. Cossitt:**

1. Between April 20, 1968 and May 22, 1979, what methods were used for purchasing furniture, equipment and appurtenances or other articles for government offices?

2. Where purchases were made in bulk, were tenders called and (a) if not, in what cases were they not called (b) if so, were they by public advertisement or by invitation and if by invitation, how were the names supplied?

Hon. Jean-Jacques Blais (Minister of Supply and Services): 1. In so far as DSS is concerned, from the establishment of the department on April 1, 1969, to 22 May, 1979, all purchases of furniture, equipment and appurtenances or other articles for government offices were made in accordance with the government conctract regulations and the subsidiary departmental supply policy manual. Purchases covered both bulk and unit requirements appropriate to customer needs.

2. Tenders are always called to cover bulk purchases. These tenders can be either competitive or non-competitive.

(a) Although, as stated above, tenders are always called, they may be non-competitive if: items to be purchased must match or interchange with items already in use; items to be purchased are available from only one supplier; items to be purchased are available from only one supplier who is able to meet required delivery conditions.

(b) By invitation to suppliers who have identified their willingness to supply the federal government and who have been qualified in accordance with departmental policies.

INDUSTRY—CAPACITY UTILIZATION

Question No. 266—**Mr. Herbert:**

1. Did the Governor of the Bank of Canada in his remarks to the Standing Committee on Finance, Trade and Economic Affairs on October 25, 1979, state "that many of our industries are operating uncomfortably close to capacity"?

2. Is the government aware of any industrial sectors that are in such an uncomfortable position?

3. What is the present estimated percentage capacity utilization of industry in Canada?

4. What is considered a desirable percentage, and does the government intend to introduce incentives to encourage industry to increase its capacity?

Hon. Pierre Bussières (Minister of State, Finance): 1. Yes.

2. The following manufacturing industries were operating at a rate of capacity utilization in the second quarter of 1979 which was greater than their average rate for 1974 as a whole: tobacco, rubber, leather, textiles, knitting, clothing, printing and wood. (1974 was the year of the previous peak for the manufacturing sector).

3. As of the fourth quarter of 1979, the latest period for which data are now available, capacity utilization in manufacturing was 86.9 per cent compared with the average rate of capacity utilization in 1974 of 90.4 per cent.

4. A decision on the need for further incentives will be made prior to the budget.

VETERANS AFFAIRS—PENSION APPLICATIONS

Question No. 343—**Mr. Herbert:**

1. How many pension applications, in the Canadian Pension Commission of the Department of Veterans Affairs, were received but did not receive first level decision as at (a) December 31, 1978 (b) October 31, 1979?

2. How many (a) permanent (b) temporary employees were responsible for the processing of the applications in all their stages as at (i) December 31, 1978 (ii) October 31, 1979?

Hon. Daniel J. MacDonald (Minister of Veterans Affairs):

1. (a) 2709;

(b) 3570.

2. (a) (i) 94;

(ii) 81.

(b) (i) 4;

(ii) 4.

These figures include commissioners, medical advisers and medical support staff, but do not include any staff involved in the processing of ancillary benefits, entitlement board or assessment board support, or other administration.

[*English*]

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

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

Some hon. Members: Agreed.

Madam Speaker: Orders of the day.

● (1520)

GOVERNMENT ORDERS

[*English*]

SUPPLEMENTARY ESTIMATES (A), 1980-1981

REPORTING FROM STANDING COMMITTEES

Hon. Yvon Pinard (President of the Privy Council) moved:

That, notwithstanding any standing order, the Supplementary Estimates (A), 1980-1981, shall be reported or be deemed to have been reported from the several standing committees no later than May 9, 1980;

That, no later than fifteen minutes before the ordinary time of adjournment on May 15, 1980 the Speaker shall interrupt the proceedings then in progress and put, forthwith and successively, without amendment or debate, every question that may be necessary to dispose of any item of business relating to interim supply, the said supplementary estimates, the restoration or reinstatement of any item in the said supplementary estimates or any opposed item in the said supplementary estimates and, notwithstanding the provisions of Standing Order 72, for the passage at all stages of any bill or bills based thereon, providing that the ordinary time of adjournment shall remain suspended until all such questions have been decided; and

That, for the year 1980, Standing Order 58 shall be amended as follows:

(i) by replacing in section (5) thereof the word "five" with the word "eighteen" and by deleting the words "Thirteen additional days shall be allotted to the business of supply in the period ending not later than June 30.";

(ii) by replacing in section (9) thereof the word "two" with the word "four";

(iii) by replacing in section (14) thereof the words "March 1 of the then expiring fiscal year" with the words "April 30"; and

(iv) by replacing in section (14) thereof the words "May 31 in the then current fiscal year" with the words "November 10".

Madam Speaker: Is is the pleasure of the House to adopt the said motion?

Some hon. Members: Agreed.

Some hon. Members: No.

[*Translation*]

Mr. Pinard: Madam Speaker, although the motion may look very technical, the aim is quite simple. It is simply to adjust our standing orders to present conditions. All hon. members know we have gone through two elections this last year. This has affected very significantly the order of business, especially supply and the estimates.

All the motion boils down to is simply to try and bring back a minimum of order so that we may dispose in a positive and efficient manner the workload accumulated as a result of these last two elections. Therefore, Mr. Speaker, the motion is nothing more than amendments to the standing orders for the year 1980, as I say to make the orders applicable to the business of supply we have to face.

In order to understand fully the purpose of the motion, a brief review of recent events is needed. First, we have gone through two elections in 1979-80, on May 22 and in the beginning of 1980, on February 18. As a consequence, the estimates for last year, for 1979-80, were never formally approved by the House, and the estimates for the year ending March 31, 1981, could not be tabled on the 31st of last March to be referred to the various committees of the House, as called for by the standing orders. As a result, the rules concerning the business of supply and limiting the debates do not apply. Our aim in introducing the motion today is to avoid a severe bottleneck that would render the House unproductive. It is to ensure that a fair and reasonable schedule be ordered so that we may dispose of that workload, accumulated as a result of two elections in less than a year.

I emphasize that the proposed schedule is very liberal for the opposition, because it is allowing more time than set forth in the standing orders were they applicable. Let me explain.

Under normal circumstances, Mr. Speaker, the government budget expenditures or the main budget estimates must be tabled in order to be referred to the different committees of the House, by March 1 each year. The standing orders provide that after this occurs, on May 31, that is three months later, these estimates are deemed to be automatically reported back to the House without any additional debate in committee. When the standing orders apply, that is when the estimates can be tabled by March 1, a maximum delay of three months is being allotted for their study in committee. According to the tradition, on March 26, that is the last day of one of the three supply periods provided for under the standing orders, the House of Commons adopts the interim supplies so that the government can carry on its duties and spend until such time as the main estimates are studied and passed.

Also tradition has it that it is only on June 30, at the end of one of the three supply periods, that the whole thing, namely the main estimates and the supplementary estimates which have been studied by the committees until May 31 be voted upon and finally passed on June 30 therefore within the maximum delay of four months provided for the study of the main estimates and the supplementary estimates, such matter including passage by the House of the interim supply.

Yet, Mr. Speaker, if the elections had taken place a little earlier and if the present government could have tabled the main estimates on March 1, the opposition would have had a maximum delay of three months to scrutinize them in the House committees and finally a maximum of four months

before their final passage, in the meanwhile having granted the government interim supply less than 26 days after referring the main estimates to the committees.

Yet due to this exceptional situation in which we now find ourselves these normal limits which had been accepted by the House at the time of a parliamentary reform back in 1968 or 1969, these normal and natural limits provided for by the standing orders do not apply. What we must do now is to try and make sure that the desire expressed by His Excellency the Governor General in the Speech from the Throne be fulfilled. I would refer you to a paragraph in that speech which states, and I quote:

[*English*]

Canadians expect much of this Parliament. The country asks for action and action now. The first task is to clear the accumulation of essential legislation left from previous Parliaments. This backlog must be dispatched expeditiously so that the affairs of the state may be put in good order. To that end, my government is relying on the good will of members and senators of all parties.

[*Translation*]

This was the wish expressed by His Excellency the Governor General and it is in that spirit, Mr. Speaker, that I have opened consultations and negotiations, as I said often in this House in the last two weeks and a half, since the opening of Parliament. I believe that the good faith or good will mentioned by His Excellency the Governor General will be demonstrated in the debate on this motion, if there is one, because I am still waiting for the valuable explanations that will be certainly given by the Progressive Conservative Party so that we can orderly dispose of that backlog to make this Parliament efficient and allow it to study and deal with the real problems facing our country.

So, Mr. Speaker, what this motion says in the spirit of the wish expressed by His Excellency the Governor General in the name of efficiency and to ensure that the rights of the opposition are respected is that we are going to make sure that the two clauses of our standing orders concerning business of supply or related matters will be changed in view of the present circumstances. We are going to change a few dates in S.O. 58 which includes 19 paragraphs and determines the natural time limits that I mentioned earlier. We are going to change those dates so that the Thirty-second Parliament will be able to study the main estimates as well as the supplementary estimate within a reasonable time limit. That time limit shall be at least equal to that provided by the standing orders had they been applicable and I think that you cannot expect more from a government when it is prepared to ask for an order of the House giving the opposition more time to study the main and supplementary estimates than normally provided by the standing orders.

Another advantage of the order requested by the motion would be to give the opposition all allotted days provided by our standing orders for the two supply periods ending December 10, 1980. Let me explain: The supply procedure provides three periods each year for which a certain number of days called opposition days are allotted which can be used by the opposition parties to consider the estimates or subjects which interest the Canadian Parliament. These three supply periods are as follows: The first goes from March 26 to June 30 and includes 13 days allotted to the opposition. The second period goes from June 30 to December 10 and provides five allotted days for the opposition. The third period extends from December 10 to March 26 and grants seven more allotted days, which makes a grand total of 25 allotted days in a year.

If we look at the period provided in the motion now under consideration, we note that it provides two supply periods and grants to the opposition the total number of allotted days normally provided in these supply periods. In other words, the motion provides 18 allotted days for the opposition parties from now until December 10, while our standing orders normally provide the same number of days for the period between March 26 and December 10. As I said earlier, there are 13 allotted days between March 26 and June 30 and five between June 30 and December 10, which makes a total of 18. We are now at April 28, and as is quite obvious from the motion, we would be willing to grant to the opposition parties the 18 allotted days that would be provided under our rules if today were March 26. In other words, the opposition would have 18 allotted days for a period of about seven months instead of having 18 allotted days for a period of about eight months, which is clearly to the advantage of the opposition.

Mr. Speaker, allow me to summarize the two advantages provided in this motion. First of all, in a shorter period, the opposition parties would have the same number of allotted days, that is 18, as the number provided by the standing orders between now and December 10, which is a considerable advantage, and second, the main and supplementary estimates could be considered in committee, not only for three months, as provided normally by the standing orders, but for over six months.

We are saying in effect that these estimates will be considered as having been thoroughly studied and will be tabled in the House only on November 10, as opposed to the other deadline which would normally be May 31. Therefore, we have a second advantage: it will be possible for the opposition parties to scrutinize and make a more extensive study of the estimates during a period of time twice as long as is normally provided for in the standing orders.

Therefore, Mr. Speaker, I submit that the government proposal is very reasonable in allowing Parliament to act efficiently and demonstrate to the Canadian public our desire to work in an orderly fashion to be able to clear this enormous accumulation of legislation left from the previous Parliaments and in the wake of two successive elections in less than one year; but today's order will allow us to be duly efficient without infringing on the rights of the opposition, and without preventing the opposition from making a detailed study of the government's estimates and main expenditures. On the con-

trary, the motion under study will amend S.O. 58 dealing with the business of supply and ways and means in that opposition parties, will come out the winners as they will have much more latitude to criticize, to analyse and to debate the estimates and to do so in an orderly fashion.

So, Mr. Speaker, I do want to believe in the good will of opposition parties on the necessity of disposing within reasonable time of this backlog, and in particular what we are discussing today, the business of supply. The Progressive Conservative Party which so far has failed to agree on this kind of order of the House and failed to make counterproposals. In the consideration of this motion for a special order of the House, a consideration that I hope will be very short so we can dispose of the very large number of other urgent bills that have accumulated as a result of the two successive elections we have had in a year, I am confident the Progressive Conservative Party will prove reasonable and show the good will that is hoped for by His Excellency the Governor General.

I am confident, and I say so in all sincerity, that that party will allow us to work effectively because we are offering them in that order something more generous than what the opposition normally gets under the rules of this House. And I am sure that my colleague, the Leader of the Offical Opposition in this House, is going to co-operate so as to ensure that that good will is there. I am convinced he will give us the proof in this debate that that good will being required by His Excellency the Governor General is possible between the three parties in this House, and that is why today I ask the Progressive Conservative Party to accept the generosity of the government, to admit that indeed the proposed order is much more generous than the otherwise applicable rules of this House. Furthermore, I am quite aware that there might be a debate perhaps to get some explanations on the required order of the House but I think the Progressive Conservative Party today has an excellent opportunity to prove it is anxious to see Parliament dispose effectively of the legislative business that has accumulated as a result of an extraordinary situation, namely, two elections in less than a year.

• (1530)

[*English*]

Mr. Hnatyshyn: Mr. Speaker, I rise on a point of order and for purposes of clarification. I know that the President of the Privy Council would not want to mislead the House intentionally. He has made references throughout his presentation with respect to statements made by His Excellency the Governor General in the course of the throne speech debate as though this was the personal request of the Governor General. I was speaking with the Governor General just the other day, Mr. Speaker, and he never mentioned a word about this particular problem.

• (1540)

I wonder if the President of the Privy Council would want to make it quite clear on the record that the Speech from the Throne, although read by the Governor General, is set down by none other than the Prime Minister and his cabinet, including the hon. President of the Privy Council.

[*Translation*]

Mr. Pinard: Mr. Speaker, it is obvious that the throne speech that I quoted speaks for itself. As for the ways my colleague might want to interpret it and the private conversations that he might have had with those who helped draft the throne speech, I cannot vouch for them, I was not there. But the passage I quoted is evidence of the fact that there is in this country a desire for the government to stop dragging its feet and carry out its business more efficiently. That was all I wanted to convey by quoting the very words of the throne speech, and we want to act, Mr. Speaker, in the greatest respect for the rights of the Progressive Conservative Party and other opposition parties. In that regard we want to give the opposition parties more scope and more time than stipulated in the standing orders. That is exactly what is proposed in the motion now before us.

Therefore I ask the hon. member on what principle he refuses such generosity from the government. I think his position is illogical.

[*English*]

Hon. John C. Crosbie (St. John's West): Mr. Speaker, I do not think it is at all fair for anyone to blame the Governor General for the contents of the speech he read two and one half weeks ago. I am glad that the hon. member for Saskatoon West (Mr. Hnatyshyn) has pointed out to the people of Canada that it is not the Governor General who is responsible for the speech but the government that speaks through the Governor General on that particular occasion. "A thing of beauty is a joy forever."

Some hon. Members: Hear, hear!

Mr. Crosbie: I noted the pious way in which the President of the Privy Council (Mr. Pinard) expressed this gift. He wishes to give members on this side a gift. He wishes to give us something we did not have before. He wants to give us several extra opposition days within a certain period of time. It really touched one to hear him describe what he was going to give us. We do not want something to be given to us. We think that the rights of Parliament are rights, not to be given to us by the gift of the government.

We think that members of the House should have certain rights—that the opposition have certain rights, and that the government, of course, have certain rights. They have the right of a majority and if they do not exercise that right with some sense and discretion and propriety, then we will have no rights on this side of the House.

We do not want the President of the Privy Council to give us a couple of little opposition days. What is the good of an opposition day in any event? What does it lead to? We do not want that. We want the President of the Privy Council, now representing a government with a strong majority, to give us something far better than that—to give us some rights. Grant us some rights. Let us enshrine some rights in the rules of the House.

I shall move an amendment to his motion later that is supremely reasonable and will carry out some of the items that we were going to carry out ourselves in the direction of parliamentary reform, so that on this side of the House we will not have to be begging like trained seals on our flippers to the President of the Privy Council, begging him for a couple of extra opposition days and so that we will have the right to have ministers come before the House with their estimates. I mean ministers who are recalcitrant, ministers who are arrogant, ministers who will not come to committees or who only come when they feel it fit to come to committees. These are ministers who do not want to answer questions in committees, ministers who have to have their minions on the backbenches on the government side protect them in committees, occupying time, as Mr. Speaker knows.

In these mighty committees that examine these estimates, everybody has ten minutes to question the minister. Lo and behold, the government has a majority on the committees and members of that government majority use up their ten minutes each footling around so that the minister will not have to answer any pertinent questions, any rude questions, any direct questions, and so that we will not have time to embarrass the minister or dig into some scandal or ferret out some information.

That is what happens in the committees—the majority wastes our time. The committees are absolutely useless for the discussion of estimates, Mr. Speaker.

Some hon. Members: Hear, hear!

Mr. Crosbie: We, with no power, with a minority, are in no position to demand anything. When these estimates go out to committees, forget it! We are going to learn nothing in those committees, unless accidentally along the way when we have some officials there who might give us a truthful and full answer and the minister is not around to stop them.

That is what these House of Commons committee studies of the estimates are. The worst thing that ever happened to the House of Commons, Mr. Speaker, was when the estimates were taken away from this House and Committee of the Whole and sent to committees.

Some hon. Members: Hear, hear!

Mr. Crosbie: So the minister gives us nothing. The minister gives us the square root of nothing. The minister gives us zero—zilch.

We have not agreed to the motion that he is proposing today, and we are not going to accept the motion he is proposing here today; we have our own alternative. If he is a man who is going to listen to the Speech from the Throne, if he is going to rely on the good will of members, then I know that he is going to spread a goodly measure of good will in the chamber. He is going to listen to anything we propose that is reasonable and proper and that will help the members of this House.

When the good will of members is being discussed, Mr. Speaker, I cast my mind back to one week ago today and the good will that was demonstrated in the House when there was a mini budget or financial statement bootlegged into the Address in Reply to the Speech from the Throne. I cast myself back there and look at all the good will that was generated on that Monday night, the fantastic good will that was displayed in this chamber.

The question of privilege that we raised has been found not to be privilege. I think the hon. member for Winnipeg North Centre (Mr. Knowles) put his finger on the matter when he said that this is not a question of the technical rules of the House but a question of how the government wants to approach the House, of what kind of atmosphere they want to exhibit in the House. That is what it all is about. We have not seen too much good will yet. We are relying on the government for the good will. We are relying on the government to exhibit some of that good will.

The Speech from the Throne said that Canadians expect much from this Parliament. Canadians expected much from the last Parliament, Mr. Speaker, but they got precious little chance to see what the last Parliament could do. The last parliament met for only two months and then it was terminated. During those several months there was very little co-operation by the opposition with the then minority government; in fact, there was none.

We are willing to forget all that, Mr. Speaker. I can tell the President of the Privy Council that, for my own part, I should like to get through all the legislation that is non-controversial, and there is a lot of that. I do not see any reason why there should be long debates. We will deal with it speedily and efficiently so long as we get co-operation on this side of the House.

Where we want that co-operation, Mr. Speaker, is in dealing with these estimates, but not dealing with them out in committees of the House where they get no publicity, where we have not got the weapons, where the minister can deal with us as a toy. We can ask the minister a question, he can take nine and a half minutes to answer it and so the ten minutes is up.

When one gets the Minister of Energy, Mines and Resources (Mr. Lalonde) before the committee and asks a question about blended oil pricing, he speaks for nine or nine and a half minutes. By then his time is up and he smiles as he finishes his peroration. He has not answered the question, has not given one bit of information and never intended to. Then we pass on to the next questioner. A Liberal backbencher tells him how good he is, what a wonderful job he is doing. He asks penetrating questions such as, "Mr. Minister, do you realize how good you are?"

We do not want that. We want some of the estimates brought here for discussion. We want the estimates of the ministers who are the most arrogant, overbearing, supercilious, the weakest. Perhaps we could choose one weak one and then one who thinks he is the bee's knees and is really tough. We want to discuss these estimates in Committee of the Whole with unlimited time, until the good gentleman comes forward with the information. What is this blended oil price? How is it going to give the people of Canada what they have been promised? That is what we want to know.

If we are treated that way, Mr. Speaker, then you can count on our good will. We are going to have lots of good will in this Parliament. There will be more good will, Mr. Speaker, than you have ever seen in your life. The President of the Privy Council will practically drown in good will. But I will come to my amendment later.

We see a government that has come back with a majority and in just two weeks it has done its best to crush good will in this House. It bootlegged in a budget without adequate warning to members and then dealt with it in a very cavalier fashion. It stopped the Speech from the Throne after six days so that even if we wanted to discuss this bootlegged budget in the address in reply, we could not do it.

After doing that, Mr. Speaker, they brought in the estimates. The President of the Treasury Board (Mr. Johnston) said these were the estimates but they were not going to pay any attention to them. He said: "This is not our policy; we are putting these estimates before you so that we can get interim supply".

That was a bald-faced admission that we were being given these estimates not because they were accurate estimates of what this government intends to spend, but because this government wants to sling interim supply out of the House of Commons and it has to present something. After being questioned for two days, the President of the Treasury Board did not know what was in the estimates. There was $2 billion more in the estimates of the Minister of Finance (Mr. MacEachen) than in the estimates of the President of the Treasury Board. So the President of the Treasury Board does not know what is happening in finance and finance does not know what is happening in treasury board; and the two of them together do not know what is happening to the economy. There is a $2 billion discrepancy and the President of the Treasury Board could not tell us where it was. He said he would have to have time to survey; I have his exact words and I am coming to them, Mr. Speaker. Before I am finished this week, I will be dealing with these matters in detail but I will be coming to the exact words used by the President of the Treasury Board. I am leading up to the subject gently.

● (1550)

I recommend to the President of the Treasury Board that he look at *Hansard* for October 12, 1979. I have it underlined here. It struck me at the time as being such a pertinent statement. We know that the former minister of finance now has his fingers in the dikes; all of his fingers and toes are in the dikes in Quebec. He is not in the House this afternoon but he said a very pertinent thing and gave a piece of advice to our government. Too bad our government did not have time to act on it. This is what he said as reported at page 147 of *Hansard*:

> There is only one thing that matters: to be honest with the public.

Imagine a Liberal giving that piece of advice.

Some hon. Members: Oh, oh!

Mr. Crosbie: I want to repeat that so hon. gentlemen opposite will know what is the cardinal principle that rules the government:

> There is only one thing that matters: to be honest with the public. That is all I ask of the government.

That is what the hon. gentleman who is now the Minister of Justice (Mr. Chrétien) asked of us last October. Lo and behold, we were honest with the House and we were honest with the public. Now we are over here and they are over there.

Some hon. Members: Oh, oh!

Mr. Crosbie: That was our trouble; we listened to that advice. The day that he opened his mouth and gave us that advice was a poor day for us. Now I am giving the President of the Privy Council the same piece of advice. There is only one thing that matters: to be honest with the public.

The motion before us gives us nothing. If the motion of the President of the Privy Council is passed, the supplementary estimates will now go off to the committees and they will be diddled around with for a couple of weeks. Everyone will have a fine time there saying how good the ministers are. The minister will have a fine time saying "Look, I am only here two months, I cannot answer your questions". They will all come back to the House, and there will not be a word of debate in this House. Under this motion, there will not be a word of debate in the House of Commons on the supplementary estimates if this motion passes. There will not be a word in this House about the interim supply for 1980-81, which will take the government to the end of December. Not one word will we be granted permission to speak in this House on billions of dollars of spending under interim supply from now until December. That is what the President of the Privy Council offers the official opposition. I do not know what members of the NDP will do. We all know that they are very subtle in these matters. They have all the consistency of a corkscrew.

Some hon. Members: Oh, oh!

Mr. Crosbie: We know the attitude that they took. We know how straightforward they were, how resolute they were that the rights of this chamber be backed up right to the fore, right to the very hilt, when we were the government and the Liberals, NDP and Social Credit party had a majority over us. Then, by golly, they wanted everything done right and proper. We had to give, give, give, which we did not mind doing because we wanted to change the rules and get this House operating a bit better. We hear the members of the NDP from

the length and breadth of Canada. They are fighting for democracy every day of their lives. Every minute of every hour they are fighting, fighting, fighting. We know that they will not be found lacking when we move our amendment.

Some hon. Members: Oh, oh!

Mr. Crosbie: Now, what about the main estimates? Let us look at the main estimates. We will have until next December to study the main estimates. Can you not see all of those committee members burrowing in every day in August, Saturdays and Sundays, racketing through those main estimates right until next December?

An hon. Member: They do not mean anything.

Mr. Crosbie: March next, 1981, they will tell us they were not their estimates anyway, that they had to change policy. So we will all be going through these estimates in committees, in the crevices of this building where the committees meet. All the press will be there watching and listening to every word we are saying and taking it all in as we are grilling those ministers who turn up when they leave Waikiki, or whatever, every couple of weeks to answer to the estimates. Do you know, Mr. Speaker, that the main estimates will not come back to the House either? Have I got that right, Mr. Leader? Mr. Leader, where are you when I need you?

Mr. Baker (Nepean-Carleton): Right here.

Mr. Crosbie: Is it not true that the main estimates will not come back either?

Mr. Baker (Nepean-Carleton): That is right.

Mr. Crosbie: The past president of the privy council, who shall be privy to the council again some day, tells me that that is right, that the main estimates under this rule will not come back to this chamber. We have seen the last of the main estimates. We know that we have opposition days but the main estimates will not come back to the House of Commons. So that is not quite good enough.

Before I get to making my motion, I want to tell the House about some other things that we are a teensy-weensy bit concerned about. There does not seem to be any sense of urgency on the part of the government such as they felt last fall with financial and economic matters. The leader of the government seems to be uncertain about what he is worried about. He is not worried, we are told, about the deficit. No, that does not worry the Prime Minister (Mr. Trudeau). I am glad that he has said he is not worried by that, because I would not have thought he could survive the worry if he had been worried about it in view of what he has done with the estimates and with the deficits over the past ten years. But he has said no, he is not concerned about the deficit. He has a henchman, the Minister of Finance, and he is not concerned either.

I do not want to be accused of quoting anyone incorrectly. Usually I have thousands of quotations and from time to time, Mr. Speaker, you may have to wait a minute or two while I get the exact quote so no one will accuse me of being unjust. In any event, here is what the Prime Minister said at his press conference on Thursday. I think the Prime Minister is probably going to give up holding press conferences. He said that "the reason why we want to reduce the deficit then is not to improve the health of the Canadian economy". I do not know why he wants to reduce it if he does not want to improve the health of the Canadian economy. Here he is saying it is healthy. We have a Prime Minister who thinks the Canadian economy is healthy. He does not want to reduce the deficit to improve the health of the Canadian economy because the Canadian economy, lo and behold, is healthy.

This is the economy that he said several months ago when he was in opposition was in ruin and tatters. This is the same economy regarding which last Monday night the Minister of Finance gave certain information and projections as to what was going to happen with the economy; in other words, the economic outlook for Canada. Here is what he said at page 245 of *Hansard* for April 21:

> The general view is that there will be little or no growth in Canada in 1980.

Little or no growth is healthy? How healthy can you get? The Prime Minister is not worried about little or no growth in Canada. He clapped his Minister of Finance on the back and said: "That is the healthiest statement, Allan, that you have made since we have been in the government". I repeat: "The general view is that there will be little or no growth in Canada in 1980". We have a really healthy economy? The Minister of Finance goes on to say at page 246 of *Hansard*:

> Our latest forecast is that the economy will grow by only one-half of one per cent.

It is getting healthier all the time. Imagine, the economy is going to grow a whole one-half of one per cent and the Prime Minister of this country thinks that is very healthy and therefore does not have to worry about the deficit. That is his statement. That is the person who is leading the government and will lead it for the next four or five years. One fears for this country, Mr. Speaker, when one realizes that a man who is going to lead this country for four or five years thinks that our economy today is healthy.

Then the Minister of Finance said this:

> The consumer price index is projected to rise by 10 per cent.

That is very, very healthy! This is great news, Mr. Speaker! The CPI is going up 10 per cent. This is great news for Canadians. It is positively healthy; very, very healthy. Again the Minister of Finance said that there will be an increase in the nominal value of the GNP of around 10 per cent.

An hon. Member: What about unemployment?

Mr. Crosbie: Someone mentions unemployment. What about unemployment? Somewhere he has a word about unemployment. I see interest rates, mortgages, other domestic sectors, aggregate demand, residential construction. He is trying to hide it here somewhere.

Some hon. Members: Oh, oh!

Mr. Crosbie: Ah, here it is. He says that the unemployment rate is now expected to rise to an average of 8 per cent. I have campaign speeches here made by the Prime Minister. I can get them out and quote them, and I probably will as the week goes on. He says in those speeches that he cannot risk while Canada has one million unemployed. He cannot risk while Canada has one person unemployed. He was positively bubbling over with his enthusiasm during the campaign to fight unemployment, to get the unemployed back to work. Now he is ensconced in his comfortable government post again and the Canadian economy is healthy. It is positively healthy. Here is his Minister of Finance saying the unemployment rate is going to rise from an average of 7½ per cent to about 8 per cent. That is supposed to be healthy!

● (1600)

The volume of consumer spending is projected to increase 2 per cent. The cycle of investment expansion which began in 1979 is expected to continue through 1980 with a further increase of more than 7½ per cent in real terms.

That is if the Minister of Finance's mini-budget does not put a stop to that. That is the healthy economy that the Prime Minister was referring to. Then he says:

—rather it is necessary to reduce the deficit because interest charges on the deficit are so high because of high interest rates.

That is what he is supposed to have said at the press conference. According to *The Ottawa Journal*, Friday, April 22, and I quote:

Prime Minister Trudeau made it clear yesterday that a large federal deficit in itself does not worry him, but the debt charges the government must pay on the deficit do.

We have a Prime Minister that does not realize that without one you cannot have the other. He is not worried about the deficit, he is just worried about the debt charges. He does not have to worry about the debt charges if he keeps the deficit down, but if he allows the deficit to go up then he has more reason to worry about the debt charges.

Our Prime Minister does not realize that debt charges are connected to the deficit. This year it is going to go up $14.1 billion, according to figures given to this House one week ago, and the debt charges this year are going up $10.775 billion. As for the interest charges alone, one out of every four tax dollars paid by the Canadian taxpayer this year is going to pay interest of $10.775 billion. That is the present estimate; it may be more. One out of every four of your tax dollars, Mr. Speaker, is going to go to pay interest. It would not be going to pay interest if there was not a deficit and if there had not been during the Prime Minister's tenure these ever-increasing deficits.

What have these deficits been? I am not going to go back to the start in 1968 when we had a net debt of $16.76 billion. That has now quadrupled. At the end of 1979-80 it was something like $67.7 billion. At the end of this year it will be something like $81.8 billion. The net debt of the Government of Canada has quadrupled during the Prime Minister's tenure in office. Why has it quadrupled? Because the Prime Minister does not worry about a large federal deficit. He only worries about the interest charges, and he has not worried about them until very recently. From the time he took office we have quadrupled the national government's debt.

What were the debt charges back in those days of 1968? We paid $1.27 billion in interest and debt charges. Today we are paying nine times as much. It has quadrupled. He has "ninetupled" these interest payments on the debt. Well might he be concerned now, Mr. Speaker. He lately comes to his concern about the debt charges, but they are "ninetupled" since he took office in 1968.

I will not go right back to 1968, but I will give some figures from 1972-73. In 1972-73, and that is only eight years ago, our deficit was $968 million and our debt charges were $2.27 billion. In 1973-74, encouraged by this reasonable deficit, we had a deficit of $1.4 billion and the debt charges went to $2.55 billion. In 1974-75 $1,650 million was the deficit and the debt charges went to $3.16 billion.

The Prime Minister must have been surprised. The Prime Minister must have said to his minister of finance, "What are you doing, what is going on here? Why are these debt charges going up? How dare you have these debt charges; don't you realize I don't like debt charges, they worry me?" Surely the minister of finance of the day must have said, "Prime Minister, I can't help these debt charges if you are going to have these deficits". Apparently he never did because it is only in the last week the Prime Minister has learned there is a connection.

In 1975-76 there was a deficit of $5.3 billion and the debt charges went to $3.91 billion. In 1976-77, the deficit was $6.093 billion and the debt charges went to $4.66 billion. In 1977-78 the deficit was $10.098 billion and the debt charges $5.47 billion. In 1978-79 the deficit was $12.103 billion and the debt charges $6.87 billion. In 1979-80 the deficit was $11,450 million and the debt charges $8,420 million. That is last year.

The Minister of Finance came into this House last Monday and calmly told the people of Canada the deficit is going up from the one projected by us; it is going to increase $3.7 billion to $14,165 million and the debt charges are going to be $10,775 million. Why are the debt charges that high? Because of all these deficits.

When the Prime Minister says that the large federal deficit does not worry him but he worries about the debt charges, he has to realize, and I hope the Minister of Finance will have the courage to tell him, that there is a connection. If you do not like these debt charges, Mr. Speaker, you have to reduce the deficit. The Prime Minister still appears not to know.

An hon. Member: Read on.

Mr. Crosbie: There is an NDPer croaking in the corner. That is all they are good for, swelling up and croaking in obscure corners of Canada. There is not one of them east of Ontario; The plague has been done away with. As long as we get no more fleas down our way, we are safe.

Here is what the Minister of Finance said about the deficit just after he received this prestigious appointment. I quote from the March 7 edition of the Halifax *Chronicle-Herald*:

Mr. MacEachen, trained as an economist—

That is going to be a shock to a lot of people.

—says he is concerned but not consumed by the size of the government's $11.8 billion deficit.

When it was $11.8 billion, he was concerned but not consumed. Now it is $14.1 billion. One can only hope that he is concerned and consumed and that he will do something about it and not sit tamely by uncaring. He had further advice in that same interview, and I again quote him:

"The best way to bring about lower interest rates is, of course, to reduce, generally, inflationary pressures in the country," he said without offering specific measures.

The amount of specificity we will ever get from this Minister of Finance is going to be strictly limited. Specificity, or whatever that word is, is not one of his strong points. Getting up in this House and using 25 sentences when one word or three words would suffice is his strength. But the people of Canada are going to be demanding specific measures.

The Prime Minister thinks the economy is healthy. The people of Canada do not think it is healthy and they are going to be wanting answers. We all remember. By the way, Mr. Speaker, I do not say that the government's policy is wrong on the interest rates. They are facing the same situation we were faced with. Until anyone can be convinced there is a better approach, unfortunately the Bank of Canada and higher interest rates have to be endured. That situation has not changed since they took office. Therefore, I have not blamed them since they took office for the fact that interest rates have gone up. What I blame them for is that when they were out of office last fall and knew better and knew that their policy would be not one iota different from ours, they tried to pretend in this House that they had some other policy, some better policy.

● (1610)

The Minister of Industry, Trade and Commerce (Mr. Gray) used to get up and crow and bloat in this House about the different policies—and I am coming to that in a few minutes—that he had. The House will recall that they had a made-in-Canada interest rate policy and that they had a made-in-Canada oil pricing policy. The hon. member for Kenora-Rainy River (Mr. Reid) said it was the same old policy that we had, and he is where he is now and we are where we are now because of that. Yes, he took the advice of the former minister of finance, the present Minister of Justice. There is only one thing that matters, to be honest with the public; and he knows where honesty with the public gets you, just as we do.

Do you remember made-in-Canada interest rates, Mr. Speaker? Oil prices were going to be made in Canada. What else?

Mr. Baker (Nepean-Carleton): Made-in-Canada fabrications.

Mr. Crosbie: All their fabrications were going to be made in Canada. Here is what the Minister of Finance said on Friday, April 18, as I mentioned the other day in the House, in the *Toronto Star*. If something is in the *Star*, how I wonder where you are if it's in the *Toronto Star*. Here it is. It must be true. He said this:

MacEachen said the lower rate was "welcome news".

That is the lower interest rate. But:

"—it's worth pointing out that the high interest rates we have had and the very rapid increases in these rates recently have been the direct result of action taken in the United States".

Just a couple of months ago during the election campaign the hon. gentleman opposite claimed we were going to have our own Canadian interest rate policy which would not be subject to the fact that the economy of the United States has an influence here. There were going to be made-in-Canada interest rates.

Well, where are the made-in-Canada interest rates now that the Liberals are back in office? They have "sleveened" their way back into office with that kind of approach. Where are they now when they stand up, frankly, and say there is no made-in-Canada interest rate policy, when they say "we are helpless" and that these increases in rates are the direct result of action taken in the United States? It was the same last fall, the same when they were in office in 1978 and 1979. So they are not giving the people of this country any confidence when that is the best they can do, to turn their position so quickly as they have done.

Where is the Minister of Industry, Trade and Commerce when he is needed? Where is this veritable Hercules who was in the opposition last fall, who had so many suggestions as to what policy should be and how we had to develop an industrial strategy, how we had to get at the problem of unemployment, how we had to create jobs and what we had to do with the auto pact? Can you not remember him? Well, what is happening now? "Ontario hardest hit by U.S. slowdown"; I quote now from *The Ottawa Journal*, again an article by Robert Stephens.

Ontario will suffer more than any other province from the current U.S. slowdown, and thus will turn in one of the worst economic performances in the country this year. That's the gloomy forecast released . . . by the Conference Board in Canada. It predicts that Ontario's 0.6 per cent decline in the real domestic product will be exceeded only by New Brunswick's projected 1 per cent drop.

It goes on to say that in Ontario:

—manufacturing accounts for about 30 per cent of the output of the province, and therefore the provincial economy is particularly vulnerable to difficulties in this key sector. The shrinking U.S. auto market, higher inflation, and tighter credit will continue to restrain manufacturing.

How can these things be? The gentleman who had all the solutions last fall, the Minister of Industry, Trade and Commerce is not here today to enlighten us with his new policies on industrial strategy, his new policies of going with the winner, like Chrysler, one of the great winners that he is going to go with. Why is he not here to enlighten us on the government's dynamic new policies which are going to overcome the shrinking U.S. auto market, higher inflation and tighter credit?

The Conference Board predicts that Ontario's manufacturing output will decline by almost 4 per cent.

This is despite the fact that we now have the "Windsor wizard" as Minister of Industry, Trade and Commerce. He is not in the House now telling us how he is going to cure the problems.

Some hon. gentlemen might think I am being unfair. They might say that surely the wicked Windsor of west or whatever he is, the hon. member for Windsor West, the Minister of Industry, Trade and Commerce, did not say anything like that, that I am being unfair, positively unfair. I cannot find any quotations showing where he said anything like that. Well, it strikes my eye that I have one from the Prime Minister which I will give first. The Prime Minister was leader of the opposition on November 6, and a sorry looking sight he was. He used to slump in his chair like a crushed rose. He did not come into this House last fall with a new flower in his lapel every day. Not on your life he did not because the pubic treasure chest was not available. There were no fresh flowers. They disappeared. The fresh flowers are back blooming again now because there is a secret vote in the estimates for flowers for the Prime Minister somewhere. No, last fall when he came in he would get in his chair and slump over. His head would be down. I do not think he asked ten questions in the whole of the fall. He was crushed. He was despondent. But on November 6 he did move a non-confidence motion. He blamed the then government for four things. I will quote only one of them to save time because I do not want to use up too much time.

Some hon. Members: Hear, hear!

Mr. Crosbie: I want to leave some time next week for you people.

Miss Jewett: Let's hear your amendment.

Mr. Crosbie: I am coming to that. I am referring to page 998 of *Hansard* for November 6 last:

That this House has no confidence in the government because it will cause severe economic hardship—

He gave four reasons, and the fourth was:

—through its acceptance of record high interest rates.

The present Prime Minister last November 6 moved a non-confidence vote in our government because of what he called our acceptance of record high interest rates. At the time he moved that non-confidence vote the central bank rate was 14 per cent. That sounds pretty good now. On October 25, 1979, 14 per cent in the Bank of Canada; the prime bank rate, 15 per cent. Since the hon. gentleman who moved that non-confidence vote got into power, the bank rate went to 16.2 per cent, the Bank of Canada rate, and the prime bank rates went to 17.5 per cent. Now, thank God, they have gone down a bit; the Bank of Canada rate is 15.67 per cent, and the prime rate of the banks is somewhere around 17 per cent or in that area. They are still considerably higher than when the Prime Minister moved his non-confidence motion last November 6. So what has happened? Is he going to get out of office himself? If he does not get out of office himself, why not?

He had no confidence in our government last November 6, not because of our inability to do anything, but because of our acceptance of record high interest rates. That Prime Minister has accepted vastly higher interest rates since he got into office, and he campaigned on the basis that he could do something about interest rates. He was going to reduce them, and he was going to help those suffering from high interest rates. He was going to help mortgagors. He was going to do it all, and he has done nothing, zilch, for them since he got into office. He has tamely accepted those higher interest rates that he blamed the government for last fall.

Mr. Evans: Are they going up or coming down?

Mr. Blenkarn: Say anything, do anything.

An hon. Member: Say anything, do nothing.

Mr. Crosbie: That quote just caught my eye while I was going by, on my way to coming to another gentleman, the Minister of Industry, Trade and Commerce. I do not want any member here thinking I am unfair. I just want to get a couple of quotes on record to show that last fall he did pretend he was Superman. He was "Super Herb". He had the answers, and it was inexplicable that we were not doing and performing the miracles he was going to perform.

On November 6 the present Minister of Industry, Trade and Commerce said:

It is clear, Mr. Speaker, that the Conservatives' high interest rate policy has already adversely affected the economy.

That is what he said. Now, after he got into power the old high interest rate policy was not affecting the economy at all, presumably, but last fall on November 6 right there at page 1031 he shook his head: They had "already adversely affected the economy". Then he went on to say this:

For some members on this side, Mr. Speaker, there may well have been an argument for allowing interest rates to rise a year ago when it still meant they were only one or two points above the level of inflation, but when the Conservatives allowed our interest rates to go above 14 per cent, five points higher than the rate of inflation, then I think it is a different matter. It means a frontier has been crossed into dangerous, uncharted territory for the Canadian economy.

Lo and behold, we were into trouble there—dangerous, uncharted territory. As a result, he said:

—I believe it is right and necessary for Liberals to take a new approach and a new look at interest rate policy.

That was what the Minister of Industry, Trade and Commerce said last November 6. Now the Liberals have taken a new approach, they have taken a new look, and our interest rates are now one and one half points higher than they were last November 6. Where is their new look? Where is their new approach?

● (1620)

When they were asked at the beginning of the session to approve a motion to establish the finance committee so that they could hear from Mr. Bouey, they refused. The work of that committee on the interest rate hearings had only begun early last fall. I was glad to appear before the committee. I

was glad to have them sit because, frankly, if I could be persuaded of some better policy I was quite ready, willing and able to be persuaded and to take some other course rather than see interest rates going up as they were. If the finance committee could have come up with something that seemed better and which I could take the risk of accepting, I would have been glad to do so. But I can tell you this, Mr. Speaker: it is the minister of finance who takes the responsibility and therefore he cannot just go gambling over what is going to happen to interest rates and the Canadian dollar. He has to be pretty sure of his ground; he must see that some pretty heavy "heavies" are giving him advice, and no matter who gives him advice, it will be he, the minister, who is responsible if the Canadian economy is wrecked as a result. That is why I accepted the advice I was given last fall and which I felt I had to continue accepting. But if the finance committee or anyone else could have come up with convincing arguments to show our economy would be better off if we did not follow that route, I would certainly have been willing to follow it.

Why does the government prevent the House of Commons finance committee going on with this work? The committee had a number of learned economists, some from the United States and some from Canada, appearing before it to give evidence. The then minister of finance had appeared, Mr. Bouey had appeared. He was anxious to come back. Why is that committee not now functioning? There is the same problem of high interest rates, the same economic problems, only worse, why will the government now not permit the House of Commons finance committee to go ahead with its interest rate hearings? What has changed? It is not the problem that has changed. It is only the government which has changed, and the group which was over here demanding hearings and demanding that governor Bouey be hung and demanding that I be hung alongside him are now following governor Bouey to the scaffold.

Mr. Knowles: We are listening.

Mr. Crosbie: You are listening but you never learn. If that irresponsible group in that corner ever got to power, God help Canada. The foolishness they have tooted and touted from coast to coast would be the economic ruination of this country. I hope they are listening, I hope they are learning, but I doubt it. I have never heard such nonsense: if they ever get into power they are going to pass an order in council saying that interest rates must go down 2 per cent. Imagine, old Broadbent was going to do that all by himself, he was going to sweep down interest rates by 2 per cent. The Liberals never said anything as foolish as that.

An hon. Member: That is a compliment.

Mr. Crosbie: A backhanded compliment—the Liberals are not quite as foolish as the NDP.

Miss Jewett: Why not speak to the motion?

Mr. Crosbie: I hear a member speaking who during the last campaign put a sword right into her leader's back, and now she has the audacity to call out to me. I have been warned, and now I want to watch the swordplay over there.

Some hon. Members: Oh, oh!

Miss Jewett: I said "speak to the motion". What is your amendment?

Mr. Crosbie: The leader of the NDP was lucky he got back to this House. His back was ventilated by the hon. member from Vancouver-something-or-other.

Some hon. Members: Oh, oh!

Mr. Crosbie: Members of that group cannot listen to economic sense. I want to go on, Mr. Speaker. What the Minister of Industry, Trade and Commerce said on November 6 was this:

> The Liberals and I generally want action taken now to prevent the hardship this Conservative high interest rate policy is creating for millions of Canadians and their families.

This was his demand as recorded at page 1032 of *Hansard*. He wanted action taken immediately. Well, he has been in office since the end of February. Has any action been taken? No, the only action was that interest rates went up further and hon. members opposite refused to help mortgagors.

Now, Mr. Speaker, we in this party had a mortgage interest and property tax program which would have helped.

An hon. Member: Order!

Mr. Crosbie: I do not know who is croaking "order". This is interim supply and we can talk about everything in the estimates. And I intend to talk about everything in the estimates.

Some hon. Members: Hear, hear!

Mr. Crosbie: What action have members opposite taken? They have left the mortgagors dangling in the air. They say they are going to help some 6,000 or 7,000 and the rest they are going to let sink. The great Liberal government promised to help the people of Canada in their problem; they were going to assist the renters, they were going to assist the mortgagors. Now, unless a person spends 30 per cent of his income on mortgage payments, he is to be left dangling in the air. If you get $10,000 a year, unless you spend $3,000 on housing you are not going to get any help. The party opposite did not go across Canada campaigning like that, Mr. Speaker. They never said to all the mortgagors out there: "If you spend 30 per cent of your income we are going to give you an acorn to help you"—the one acorn that the old leases used to request. But there it was. He wanted action taken at once to avoid hardship.

Where is the Minister of Industry, Trade and Commerce today when those Canadians suffering hardship as a result of high interest rates are looking to him for help? He is not in this House. I do not know where he is. He is in Windsor; he is talking to Chrysler; he is talking to Ford. He has seen Ford, he has seen Chrysler. Ford will not see him. He sees them, they will not see him. He complains about the grants they got. He

complains because the Liberals entered into an agreement with Ford which did not include any protection and did not guarantee the number of jobs; it was a piece of botchery, debauchery, on the part of the Liberals. Anyway, he is not around here to tell us what action to take or what action he is taking.

Last fall, Mr. Speaker, hon. gentlemen opposite wanted a budget. My, it is amazing how things change when people move just a few feet across the floor of this chamber. They demanded a budget. Why? The present Minister of Justice had this to say on October 23:

> It is important that the nation know where it stands. I hope the Minister of Finance will tell us what he is thinking and what he intends to do.

That is why they wanted a budget last fall. I refer to page 517 of *Hansard*. The former minister of finance went on to give various other reasons and, as reported at page 516, he said:

> We have to get ready to move now rather than push back all the problems until later.

I could read his whole speech and the reasons he gave. The hon. member for Windsor West also gave his reasons for demanding a budget, as reported at page 950 of *Hansard* for November 5, but I will not put on record all the reasons they gave then for demanding a budget. Why do they not talk, now, to this reluctant debutante, the present Minister of Finance? He does not want to bring in a budget. Why does he not want to let the nation know where he stands? I will tell you, Mr. Speaker. It is because when the nation finds out where he stands, the nation will know that he stands on sand. The nation is not going to like where he stands. The nation is not going to like what it hears; it is not going to like the tax measures he is going to bring in unless his oil blender can go to work and save him somehow by getting the billions of dollars of revenue he needs. From where? Is he going to take his blender out to the tar sands? Has the Minister of Energy, Mines and Resources got some magic blender he intends to set up way out on the tar sands and start blending to get us the oil we need at a reasonable price?

The Minister of Finance is waiting because he is pinning his hopes on the Minister of Energy, Mines and Resources, and a more unlikely magician I never saw. "Mandrake the magician" has nothing on that gentleman. When Premier Lougheed gets through with him you will not be able to pick him up with tweezers. But he has to pull off this miracle. Because if you are not going to impose an excise tax on gasoline, which would have helped Canada, which would have helped conservation, which would have been the way the IMF recommended to the governments of the western world, and if you are not going to get the $2.5 billion in revenue which a measure of that kind would produce, then the revenue has to be obtained from somewhere else. And as the President of the Treasury Board has said, the only way to bring down the deficit is to increase revenue.

● (1630)

So the Minister of Finance is not bringing in a budget. He does not want the nation to know where he stands. He does not want the nation to know what he is thinking. He does not want the nation to know what he intends to do. That is why he has not brought in a full budget or is not bringing in one in May. So in power the hon. gentlemen are doing the exact opposite to what they said they would do when they were out of power.

An hon. Member: What about the amendment?

Mr. Crosbie: I am coming to the amendment. When I come to it, I think the hon. member will support it.

An hon. Member: I would love to hear it.

Mr. Crosbie: You are going to hear it, believe me; you are going to be the first one to hear it.

I was talking about the Minister of Industry, Trade and Commerce. He is a very strong and powerful minister; he is going to perform miracles by making Canada control its own economy. He is going to get back control of our own industry. He is going to do a mighty job, and we all wish him well with it. For 30 to 40 years his party allowed the control of the Canadian economy to go to the United States and to go everywhere. They did not care about who controlled the Canadian economy. Their policy from 1945 onward was to let it slip. They paid lip service to it in the last campaign, but now there is a mighty Samson who is going to wrestle back control of the Canadian economy into the hands of Canadians. Some hope! I wish him well, if he ever attempts it. Here is what the member said as reported at page 2299 of *Hansard*, when he was discussing my budget:

> Essentially this budget hits the little guy in this country.

The tears were starting to trickle down his cheeks, I remember. He continued:

> If the little guy decides to have a smoke or a drink to try to find some solace from the impact of this Conservative budget, he will still be reminded of its unfair impact.

That was what he said last December 12. What did the Minister of Finance do, his colleague on the treasury benches just down from him two seats? I think the seating is the Minister of Industry, Trade and Commerce, the Minister of Transport (Mr. Pepin), and then the Prime Minister, who says that the economy is very healthy. No, it is the Minister of Finance and then the Prime Minister; he is just down one seat. The Minister of Finance is within talking distance of the Minister of Industry, Trade and Commerce. What did the Minister of Finance do a week ago today? He brought in a budget hitting the little guys in the country, just what we were told last December 12 not to do. If that little guy decides to have a smoke or a drink to try to find some solace from the document brought in by the Minister of Finance of the Liberal government, he is going to find that the price of his cigarettes is up, like the cost of his tobacco, his wine, his beer and his hard liquor. That is exactly what the Minister of Industry, Trade and Commerce as finance critic last December 12 opposed; he got up in this chamber and opposed it.

Well, I will not belabour the point. It is hypocrisy, of course, complete and utter hypocrisy. It does not matter whether it

comes in French, English or Turkish, it is hypocrisy in every language of the world, and nothing but hypocrisy. Then he moved an amendment to the budget.

Mr. Evans: A point of order, Mr. Speaker.

The Acting Speaker (Mr. Blaker): The hon. member for Ottawa Centre (Mr. Evans) on a point of order.

Mr. Hnatyshyn: A point of order, Mr. Speaker.

Mr. Evans: I am out of my seat.

Mr. Hnatyshyn: The hon. member should address us from his correct place in the House.

The Acting Speaker (Mr. Blaker): Order. I recognized the intervention of the hon. member on a point of order, and my apologies to the House, I did not realize that the hon. member who sought the floor was not in his own seat. The hon. member for Ottawa Centre.

Mr. Evans: Mr. Speaker, I apologize for not being in my seat at the time I called a point of order, but the hon. member is using unparliamentary language. As defined in Erskine May's Parliamentary Practice, the use of the word "hypocrisy" or "hypocrite" has been ruled by the Chair before to be unparliamentary, as has the word "debauchery" which was used previously by the member.

An hon. Member: Withdraw it.

Mr. Crosbie: Mr. Speaker, I do not want to get you into a procedural hassle. I withdraw the use of the word "hypocrisy", "hypocrite" or "hypocritical" and just say, "double-dealing, double-faced". I do not want to offend the rules.

Mr. Evans: A point of order, Mr. Speaker.

The Acting Speaker (Mr. Blaker): The hon. member for Winnipeg North Centre (Mr. Knowles) is rising on a point of order.

Mr. Knowles: Mr. Speaker, I rise on a different point of order, and I do it very carefully. I realize that under Standing Order 31(1) the hon. member for St. John's West (Mr. Crosbie) has unlimited time. That means he can go on as long as the former member for Nickel Belt and may even outdo this record of two or three days. But surely it is incumbent upon him to relate his remarks, just once in a while, to the motion before us.

Some hon. Members: Hear, hear!

Mr. Baker (Nepean-Carleton): I thought he was doing pretty well.

The Acting Speaker (Mr. Blaker): The hon. member for Winnipeg North Centre raises a question of relevance. As he and members of the House know, there is before the Chair no motion yet—

Mr. Knowles: Yes, there is.

An hon. Member: Let him finish.

The Acting Speaker (Mr. Blaker): I mean one moved by the hon. member for St. John's West himself. If relevance is in order, it is to the motion put by the hon. President of the Privy Council (Mr. Pinard). I would be prepared to admit that there seems to be a wide-ranging effort on the part of the hon. member, but there are few occasions when the Chair has been asked by hon. members to force relevance into debate. Perhaps the intervention by the hon. member for Winnipeg North Centre will make the point itself and the hon. member for St. John's West might like to consider those remarks.

Mr. Crosbie: Very well, Mr. Speaker. I am dealing with the reason why we cannot support the motion in its present form, which is because we are concerned and worried about the government's approach to our economic, financial and energy problems and the total gamut of the problems. But I am glad to take the advice of the hon. member for Winnipeg North Centre, and I will try to be even more relevant than I have been to date. How I can be more relevant, I do not know.

Some hon. Members: Oh, oh!

Mr. Crosbie: I know the hon. gentlemen to our left always start to squirm when they hear some truthful statements in this House. When they are not listening to their own nonsensical piffle, they start to squirm and do not want to listen.

Mr. Knowles: You remind me of John Rodriguez.

Mr. Crosbie: I miss that hon. gentleman. I certainly hope that he comes back to us some day, like the twenty-first century.

I have just one further quotation from the Minister of Energy, Mines and Resources. That gentleman was speaking on November 13, as reported at page 1251 of *Hansard*. This is just to put the final nail in the coffin of the government over there. He was decrying the fact that we had the possibility of double-digit unemployment and inflation next year, and he said the following about our government:

> They seem to have, on the one hand, adopted Mr. Volcher's economic Malthusianism approach in the United States—

That is what the Minister of Energy, Mines and Resources thought last November 13. Why does he not speak to the Minister of Finance who I just quoted a couple of days ago as saying that it was all in the hands of the United States? Why does he not speak to his colleague, the Minister of Finance, and say, "Allan, you are adopting Mr. Volcher's economic Malthusianism approach? Why are you doing this, Allan? Only last November 13 I got up in the House of Commons and I attacked the then government for adopting Mr. Volcher's economic Malthusianism approach". I am sure if the Minister of Energy, Mines and Resources can explain what he meant by it—and I doubt that he can—the Minister of Finance would be only too glad to listen to him and get the present government off this adoption of Mr. Volcher's economic Malthusianism approach.

Is it not time that they got their act together? Is it not time that the House and the people of Canada were now told that the government has been in office since the end of February, that they have been in office now two months? They are old hands at it. It is not like they suddenly came in from the dark. We were like the spy who came in from the cold. We had to find out where to warm our little fingers when we got in. It took us a couple of months to get used to it. We had been out of office for 16 years, but the hon. government opposite has been in for 16 years and have just been out for seven months, not time enough for their little fingers even to get cold. They have been in now for two months and they seem paralysed with inactivity.

Mr. Lalonde: What a terrible mess you left us!

Mr. Crosbie: We thought that we were dealing with giants and that they were starting back into office over our bent and broken bodies, having shown us what was necessary to get into power and how to deal realistically and honestly with the provinces of Canada. They were going to get in and go right down the road with their program, but we have not heard or seen a program yet. They will not even bring a budget into the House. They are still practising economic Volcherism or economic Volcherian Malthusianism or whatever it was. Well, they are not practising government. They are not practising telling the people of this country what their course is going to be. They are not giving confidence to the investor. They are not giving confidence to the public. They are not giving confidence to the poor man who has a few dollars in his savings account and he sees the value of it going down because of the inflation rate. They are not showing how they are going to approach the provinces in the next four or five years.

● (1640)

They have a majority. They are coming into this House and trying to get us to swallow this codswallop motion. They suggest we should accept this motion. The estimates would never get back into the House again, and they will throw us the bone of a couple of opposition days which we are not going to accept. They can force it on us but we are not going to accept it.

I have dozens more quotations but you can see the point there, Mr. Speaker. The government is not now doing what it said last fall that we should be doing, and it is led by a Prime Minister who does not have the least economic sense in this world. He cannot even understand that the bigger your deficits the more interest you are going to pay. He has a President of the Treasury Board who is not co-ordinated with the Deputy Prime Minister and Minister of Finance.

How is that, do you say? The President of the Treasury Board, a brilliant lawyer—he is a brilliant lawyer and a nice gentleman—does not know what the Minister of Finance is doing? Yes, he does not know what the Minister of Finance is doing. If you look at Tuesday's *Hansard* you will see that he is asked what the interest costs are going to be for next year. He was asked what is the best estimate of the oil import subsidy charges, and the third question he was asked was, what is the amount to be spent on the guaranteed income supplement. The minister replied as reported at page 296:

—I would be happy to take that question under advisement.

The President of the Treasury Board comes into this hallowed chamber with the estimates for 1980-81, and the supplementary estimates, and when he is asked what are those very, very important three items, public debt charges, oil import subsidies and the new guaranteed annual supplement, he has to take them under advisement. That President of the Treasury Board has to take that under advisement when he has just tabled these documents in the House of Commons, when he has just made a prepared statement to this House, and when he has just weasled and said he is not going to stand by the estimates. He says that some of the information appears in the material which he has tabled but some of it will require further analysis, information that would not be appropriate for him to give during his response.

The Acting Speaker (Mr. Blaker): Order, please. The Chair is having some difficulty with the hon. member. First, as was noted earlier, Standing Order 31 provides that there is no time limit whatsoever to the hon. member's intervention on the floor and he could, as he has said himself, continue well into next week.

Mr. Knowles: Don't put that idea into his head.

The Acting Speaker (Mr. Blaker): Second, there is a rule of relevance which, as I have indicated, it has been the practice of the House to interpret very loosely and very widely. I do not want to move that argument too far forward. There is also a third matter, and that has to do with parliamentary language. The hon. member has been reminded once that he may be treading in some water there, and I think I should remind him again that some care is in order.

Mr. Baker (Nepean-Carleton): Mr. Speaker, I rise on a point of order. You will recall there was an interjection about the word "hypocrite" or "hypocrisy". At the time the hon. member for St. John's West withdrew it because he did not want to get into an argument. However, if you will look at Beauchesne's Fifth Edition you will find that the word is not unparliamentary.

An hon. Member: What about 425 of Erskine May?

Mr. Baker (Nepean-Carleton): I am looking at a book that is much later than Erskine May and much better. Nonetheless, the hon. member withdrew those words when he did not have to. I have looked at Beauchesne's to see whether the word he is now being accused of using is unparliamentary, as I think he would be generous in withdrawing that if that were the case. That word is not unparliamentary either.

The hon. member for St. John's West has an interesting debating style which is refreshing in this chamber.

Some hon. Members: Oh, oh!

Mr. Baker (Nepean-Carleton): He is extremely direct and he calls them as he sees them. In respect of that particular matter I think he called it appropriately, but I do not think that what he said can by any means be unparliamentary.

As to relevance, Mr. Speaker—I say this as you did not make a ruling but made an observation—we are talking here about all of the government's expenditure programs which the government is asking Parliament to accept, for reasons which have been put forward by the President of the Privy Council. I can think of nothing more relevant to the programs of the government, and whether we or the public should accept them, than a consideration of the inconsistencies in what they said when they were in opposition and what they say when they are in government. That is absolutely relevant to the programs. Estimates are the springboards of policy. If the government has flip-flopped and used its political trampoline, then I think the government should be told so and told so directly. That is precisely what the hon. member for St. John's West is doing.

Some hon. Members: Hear, hear!

Mr. Knowles: Mr. Speaker, on the same point of order, may I ask the House to recall that when I mentioned the question of relevancy a few minutes ago I did so very carefully. I just offered it as a suggestion, thinking that my friend might take it to heart. But when my friend, the hon. member for Nepean-Carleton, tells us this is a motion under which we can discuss everything relating to the spending and budgetary policies of the government, I suggest he would not have talked that way when he was President of the Privy Council.

The motion before us is really quite a narrow one. It relates to a régime or an arrangement by which we will discuss the estimates. It relates to changes for 1980 in the Standing Orders. I do not see how that can become a debate on everything. If that is possible, if what the hon. member for St. John's West is being allowed to do and now being encouraged to do by the hon. member for Nepean-Carleton is in order, then this is far better than the throne speech debate because it could go on for two, three or five weeks. Anybody could talk about anything he thinks the government is doing wrong.

As I say, when I first made this suggestion I did so carefully. I did not want to make a fuss about it. Your Honour said that the hon. member for St. John's West might take note of the sentiments. I do not think we should go too far in terms of how far we can go but, by the same token, I do not want to make a big issue of it. However, I think there should be some little regard for the rule of relevance.

Mr. Crosbie: I will try to accept that advice, Mr. Speaker. The relevance of what I address myself to now is that we are discussing a motion which deals with what is to happen to the supplementary estimates and interim supply. We are being asked to grant interim supply on the basis of the estimates for this total year which are put before us. I am addressing myself to the fact that these are estimates, the contents of which the President of the Treasury Board does not even know. These are estimates of which he and the Minister of Finance have two different versions. I am addressing myself to that point, because whether these estimates should go to the committee or should not go to the committee, or what should be done, depends on how accurate they are. That is the relevance of my remarks. These estimates are not true estimates in the first place. The government has not given this House true estimates.

I am pointing out that the President of the Treasury Board, who presented these estimates that we are being asked to deal with in this motion, did not know the answers to certain questions when he was asked them last Tuesday, April 22. At the end of his remarks during that session the President of the Treasury Board said, as reported at page 298, that debt service charges would be in the order of $10.8 billion to $10.9 billion. That answer turned out to be incorrect by approximately $200 million, because the next day he was asked again. In fact, he did not have to be asked because it was in the estimates. The President of the Treasury Board said on Wednesday, April 23, as reported at page 323 of *Hansard*:

● (1650)

Yesterday, I indicated that with respect to debt costs, the main estimates provide for $10.275 billion and the current projections are $10.775 billion.

The next day the minister had to correct the statement he had made the day before about the estimates which he had presented to this House. He now says that the debt charges are $10.775 billion, not 10.8 billion or 10.9 billion. The day before the minister did not know, and he had to get the information from the Minister of Finance.

How accurate are these estimates that we are being asked to send to committee? For the first time in this House estimates have been presented where the Minister of Finance and the President of the Treasury Board have been unable to agree as to what the total of the estimates were. The President of the Treasury Board said on Tuesday that they totalled $58.4 billion. The night before the Minister of Finance said they totalled $60.4 billion.

Is this discrepancy irrelevant? Are we not allowed to consider matters such as this when we are being asked to vote on rules under which these estimates may never come back to this chamber again? I certainly suggest that it is relevant. The hon. member for Winnipeg North Centre has been in this House since the 1940s. I do not care if the hon. member has been here since the 1900s, I say that it is relevant for us to discuss the estimates in this motion.

Mr. Collenette: Who are you?

Mr. Crosbie: Who am I? I am the member for St. John's West. I am only the little member for St. John's West, and I can be put down any time.

Mr. Collenette: You do not decide.

Mr. Crosbie: And you do not decide.

Mr. Collenette: The Speaker does.

Mr. Crosbie: Exactly, and I say that my opinion as to relevance is just as good to me as the opinion of the hon. member for Winnipeg North Centre is good to him. It is relevant to consider what we are being asked to do with these rule changes.

Then, the President of the Treasury Board can give this House no information on how a blended oil-pricing policy will reduce expenditures and financial requirements by as much as $1 billion. The Minister of Finance came to this House last Monday night—and these are the estimates we are considering now—and said that he was giving the estimate of total outlays at $60.4 billion. He then went on to lead the House to believe that it would not be $60.4 billion. As it is reported at page 244 of *Hansard*, the minister said:

—that these projections do not in any way constitute the expenditure plan or the planned financial requirements of this government for fiscal year 1980-81.

Implementing blended oil-pricing could alone reduce both expenditures and financial requirements by as much as $1 billion.

For the first time this House is being told, quite bluntly, by the government that total outlays are $60.4 billion. But they may be $59.4 billion, and the President of the Treasury Board has said that they are $58.4 billion. Are we not to mention this fact, after a motion has been brought in to dispose of these estimates so that they will never return to this House? Are we to keep quiet about such discrepancies as these simply because somebody to my left believes that they are not relevant? I do not think so.

The government owe this House an explanation before this motion is passed of how they intend to reduce expenditures and financial requirements by $1 billion. I believe it was C. D. Howe who said, "What's a million?" This government is saying, "What's a billion?" and think that they can simply ask the supine opposition—which they would like us to be—to pass this motion allowing these estimates to go to committees where they will not be heard of again. The estimates could be inaccurate by $1 billion alone.

When we on this side ask questions of the Minister of Finance, the President of the Treasury Board and the Minister of Energy, Mines and Resources on how blended oil pricing can reduce expenditures and financial requirements by as much as $1 billion, they will not answer. I have copies of *Hansard* for Thursday and Friday, when the questions were asked.

Last Thursday when the Leader of the Opposition (Mr. Clark) asked questions of the Minister of Energy, Mines and Resources about blended oil pricing, and hon. members can refer to *Hansard* at page 359, he received no answers from the minister, who does not have a blended oil pricing formula. He said that it is detailed, as he stated it to the Leader of the Opposition. The minister said nothing.

On Friday the hon. member for York-Peel (Mr. Stevens), my seatmate, asked the President of the Treasury Board if the $2.6 billion provided in the main estimates that we are now considering for oil import compensation is based on the previous government's domestic oil pricing strategy in anticipation of the $4 per barrel increase this year. The President of the Treasury Board said yes, that was the figure that was produced in the projection of the former minister of finance in December, 1979.

Therefore, the estimates that we now have before us for oil import compensation assume a $4 a barrel increase in the price of oil in Canada this year—the same price that we proposed in our budget, the same price that the government opposite went across the country denouncing, saying that they would introduce an oil pricing policy that was "made-in-Canada". This is another one of their "made-in-Canada" policies. It was to result in a lower increase, but yet we are not told by the President of the Treasury Board, the President of the Privy Council, the Minister of Finance or the Minister of Energy, Mines and Resources how they intend to reduce these estimates by $1 billion.

Why should we give this government $1 billion more than they need for interim supply? Is that not relevant to this debate? We are being asked to vote on interim supply up to December, one half of the financial year, and the hon. gentlemen opposite are telling us, coolly and calmly, that they are requesting $60.4 billion but that they will not need $1 billion of it. If they do not need that $1 billion, then why are we giving them that $1 billion? Let us reduce the $1 billion now so that the government will be under some compulsion to bring in an oil pricing agreement in Canada that will result in increases of less than $4 a barrel for this year. By its own statement, the government is asking for $1 billion more than it needs. If hon. members vote for this motion, we will never see these estimates before this House again. We will have tamely submitted to the government. That is why it is relevant to discuss such subjects here in the House.

Here is what the people of Canada are being told by the Minister of Finance. I quote from page 6 of the statement which he made one week ago. It reads:

The projected increase in outlays of over 13.5 per cent is a good deal higher than I would like to see.

What kind of pat does he expect us to swallow? Why did he put in his financial statement that the projected increase in outlays of over 13.5 per cent is a good deal higher than he would like to see? If it is a good deal higher than he would like to see, then why was it there in the estimates? If these estimates are 13.5 per cent higher than the minister would like to see them, then why did he not do his job and cut the estimates back by 13.5 per cent?

The people of this country and the members of this House are being asked to swallow this kind of statement. What this motion will enable the government to do is to get these estimates off to a committee so that we will forget the 13.5 per cent. It is a pious statement by the Minister of Finance.

The minister goes on to say at page 7 of his statement:

The budget will recognize that the well-being of Canadians, the creation of jobs, and the easing of inflationary pressures all depend critically upon a continuing and growing strength of private investment.

I have opposite that paragraph something in my own handwriting which I cannot repeat in this House—the word "hypocrisy". I will not use that word. The Minister of Finance has

brought in an economic statement that does its best to frighten all investment in the private sector out of Canada by proposing a $14.1 billion deficit and an $11.7 billion financial requirement, which indicates the borrowing that is necessary for this year and which will have to come from public markets.

What the minister has indicated in his statement will compete with the private sector, force interest rates up, take away money that the private sector needs for investment and cut back on the expansion of manufacturing capacity. It scares the pants off investors to see a government that does not care about such a huge leap in the estimates and in the deficit.

Then the Minister of Finance says that the budget will recognize that all of these things, the creation of jobs and the easing of inflationary pressures, depend critically upon the continuing and growing strength of private investment. If that is what it all depends on, then why has the minister not brought in estimates that are $3.5 billion less than the ones which the government is now asking for permission and authority to put through now, estimates which will never return to the House again except for a vote on the night of May 15?

The minister goes on to say in his statement at page 8:

Canada is certainly not in a position where it can afford to let its guard down against inflation.

The minister lets his guard down against inflation in the same speech by going to a $14.1 billion deficit. Why did the minister make that statement when he is acting 100 per cent contrary to it? Not only did the United States of America overcome inflation, but they are cutting their budget deficit to zero. Here in Canada the government through the Minister of Finance said, as reported at page 245 of *Hansard*:

● (1700)

Canada is certainly not in a position where it could afford to let its guard down against inflation.

In the same speech he allows the deficit to go to $14.1 billion, which in United States terms, whose population is ten times larger than ours, would be $140 billion. He is not letting his guard down against inflation. He has no guard at all. Those are the estimates that we are being asked to shove off into the cubbyholes of the committee system of this House and then forget, or just bring them out for a blind vote on May 15 when the government will use its majority to romp them through without anybody else having a word to say in this House about them.

At page 247 of *Hansard* the minister stated:

—we cannot expect to insulate ourselves fully from that slowdown.

That is, insulate the Canadian economy from the slowdown in the United States. The Minister of Finance says that we in Canada cannot expect to insulate ourselves from the slowdown in the United States. He goes on to say:

This is especially the case given the substantial deficit which already exists on the current account of our balance of payments, and given the size of the federal government deficit which already exists.

Who caused these substantial deficits? It is the government which has been in power for the last 16 years. Who has created the size of the federal government deficit? The government opposite. The minister himself proposed a $14 billion deficit. The same night that he said we cannot insulate ourselves from the U.S. because of these deficits, he brought in an ever larger deficit.

To read the speech is to marvel that the words would even be put on paper. We cannot insulate ourselves from the U.S. because we have huge deficits in the balance of payments and current account. It was $5 billion last year. Exports are forecast at $7 billion this year. We have had a series of huge deficits in our own budget and that is going to be topped off this year by a $14 billion deficit. The minister is going to make sure that we cannot insulate ourselves.

The effect of his statement to this House is that there is less power to insulate Canada from the United States economy and the U.S. downturn than ever. Yet we are asked to pass these estimates based on that kind of thinking. No, Mr. Speaker, not likely.

In the budget of December 11, dealing with the estimates of the Department of Employment and Immigration there was a funding provided of—

The Acting Speaker (Mr. Blaker): Order, please. I want to alert the hon. member that the question of relevance has been raised twice through other hon. members.

On the floor of the House at the moment is a motion put forward by the President of the Privy Council which, in effect, would amend Standing Order 58. I understand that the hon. member who now has the floor would have the widest possible range of subject matter because of the fact that it is a motion to amend Standing Order 58 related to supplementary estimates.

At the same time, however, I have to observe that there must be some rule of relevance available here. Otherwise, since our standing orders provide that there is no limit on the amount of time that the hon. member may take the floor, he could, in fact, as he indicated himself, continue for a week or two or three or four, and, in the manner in which he seems to approach the subject, he could range entirely through all government and parliamentary operations without let or limit whatsoever.

I think I have to draw to the attention of the hon. member that he might direct himself a little more toward the actual motion that is before the House at the moment.

Mr. Baker (Nepean-Carleton): Mr. Speaker, what we are being asked to deal with here is a process to take into account the fact that the normal processes for dealing with estimates is not available to us. I guess the normal way would be for there to be a motion of some kind which we could debate. We are being asked to have this taken away from us now and something else substituted therefor. I think, with respect, that in the circumstances it becomes relevant for us to examine those estimates in terms of the rights that are being taken away from us.

It is also, as I am sure you will see as the hon. member goes on, relevant as well to a process which we are going to suggest to the House that might return to the House its right to deal with those estimates in the normal way and in a way that ought to be acceptable to all members.

In order to lay the groundwork for the kind of amendment which we are going to propose, I think it is important that the House and the country understand the magnitude of the estimates, where there are discrepancies in the estimates, so as to lay a proper foundation for the suggestion which the hon. member for St. John's West will be making shortly to permit the House of Commons to examine those estimates.

I do not think it is enough merely to say that there have been discrepancies and therefore we have a right; I think we have to demonstrate those discrepancies. That is precisely what the hon. member is trying to do. To that extent and in that direction I think there is some relevance. I want to assure the Chair that it is not our wish to debate this motion forever.

Some hon. Members: Hear, hear!

Mr. Baker (Nepean-Carleton): It never was. I am surprised at the hon. gentleman opposite being so acquiescent with respect to the government. I think it is important, however, that there be some discussion of these estimates because this process is different from any we have ever dealt with before.

It is our intention to move a motion on a procedure which I hope will permit the expeditious handling of these estimates in the House, where they should be handled, and where the hon. member for Winnipeg North Centre has said many times they ought to be handled. I therefore ask the hon. member for Winnipeg North Centre to be patient—

Mr. Knowles: That is my middle name!

Mr. Baker (Nepean-Carleton): —and to view the statement made by the hon. member for St. John's West as laying the groundwork, because of the discrepancies and the statements of the party opposite from when they were in opposition to when they were in government, from when they were in the campaign to today, for demanding something more than is being given to the House if the motion of the President of the Privy Council should carry.

I think those discrepancies are such that we cannot be satisfied with a process that really does not allow examination of those estimates in the House. It is to the groundwork for that motion, which I hope will be commendable to the other side, that the hon. member for St. John's West is directing his remarks.

I think, Mr. Speaker, you will see the drift of this when the motion is put.

The Acting Speaker (Mr. Blaker): Order, please. I want to accept the comments made by the hon. member for Nepean-Carleton, particularly because he used the word "process". What is before the House is a suggestion for a change in process. It is for that reason that I have asked the hon. member for St. John's West to address himself to that process, the subject matter of that process.

The Chair is in the position of saying that there is either no limit because it is under supplementary estimates and a change in the standing orders of the House treating with supplementary estimates and interim supply, or that there still is some limit and some relevance in debate. I do not think hon. members would like me to attempt to make a ruling on that kind of subject.

The hon. member for Nepean-Carleton has made it clear that it is not the intention to stray too far. The hon. member for St. John's West (Mr. Crosbie) has received, I hope, the sentiment of the Chair and possibly of some other hon. members as well who are, in fact, asking him to try to stay closer to the subject of the process that is before the House in this motion.

Mr. Crosbie: Mr. Speaker, I know it is a very difficult question and I certainly want to be very relevant to this process.

As you know, this motion wants us to deal with interim supply and the supplementary estimates by sending them now to the committee. They will not again be debated in this House so far as we know, but at 15 minutes before the ordinary time of adjournment on May 15 this year the Speaker will interrupt the proceedings, whatever is in progress, and put the question in connection with disposing of the supplementary estimates and interim supply.

• (1710)

This is what is suggested in this motion. I am trying to explain why we do not like and do not accept the process suggested in this motion, because important questions to do with the estimates, to do with the government's economic financial policy, to do with the government's approach to the problem and to do with the whole process of the control of this House of Commons on economic and financial matters have been disregarded in the last two weeks. The motion now before us is a part of this pattern.

What is the pattern? It is this. Monday night a week ago, an economic statement, a budget or a quasi-budget—call it what you like—was bootlegged into the Address in Reply to the Speech from the Throne. That was the start of the government's treating us with contempt on this side and trying to ride roughshod over us on very important financial and economic matters.

The process then continued on Tuesday with the estimates being tabled by the President of the Treasury Board who would not stand properly behind them and who could not explain discrepancies between his estimates and statements made by the Minister of Finance the night before.

Then the process continued during the week with a contemptuous refusal by ministers to explain how they were going to save $1 billion in the estimates presented to the House on Tuesday which the Minister of Finance had spoken about on

Monday night. It was a contemptuous refusal to explain how this $1 billion was to be saved by a blended oil-pricing policy.

Then the process continues with this motion before the House, not agreed to by our side, in which the ignoring of our rights, and responsibilities of the government on economic and financial matters, is continued by these estimates, and with interim supply to carry the government until December. These estimates are being washed out of the House. "I am going to wash that man right out of my hair". We might as well say that we are going to wash those estimates right out of our hair and send them on their way. They will be sent right out of the House to a committee and they will come back here for only 15 minutes for voting on May 15.

I will illustrate the process. I am not going to emulate Mr. Rodriguez. How are you, John, out there in never-never land? I am going to finish speaking before this House is adjourned at six o'clock. I am not going to try to carry on any great Rodriguez marathon, not at all. I am going to move our amendment in about five minutes. For example, in our budget of December 11 we said in addition to an employment tax credit program to respond to differences in employment opportunities across the country that we were going to make an amount of $50 million available to initiate new measures or to supplement existing programs aimed at stimulating employment and economic development in eastern Canada.

We had $50 million in the estimates, Mr. Speaker. We had increased the estimates to combat employment $150 million over those of the previous year. That is what was said in the budget speech. There are estimates before this House now tabled last Tuesday that include that $50 million because the President of the Treasury Board said these were the estimaes that we had prepared.

I made inquiries as to what has happened to the $50 million in the estimates. The President of the Treasury Board said that he had presented the estimates we had prepared, but when I inquired of the minister of fisheries and other poeple in the government about the $50 million—$25 million was going to the Department of Fisheries and $14 million to small craft and harbours to stimulate construction of wharves, breakwaters, slipways, dredging projects in eastern Canada this year, which would create a lot of employment, money to be spent by the government—I was told that it was not there. I was told that this money is not going to the Department of Fisheries or to small crafts and harbours.

Where is this $50 million which was in our estimates to create more employment in eastern Canada this year? If that question is not answered here in this House, we will never have the answer. Why has the government done away with the $50 million stimulus for employment opportunities in eastern Canada where, we all have to admit, unemployment is the highest in Canada?

If this procedure that the hon. gentleman has suggested is adopted these estimates will go off to committee and we will be unable to force any answer from any minister of the government. They can ignore our questions. They do not have to answer any questions in committee. We cannot do them any harm because we cannot hold up anything in the committees. It all has to come here automatically on May 15. The ministers do not have to come anyway. We will never get an answer to what has happened to this $50 million additional money for more employment opportunities in eastern Canada this year that we had in the estimates. These very estimates were tabled in the House yet we are told there is no $14 million extra for small crafts and harbours. The Minister of Fisheries cannot tell me whether they are going to be doing our wharf in Bay Bulls or repairing the wharf in St. Shott's and so on. I moved a motion of Friday under Standing Order 43 that named the various communities where some of these works were supposed to be done, to create employment in an area of high unemployment and so on.

That is the process. Once this motion is passed, this goes out into committees and we may or may not get any answers. We have no way of pressuring the Crown to get any answers as to what has happened to this $50 million. That is why this process is important. That is why it is important to us to have the President of the Privy Council adopt a different procedure which we hope will commend itself to him.

Because there is so much impatience being shown, and because you are under so much pressure yourself, Mr. Speaker, about relevance and irrelevance—I do not want to cause you any trouble as the presiding officer—I will move the amendment now. Our amendment is from the brilliant brain and intellect of our House leader on this side of the House. It is not debatable. I move, seconded by the hon. member for Nepean-Carleton (Mr. Baker), one of the great parliamentarians of the century:

That the motion be amended by deleting the second paragraph thereof and substituting therefor the following:

"That on May 12, the business of the House shall be the consideration of any motions or bills relating to the said supplementary estimates or interim supply;

That notice shall not be required for a notice to oppose any item in the estimates or for any motion to restore or reinstate any item in the estimates;

That, no later than fifteen minutes before the ordinary time of adjournment on May 12, the Speaker shall interrupt the proceedings then in progress and put, forthwith and successively, without further amendment or debate, any motions relating to interim supply, the said supplementary estimates, the restoration or reinstatement of any item in the said supplementary estimates, or the second reading stage of any appropriations bill based on the said supplementary estimates or interim supply;

That on May 13 to May 15 inclusive the business of the House shall be the consideration of committee of the whole stage of any bill or bills relating to the said supplementary estimates or interim supply;

That, no later than fifteen minutes before the ordinary time of adjournment on May 15, 1980, the Speaker shall interrupt the proceedings then in progress and put, forthwith and successively, without amendment or debate, and notwithstanding the provisions of Standing Order 72, every question that may be necessary for the passage of all remaining stages of any bill or bills based on the said supplementary estimates or interim supply, providing that the ordinary time of adjournment shall remain suspended until all such questions have been decided;"

And by inserting after the last paragraph of the motion the following paragraph:

"That members in opposition to the government may choose the estimates of three departments or agencies which shall be presented to the House in a separate appropriations bill exempt from any deadline in this or any other temporary or permanent standing order or special order relating to the business

of supply, provided that all stages of the said bill, except the committee of the whole stage, shall be put to the House without amendment or debate".

I might try to explain the purport of it. What this amendment attempts to do is this. As I say, if the present motion passes, supplementary estimates go into committee, interim supply goes into committee, the estimates for the year go into committee. Supplementary estimates and interim supply all get voted on before the end of May 15. We do not discuss them any more in this House once this motion is passed.

Then, as I understand it, the main estimates for 1980-81 are dealt with in a similar manner, but they do not have to be brought back in the House and voted on until December. I think that is the procedure. But we no longer discuss them in this House either.

● (1720)

If this amendment is agreed to by the President of the Privy Council and the government, what will happen will be that on May 12 we will discuss for that day motions or bills relating to supplementary estimates or interim supply. We would vote on those motions or bills on May 12. Then we would go on for three days, May 13, 14, and 15, to consider in Committee of the Whole the supplementary estimates or interim supply.

We would all have our ordinary chance in Committee of the Whole to question ministers. I ask a question, I sit down, and then somebody else asks one. If there is a minister we are particularly interested in, we can question him for three days. It might be on energy policy or whatever is in the supplementary estimates. Anyway, we would all have a chance in Committee of the Whole for three days to really go into these estimates and into the question of the main estimates and interim supply. That is what we are suggesting.

We would have three days in Committee of the Whole, and this is far better than opposition days. This is Committee of the Whole where we can question ministers and attempt to get answers, where we can catch ministers not doing their homework, where we can pin down ministers who do not know what they are talking about or force them to give us some information, make things a bit hot for them. That is what ministers are for—to test their methods, make things hot for them, see if they know how to jump from the pan when it gets warmed up or whatever.

We would have three days, not opposition days where I get up and make a speech, the member over there gets up and makes a speech and somebody else makes a speech, which accomplishes very little, but three days of questioning ministers here where the television is in the House so that the people of Canada can see the process. Do they know what they are talking about? Does the Minister of Energy, Mines and Resources know what he is talking about? Does he have a blended cost? Does the Minister of Finance know what he is talking about? In three days they will see no, he certainly does not, that he said nothing as usual. Or they might say the Minister of Finance is a brilliant man, that he has turned back all inquiries and explained fully what his policy is. I will certainly be astounded if that turns out to be the case, but he is a man of long experience in this House. He has just been over to Hamburg. We know what happens when bachelors go to Hamburg, Mr. Speaker. I imagine he had quite a busy time there.

Anyway, that is the purport of this motion. Apart from the question of interim supply and supplementary estimates, all that would be voted on by May 15 so the President of the Privy Council gets his necessary business to the House.

Then we are suggesting that the estimates in general go on out to committees. However, next December or whenever they are brought back from committee, the opposition can choose three departments. This is because we want to give our confreres in the opposition, the members of the New Democratic Party, a chance to participate. We are not like them. We do not want to cut them off from debate. We did not get up and object when Mr. Rodriguez was here speaking day after day.

The Acting Speaker (Mr. Blaker): Order, please. I regret to interrupt the hon. member again, but the usual tradition of the House is that the amendment which has been moved by the hon. member is read by the Chair to the members. I do not necessarily want to do that if the hon. member is going to finish his comments in the very near future.

Mr. Crosbie: I am almost finished, Mr. Speaker. I have a lot more to say, but there seems to be some upset in the chamber if I go on too long. What can one do?

What we are proposing is that when December comes, or whenever these main estimates come back to the House, the opposition would be able to say to the government that we want to have the estimates of three departments. The NDP can suggest one. Our confreres in the New Democratic Party may want to choose one. We will choose two. These will be departments that we would like to get more information on, or just raise burning topics of the moment. Probably this year energy would be one that there would be a lot of debate and discussion about, but it might be finance or any department. Who knows what is going to be very topical next fall?

The estimates of those departments will then come forward in a separate bill. We will go into Committee of the Whole stage. We will question the ministers of those departments until they satisfy us that they have given us the information that is required or they have satisfied the points brought up in the House.

This is not something we are suggesting as the opposition that we did not suggest as a government. It is something that as a government we said we are going to do because we believe in the House of Commons. We believe in trying to make this chamber function effectively, so that members can really feel they have some influence, not that they are just here speaking so they can send a few copies of speeches back to some of their constituents, or because somebody might be watching during the afternoon when they are speaking or whatever.

We would like a chamber that is effective. There are probably a dozen government departments, there might be twenty, that no one can quarrel with, but there may be a

couple that are not performing properly or where there is some injustice. For example, in the Department of Transport there might be some jiggery-pokery going on there.

I remember when a CFLCO airplane crashed in 1977 in Labrador. It was just shocking. The Department of Transport interfered with the report of the accident investigation division. I smoked it out. Now a royal commission is sitting and getting the evidence on all this.

This procedure would be a very useful device for something of that kind. If the Minister of Transport had not been forthcoming on a matter like that, fine, we would choose his estimates to go into in the House until he came forward with the information. Who knows what department or minister it will be, but it will make them all sit up and be a bit more attentive to the wishes of their own backbenchers and the opposition.

We have an experienced former minister in the Treasury benches. He was always pretty forthcoming. He would have been even more forthcoming and on his toes if he knew that he could be kept in this House for a few days answering questions in Committee of the Whole.

That is what this amendment suggests. It is not something we were not prepared to do ourselves. We are suggesting a way out for the President of the Privy Council. The only difference between his motion and ours is that there are four days in this House when we discuss interim supply and supplementary estimates, and three days in Committee of the Whole where we can really probe the minister and so can backbenchers opposite. There is nothing stopping them in Committee of the Whole asking any questions they want to ask.

For the main estimates we are suggesting this different treatment. We believe that this will make a vast difference in committee, because when a minister comes to the committee he will be more willing to be reasonable. He is not going to want the opposition to choose his department to be grilled in the House of Commons. He will be more forthcoming. It will make the system more reasonable all around.

Part of the frustration now is that you cannot do anything when the government gives you the run around. We were over there ourselves. We would want to give the run around too. Nobody wants to create a whip for his own back. It is only because we were new at the game and in government for only a few months that we were willing to propose this as a government. If we had been in power for sixteen years, we would be just as bad as the hon. gentleman opposite, most likely. I would have liked to be given a test of the sixteen years first and then see if we can make a comparison, but that was not to be.

These are our suggestions. We are hoping that the President of the Privy Council will accept this amendment, or if he does not want to accept it as it is, he might talk to our House leader and see if there is some common ground.

In concluding—I have a lot more information that is very relevant but I do not want to occupy the time of the House too much; I know we have a lot of other speakers who wish to address themselves to this very question—quite seriously, I say we on this side of the House want to co-operate.

● (1730)

I, as a former minister of finance, will be quite frank. I am interested in seeing a lot of that legislation through—tax conventions and banking legislation, Bretton Woods. There is a lot of legislation that is non-controversial which should be able to go through this House reasonably quickly, as long as hon. members on this side of the House are included in the process and as long as we are treated with some degree of fairness.

There are four or five years to go, and I for one do not think that much that is said this year is going to have any effect when the next election comes in four or five years' time. I am interested in trying to see that this is a place that does a good job and that the things we really disagree on we ventilate well, but otherwise let us get on with the business. However, we are only going to be in that frame of mind if hon. gentlemen will give some way to us, and in the last ten days this they have not done. They were rubbing our noses in it with their approach to the financial statement last Monday night, and they were doing it again in the estimates on Tuesday. Well, it is all well and good, but it does not induce the right kind of spirit.

Now, if we can be given some proper way with backbenchers opposite to go at the estimates, where we know at the end of the process we have some muscle to use on recalcitrant ministers, or on those who get carried away with the sense of their own importance, or on those who have something to hide, then it will make the whole process a lot better, save a lot of time in committee, and it will make a lot healthier atmosphere, so I am hoping.

I certainly have nothing to praise the government for at the moment. In my next speech I would like to be able to get up and praise the government for doing something, and for doing something sensible. I have not been able to do that, but I commend this to the President of the Privy Council and hope that he will respond and that we can get on and do a lot of business before the end of July, close for a week or two, come back in the middle of August full of vim and vigour, get right into this thing again and get on with the business.

So, I have great pleasure in moving, seconded by the hon. member for Nepean-Carleton the motion Your Honour now has, and I hope we will get a good response from the other side.

Some hon. Members: Hear, hear!

The Acting Speaker (Mr. Blaker): Before I can put that amendment to the House I want to express some concern about the provisions in the last paragraph where the amendment proposes that if this amendment were to be adopted by the House, if I understand it correctly, it would be exempt from any deadline in this or any other temporary or Standing Order or permanent Standing Order related to the business of supply, and so forth. My understanding is that the amendment

proposes unlimited debate without time limits inherent, and I think it would be wise if hon. members would accord me the dinner hour to seek consultation with the Table officers in order to determine whether that is quite right on.

That being the case, and if it is deemed suitable by hon. members, debate may continue on the motion.

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

The Acting Speaker (Mr. Blaker): Order, please. It is my duty, pursuant to Standing Order 40, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the hon. member for Peterborough (Mr. Domm)—Metric conversion—Request for parliamentary debate before system put into full effect; the hon. member for Winnipeg-Assiniboine (Mr. McKenzie)—Canadian Pacific Railway—Winnipeg—Rail relocation—Suggested reversal of government policy.

GOVERNMENT ORDERS

[*English*]

SUPPLEMENTARY ESTIMATES (A), 1980-81

REPORTING FROM STANDING COMMITTEES

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

That, notwithstanding any standing order, the Supplementary Estimates (A), 1980-1981, shall be reported or be deemed to have been reported from the several standing committees no later than May 9, 1980;

That, no later than fifteen minutes before the ordinary time of adjournment on May 15, 1980 the Speaker shall interrupt the proceedings then in progress and put, forthwith and successively, without amendment or debate, every question that may be necessary to dispose of any item of business relating to interim supply, the said Supplementary Estimates, the restoration or reinstatement of any item in the said Supplementary Estimates or any opposed item in the said Supplementary Estimates and, notwithstanding the provisions of Standing Order 72, for the passage at all stages of any bill or bills based thereon, providing that the ordinary time of adjournment shall remain suspended until all such questions have been decided; and

That, for the year 1980, Standing Order 58 shall be amended as follows:

(i) by replacing in section (5) thereof the word "five" with the word "eighteen" and by deleting the words "Thirteen additional days shall be allotted to the business of supply in the period ending not later than June 30.";

(ii) by replacing in section (9) thereof the word "two" with the word "four";

(iii) by replacing in section (14) thereof the words "March 1 of the then expiring fiscal year" with the words "April 30"; and

(iv) by replacing in section (14) thereof the words "May 31 in the then current fiscal year" with the words "November 10".

Hon. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, we all enjoyed the meandering speech of the hon. member for St. John's West (Mr. Crosbie). I am a little disappointed that he did not make it for at least two full hours. He fell nine minutes short. Maybe next time he is in that spot he will surpass his own record.

However, I have to say, despite my criticism of his wandering and so on, that when it was all over he did produce something that to me, at least, is negotiable. I suspect that the President of the Privy Council (Mr. Pinard) would find it difficult to accept the amendment in its entirety as it has been moved, but there are certain principles in it that I believe are sound, and I hope that there might be some consultations that could lead to a compromise or a negotiated settlement.

As a matter of fact, I think it is unfortunate that we are having this debate on the floor of the House. There is an awful lot of business with which this Parliament must deal, and it seems to me that one of the reasons for having meetings of House leaders is to try to sort out the process so that on the floor of the House we can deal with matters of substance. Indeed, I think it is unfortunate that the terms of this proposal as set out in the amendment were not presented at a meeting of House leaders where, perchance, we might have come to some understanding.

I have been a bit critical, perhaps, of my friends to the right. I am addressing myself now to the President of the Privy Council. As he knows, I was prepared to buy the motion that he put down the other day. In fact I was prepared to buy an even shorter one that he presented to us at a meeting of House leaders, but I ask him not to reject out of hand the suggestions which have been made by the hon. member for St. John's West in an amendment which he says was drafted by the hon. member for Nepean-Carleton (Mr. Baker).

Before I comment on what this amendment does as I see it, may I back up a bit and describe what I think would be the result of the motion as put by the President of the Privy Council. The hon. member for St. John's West rang the changes on the proposition that we were being denied the right to debate the estimates back on the floor of the House. Well, that happens to be the way the rules are set up. I do not like them but that is the way they are. The motion of the President of the Privy Council does not do that. All the motion of the President of the Privy Council does is to take cognizance of the fact that we have had a couple of elections, that we met only two months out of 13 between March, 1979, and April, 1980, and that somehow we have to catch up with the backlog. So, his motion proposed that since in the semester we are now in and in the one at the end of this year there is a total of 18 days, he puts down 18 opposition days. Since the rules provide for two non-confidence days in each of those, he adds two and two together and gets four. He is a smart man; he can do his arithmetic.

An hon. Member: He should be the Minister of Finance.

Mr. Knowles: As for the business of the estimates being sent to committee and then being brought back to the House

without any chance to debate them on the floor of the House, a process many of us do not like, that has been there since we put these rules in a decade ago, and the hon. member for Nepean-Carleton is quite right that I am not happy with that arrangement. It is the one thing out of the changes we made that I think does not stand up, and that we should be changing. By the same token, I am prepared to experiment with something else in the meantime.

● (1740)

As for the proposal by the President of the Privy Council, it provided the same number of days for what remains of 1980, and it provided for the same number of "non-confidence" days. He also provided for the estimates to be out there in committee a lot longer than the rules provide. So I do not think he deserves to be castigated quite as much as he has been today. All he was doing was trying to put together the rules as we have them in terms of the 1980 time frame. I appreciate the fact that he added these extra weeks or months for discussion in committee, but as the hon. member for St. John's West indicated, many of us have become dissatisfied with that arrangement.

Now, what the hon. member for St. John's West, as the spokesman for the hon. member for Nepean-Carleton, is proposing, is that in 1980 we experiment, as we have done in some other years, with having a few days of estimates here on the floor of the House. The proposal, as I get it, in this amendment, is that with respect to interim supply and supplementary estimates we have four days debate, the four days being May, 12, 13, 14 and 15. Right away that hits the President of the Privy Council between the eyes. Where does he find four days? Let me come to that in a moment.

Then the member for St. John's West proposes that when we get to December and we come to wind up the main estimates, there be an opportunity for debating the estimates of three departments, which the opposition will choose, but without any time limit on the total number of days to be taken for that debate. I read the amendment as saying that debates will all take place in Committee of the Whole. That is good. In other words we do not have set speeches with the Speaker in the chair; we spend all our time in Committee of the Whole questioning ministers on those estimates. I do not think the wording of the amendment changes the time limit on speeches, I think the 20 minute rule still applies in Committee of the Whole. But there is no limit on the number of days that might be taken on those departments.

So what the member for St. John's West is asking is that, in addition to what is provided in the rules, translated as the President of the Privy Council has done, there be an additional four days in May for supplementary estimates and interim supply, and an additional unstated number of days in December for debating three departments. Now I would like to make the suggestion that some time soon, perhaps after I have finished speaking, this debate might even be adjourned, and we could possibly go on to something else. The House leaders might get together, in short, to consider what might be done.

First, may I talk about the four days in May? We could trade off some of the opposition days for some of the four days. I will not start off by saying we will give you four for four, but we might give you two for four. I am suggesting that the problem that the minister has of finding four days' debate in that period could be looked at in terms of a trade-off with opposition days. The same could happen in December; there could be a trade-off. I recognize that it will be a strange government if it agrees to an unlimited debate on those three departments, but if we got together the hon. member for Nepean-Carleton might say: "All right, we will accept a certain time limit; we will accept four days in December on that special supply bill that deals with three departments and be prepared to give up two opposition days." This is the kind of thing we do in House leaders' meetings all the time.

I think that if we had had this before us at one of our meetings in the last week or so we might have come to it. So I find myself in this position in those meetings, often trying to be an honest broker between my two friends. They have both been in and out of government, and they both have feelings about this, and each one is trying to get back at the other and all that sort of thing. I have not been in that position, so I can try to conciliate between the two of them.

I say I do not think the President of the Privy Council should be condemned for his motion. He did not put anything new into that motion at all. It is already there that the estimates go off to committee and when they come back there is no debate on them unless the opposition puts some of them down for an opposition day. He has given more time, but that is simply because of the nature of the calender in 1980. So I do not think he should be condemned. Neither do I think the proposal of the hon. member for St. John's West should be dismissed out of hand because his proposal seems to call for four more days of debate in the House in May and an unlimited number of days of debate in December. I think the compromise is to have four or three days in May and a bit of a trade-off with the opposition days. The other thought is to have an understanding about a certain limited number of days in December, again with a trade-off against opposition days.

As for the idea itself that we should bring back some of the estimates to the floor, I have been speaking in favour of this for years. Then, as to the other proposition that debating estimates on the floor of the House should be only at the Committee of the Whole stage—I do not think I have seen it in those precise words before—it is a good idea and I commend the author of it.

Way back in ancient history we used to debate the estimates entirely on the floor of the House in committee of supply. The process went on and on, but there were some pretty good debates. The hon. member for Nepean-Carleton will remember them because he sat up in the gallery as a boy and watched them. Some of us were down here on the floor. But, you know, this country got too big, the number of departments became too many, the sums of money became too involved, and we just could not handle it that way—the year was not long enough for us to consider all the estimates in committee of supply on

the floor of the House. So we experimented with two or three different ways.

We went back and forth and finally we decided, I think it was in 1968 or 1969, to take the estimates off the floor altogether and send them out to the standing committees. That same package which we passed in 1968 or 1969 included changes affecting the legislation, the report stage, the sending of bills to committee and so on, which I think were good and which have worked out well. Somewhere in the process we brought in the late show at night, and we did other things. I think we have improved the procedures in this House.

The one area in which we have not yet solved the problem is with respect to the passing of estimates. We could not possibly go back to the way it was when I came here in 1942. But I do not think we can continue with this process of their being dealt with in committee without a word being said on the floor of the House, and I think some sort of compromise should be considered.

I hope we can look at this subject with equanimity, and get over chiding each other about what has gone on in the past. I trust the House will realize that the President of the Privy Council has a problem which must be solved. We have to find a way to do it. I hope the President of the Privy Council will consider that maybe, despite all the problems he has, we can experiment this year with a few days of debating estimates on the floor of the House in Committee of the Whole on special supply bills.

I do not think we can solve this by simply debating this matter all week and all next week, and having recorded votes. I think it calls for consultation, and I hope there will be that consultation among the House leaders and that we can find something which will solve this problem. As I said in my initial remarks, we are faced with a great backlog of business, budgets and estimates and a lot of things which did not get done, and I think the country out there—

An hon. Member: Whose fault was that?

Mr. Knowles: An hon. member says "whose fault is that?" Is it not time to quit talking about whose fault it was, the two elections and all the rest of it? The fact is: let the bygones be bygones. The reason I was prepared to buy the shorter program of the two which the President of the Privy Council gave us the other day, was because it got the rest over that much sooner; it got it over in the middle of the summer. I do not think we should drag the past on for all of this year. As I say, what the country would like is for us to deal with substance. I hope we do not spend all week debating this process, but that we will find some way whereby we can have some agreement and get it done.

Some hon. Members: Hear, hear!

[*Translation*]

Hon. Yvon Pinard (President of the Privy Council): I rise on a point of order, Mr. Speaker, because I have already taken part in the debate and the amendment has been taken under advisement. I just have one thing to say. It is true, as the hon. member for Winnipeg North Centre (Mr. Knowles) said, that about ten days ago the various options were consideration and the opposition House leaders were given a choice. The hon. member came quickly to a decision; he was willing to co-operate, to accept either proposal, but my learned colleague of the Progressive Conservative Party, of course, took no position and preferred having the question debated today, without offering any counter-proposal, as I indicated earlier in my remarks on the motion.

We would have preferred, of course, to have the procedural matter negotiated and settled by mutual agreement or, at least, to receive counterproposals rather than being forced to come to the House to reach a solution that is fair and in accordance with the spirit of the Standing Orders, as the hon. member for Winnipeg North Centre so appropriately remarked, although that does not make us less open to a serious negotiation, if only there could be someone to talk to in the Progressive Conservative Party.

● (1750)

So if today's debate has the effect of convincing my hon. friend, the House leader of the Progressive Conservative Party, at least to reply to the proposals which have been made to him and to negotiate with all the good will that I know he can show, I am sure that if we call it six o'clock now, we can negotiate a reasonable agreement by eight o'clock tonight. Should my knowledgeable colleague not be reasonable, we can go on with the debate at eight o'clock.

[*English*]

Hon. Walter Baker (Nepean-Carleton): Mr. Speaker, I rise on a point of order. I am really rather surprised. I thought that the hon. member for Winnipeg North Centre (Mr. Knowles) had dealt quite appropriately with the spirit that ought to exist among House leaders. I hope the President of the Privy Council (Mr. Pinard), by what I regard as a rather offensive interjection, has not destroyed that spirit.

Since he has laid it out on the table, I just want him to recall that I told him I would consult and consult broadly—and I did—with respect to what we should do. I did exactly that. As I said at the outset in one interjection, it is not my job to make life miserable for the government, although I think my friend should recall that when I occupied his position my life was made somewhat miserable by open-ended debates in Committee of the Whole with respect to estimates. I think he should remember that. Notwithstanding that, as a result of the considerations we took internally as to how we might make this House of Commons work, one of the ways we chose was not to be offensive to one another on the floor of the House.

We considered very carefully how we might satisfy two things. The first thing was the necessity of the government getting its business done. I sat in that seat. I sympathize with his desire to have business done. I suffered under an opposition which did not give a damn whether business was done. The

second thing which is important with respect to this is that it is part of Parliament's business, not just the government's business, to hold the government accountable. Parliament is not the handmaiden of the government. It will never be, God willing. Parliament's job is to hold the government accountable. The only way we will in our processes hold the government accountable is if we somehow look at our processes and procedures.

The hon. member for Winnipeg North Centre is quite right. The examination in committees is next to useless in terms of estimates, and every member knows that. The hon. member for Ottawa-Vanier (Mr. Gauthier) has been concerned about the rights of French-speaking Canadians outside of Quebec. He knows how little opportunity there really is to come to grips with that. But if he had, for instance, the estimates of the Department of the Secretary of State here where the public can see what the government is doing, or is not doing, if that is the case, then I think he would feel he had his day in court on behalf of a constituency which to him is important. This could be repeated 282 times in the House.

What this amendment is all about, as a result of consultation, is not to hold up the government. But it is to provide that balance where we can somehow do our job. We have wrestled with the way in which it can be done. I hope Mr. Speaker finds it appropriate. In fact, if I can give Mr. Speaker some advice, the Chair ought to lean in the direction of finding this amendment appropriate if it can. It expands the rights of members of Parliament and of Mr. Speaker. That is the way in which it is prepared, not as a way to hold up the government.

I think our relationship will continue to be a good one, if we do not insult one another on the floor of the House. It is very important. Having served in both capacities as opposition House leader and government House leader, if I can give my learned friend some advice it is to learn to cool his tongue.

Some hon. Members: Oh, oh!

Mr. Baker (Nepean-Carleton): This is a House of debate and of differences of opinion, but in terms of the operations of government and the operations of Parliament, there has to be some good will. As I said before, it is not my wish to hold up the government; it is not. That wish can be accommodated if we can accommodate each other. This amendment is an attempt to do precisely that. Of course we are prepared to consult; of course we are. We now have something to consult about.

Mr. Knowles: Mr. Speaker, I rise on the same point of order. I wonder if I could make a suggestion which modifies slightly the one made by the hon. President of the Privy Council. It seems to me that to try to resolve this before eight o'clock is a little too much, but I believe we have a meeting already set for tomorrow morning. I wonder if we could not come to that meeting with our minds and hearts open, trusting that we can come to something, and that being the case, I wonder whether there could not be an agreement to adjourn this debate at six o'clock and take some other business tonight. I suggest now that a debate tonight on this subject will just be a repetition of speeches, but we have something about which we could consult tomorrow morning. I believe the hon. member for Nepean-Carleton is prepared to do so. I invite the President of the Privy Council to put this on the table at our meeting tomorrow morning and to ask the Chair to move to some other business at eight o'clock tonight.

Mr. Baker (Nepean-Carleton): Mr. Speaker, that is an eminently excellent suggestion, and I join in the invitation to do that, if I may. If the government House leader wants to take a few minutes to decide what he would like to call, we would be quite willing to deal with whatever business he has in mind this evening.

[*Translation*]

Mr. Pinard: Mr. Speaker, I appreciate this new wind of co-operation. There is no need for me to consult anyone now. At eight o'clock tonight, we will proceed with the consideration of the bill on small businesses loans. I sincerely hope that we will reach an agreement tomorrow morning on this motion, otherwise I will notify my colleagues of the order of the day for tomorrow. The proposal of our hon. colleague from Winnipeg North Centre (Mr. Knowles) seems to me to be very reasonable and I am quite willing to negotiate provided, once again, I deal with a serious spokesman for the Conservatives. Tonight we will consider the bill in the name of the Minister of State for Small Businesses (Mr. Lapointe) dealing with small businesses loans. Tomorrow, we will see whether there are any changes in the order of the day.

Mr. Baker (Nepean-Carleton): Agreed.

[*English*]

The Acting Speaker (Mr. Blaker): The understanding of the Chair is that some progress will be made on the subject matter of checking the orderliness of the amendment this evening, and I believe that the President of the Privy Council (Mr. Pinard) has indicated that at eight o'clock this evening we will resume the debate on Bill C-17. Is that agreed?

Some hon. Members: Agreed.

Mr. Knowles: That this debate is adjourned.

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

At six o'clock the House took recess.

● (2000)

AFTER RECESS

The House resumed at 8 p.m.

SMALL BUSINESSES LOANS ACT

MEASURES TO AMEND

The House resumed, from Friday, April 25, consideration of the motion of Mr. Lapointe (Charlevoix) that Bill C-17, to amend the Small Businesses Loans Act, be read the second time and referred to the Standing Committee on Finance, Trade and Economic Affairs.

Mr. Deputy Speaker: I understand the hon. member for Western Arctic (Mr. Nickerson) had the floor.

Mr. Dave Nickerson (Western Arctic): Mr. Speaker, I believe you are correct, but I did not know that as soon as I walked in tonight you would change the schedule and this matter would again be under discussion. However, I have just about completed what I had to say on the subject.

The final clause of the bill with which we are dealing brings the date forward, at which time the act will expire, unless renewed, to June 30, 1982. I am pleased to note that this sunset provision is still included in the bill. If we are not very careful, legislation of this nature can continue, continue, and continue, and Parliament can lose sight of it. With this provision it means that the measure has to be brought back before this House within the time period.

We are given to understand that within the two-year time period the government is going to take a close look at the various ways by which assistance can be given to small businesses, and I am very pleased this is to be done. The general consensus of the House is, I believe, that we should like this to go ahead, with assistance given to small businesses, and we commend the government for taking this upon itself. I am sure it can expect the advice and help of all members of this House.

Although that is the consensus of the House, I have one small reservation. It appears to me sometimes that instead of the government taking money from one set of taxpayers and giving it out in this fashion in specific areas, it might be better had it not taken that money from the taxpayers in the first place. We can very often make a good case for leaving the money in the hands of individuals, in the hands of corporations and small businesses, particularly so that they can themselves decide where they want to reinvest that money.

Just a few days ago every member of this House received a communication from the Minister of Employment and Immigration (Mr. Axworthy) about the summer youth employment program. In reviewing various projects under that program it came to our attention that after all this money has been spent we are still not going to be that much further ahead. This was something of a stop-gap measure. Perhaps in that case, as in the case of some of of the programs to assist small businesses, it would be better to leave the money in the hands of the taxpayer.

I think those were to be my concluding remarks on this particular bill. This is something I am sure everybody in this House wants to deal with quickly. We all agree with it in priniciple, and I hope it has speedy passage.

Mr. Dan McKenzie (Winnipeg-Assiniboine): Mr. Speaker, I welcome the opportunity to enter the debate on Bill C-17 to amend the Small Businesses Loans Act. The government has nothing to congratulate itself about in respect of this bill. All this is, is a very small step forward. The government certainly has much to do in this Parliament in order to get off the backs of the businessmen. I should just like to read into the record a brief comment from some business leaders in Manitoba following the introduction of the mini-budget last week. This is an excellent article which appeared in the Winnipeg *Free Press*, entitled "Budget Riles Winnipeg Businessmen". The article states in part:

> The federal government's mini-budget is the worst of all possible combinations, three Winnipeg business leaders say.
>
> Their protests centre on higher government spending and escalating deficits coupled with higher taxation.
>
> "They've led us down the garden path," is the way the government's financial posture was described to the *Free Press* by Gervin Greasly, executive vice-president of the Winnipeg Construction Association.
>
> Jim Cartlidge, president of the Winnipeg Chamber of Commerce, expressed concern the government is increasing both taxes and bureaucratic spending without having a long-term plan for fiscal administration.

● (2010)

In other words, the government does not have its act together. The article goes on to criticize the government for its continuing irresponsible spending habits, which have been the record of this Liberal government or so-called Liberal government since 1968. The Liberals have a disgraceful record when it comes to assisting the business community in Canada. One only needs to look at the number of commercial failures and bankruptcies since 1968. In 1968, under a Liberal government, there were 2,481 bankruptcies. Since 1968 the Liberals have managed to work that figure up to 5,648 bankruptcies. Clearly it indicates that their policies of heavy taxation, interference, and harassment of the business community have been very successful. They have increased bankruptcies by making things as awkward and difficult as possible for the business community in Canada.

Mr. Pepin: What is the figure for 1979?

Mr. McKenzie: We on this side are very pleased that the Liberal party has adopted a number of our proposals. One proposal which it has adopted is the Small Business Development Bonds which will assist small businessmen with the problem of escalating interest rates. I will be discussing the high interest rate policies of the New Democratic Party and the Liberal party in just a few moments.

Another policy which has been adopted by the government is the tax deduction to small businessmen of salaries paid to spouses, which was introduced in the last Conservative budget. One of the most serious problems for businesses, large and small, is the paper burden. Our government had taken steps to reduce the amount of paper work imposed on the small business community. Over 70,000 small businessmen will be exempt from filing reports under the Corporations and Labour Unions Returns Act. This is a step in the right direction, and I hope that the Liberal government will take a look at this

problem and continue to take steps to reduce the paper burden of the small businessmen.

A bill which died in the last Parliament under the filibustering and blocking of the NDP and the Liberal party was Bill C-12. I hope that this new Liberal government will reintroduce this bill, or a similar one, because it will greatly assist businesses, large and small, in Canada. This particular bill would save Canadian businessmen a considerable amount of time by reducing the paper burden.

As I have said, we had only begun in the area of reducing the paper burden. Bill C-12 was intended to streamline reporting systems and improve the sharing of information within the federal government. That bill would have also resulted in a better perception of labour union activity, particularly with regard to finances. I hope that the appropriate minister will be dealing with those issues in the future.

All members of Parliament receive copies of *Mandate* from the small businessmen. I read them with great interest, particularly the column which is headed, "Our members speak up". I would like to read a couple of comments from that section into the record tonight. One comment reads:

> High interest rates are killing business. Governments should drastically reduce interest rates to business by having two prime rates—with interest charged to businesses being about 50 per cent of the personal rate.

The Small Business Development Bonds introduced by the Conservative government, and now being implemented by the Liberal government, will help to some extent in this area.

One of the major problems facing this country is high interest rates. I would like to talk about high interest rates and what causes them. The size of the government deficit is one of the major contributing factors in causing high interest rates. This involves the financing of the deficit through the sale of securities to the public and absorbs a good part of the savings in the economy. The savings thus absorbed would tend to reduce interest rates if public borrowing requirements were less.

The reason we have such high interest rates is because we must attract investors to pay off the huge deficit which was run up by the NDP-Liberal coalition of the Twenty-ninth Parliament when all stops were removed. During that Parliament the lid was taken off, and federal spending increased by 50 per cent. This is what happened when the NDP were running the country for 20 months during the Twenty-ninth Parliament. Thank God it only lasted for 20 months. During the 20-month period of the Twenty-ninth Parliament, the period 1972-1974, Liberal government spending increased by approximately 50 per cent, when the little group down here to my left were controlling the country.

Mr. Benjamin: Hear, hear!

Mr. McKenzie: They are clapping, Mr. Speaker. They love bribing the people with their own money and getting this country deeper and deeper into debt. In dollar terms, during the fiscal year 1971-72 budgetary spending was $17,046,000,000. By the fiscal year 1974-75, budgetary spending reached $29,717,000,000; an increase of $12 billion in a 12-month period. That is why we have high interest rates today, to pay off the debt and the uncontrolled spending of that Parliament which was run by the NDP party, because the Liberals would sell their very souls to stay in power. They did not only sell their souls to stay in power during that Parliament, but they took the country into complete bankruptcy.

Some hon. Members: Oh, oh!

Mr. McKenzie: We hear laughs and jokes from the Liberals and the NDP because it is a great big joke to them. Canadians saw their performance in the Liberal television commercials during the last election which said, night after night, that interest rates should not have gone up, that it was a terrible thing for the Conservatives to let interest rates go up. If interest rates should not have gone up, then why has the government not reduced interest rates? It has been back in power since February 19, and why has it not reduced interest rates? Instead this government has played one of the cruellest hoaxes on the Canadian people that I have ever seen. Look at the smirks and laughs on these new NDP members.

Some hon. Members: Oh, oh!

Mr. McKenzie: These new Liberal members—what is the difference between NDP and Liberal?

An hon. Member: It's the same thing.

Mr. Huntington: It's a coalition.

Mr. McKenzie: That is right, it is a coalition. The Liberals spent 20 months in bed with the NDP.

It has been suggested that the Progressive Conservative minority government made Parliament unworkable because it refused to make deals to keep Parliament alive. It is the heavy spending of the Twenty-ninth Parliament which caused so much trouble in the business community, not the Conservative government. The Liberals claim that their ability to survive 20 months with a minority government, 1972-74, is ample proof of their inherent ability to govern. What the Liberals fail to understand is that the art of governing involves more than the craft of political survival. The Liberals survived their minority period by continually making deals with the NDP or by selling out one's principles for the sake of power, and it has not benefited Canadians. That is why there is a high interest rate problem which is not only affecting businessmen but also home owners across this country.

In 1979 the Conservative government, faced with a need to make decisive economic decisions following the prolonged period when economic decision-making was virtually nonexistent, the Clark government made those decisions and stood by them. We were not going to make any under-the-counter deals with the NDP. If we had entered into any such agreement with them, spending would have skyrocketed out of control, and the interest rate would be much higher than 16 per cent, 17 per cent or 18 per cent.

In contrast the Liberal minority government of 1972 to 1974 was one which presided over the total abandonment of responsible fiscal management, and the cost to Canada of the Liberal-NDP alliance was staggering. The fiscal damage that was done during that period tied the hands of the Clark government, and Canada could no longer afford the economic compromises which the Liberal minority government found so expedient to their political survival. The Clark government had taken a stand on basic economic principles, principles it was unwilling to compromise.

● (2020)

I listened to the Winnipeg radio station, with the NDP finance critic wailing and moaning about interest rates. He forgot to tell the people what happened in the Twenty-ninth Parliament with the coalition between the NDP and the Liberal parties. The NDP is directly responsible for the high interest rate problem that we have doday. Their policy is high interest rates through uncontrolled government spending.

I also made reference to the Liberals' TV advertisements. That was one of the most cruel hoaxes I have ever seen played on the Canadian people regarding interest rates, Mr. Speaker. It clearly indicated that the Liberal party do not have the principles or the ethics of an alley cat. That was one of the most cruel hoaxes I have ever seen played on the Canadian people. Unfortunately it was a member from Manitoba, the hon. member for Winnipeg-Fort Garry (Mr. Axworthy), who was used in the TV ads night after night, telling the people that interest rates should not have gone up. Mr. Speaker, why do they not bring them down now if they should not have gone up?

Then there was the utter nonsense we had to listen to in the last Parliament from the Liberal finance critic, now the Minister of Industry, Trade and Commerce (Mr. Gray), who comes from Windsor. When he was asked how he would reduce interest rates, "Oh" he said, "I will introduce an industrial strategy." When are we going to see this industrial strategy that will lower interest rates? We are not going to see it, Mr. Speaker.

The name of the Liberal party should be changed to the B & B party. In the 1960s it was bilingualism and biculturalism that was going to be the complete answer to all the problems of Canada. That did not work. It was only a limited success. Now the Liberals are taking us into the 1980s. We will have to find a new B & B name for them—the Balkanization and Bankruptcy party. I think that would be a very appropriate name.

Mr. Collenette: How about the winning party?

Mr. McKenzie: Yes, Mr. Speaker. A Liberal member just said, what about the winning party?

Mr. Collenette: Try it sometime.

Mr. McKenzie: The Liberals won through their unscrupulous tactics on TV ads and what have you. The Liberals certainly do not know anything about running the country but they know how to win an election, unfortunately. But the Canadian public is getting wise to them.

Bill C-17 does not cover a number of areas that were covered in the budget we presented in the last Parliament. It would have assisted development in eastern Canada. It offered specialized tax incentives for firms investing in Atlantic Canada and the Gaspé. Tax incentives were offered to encourage the construction of new Canadian-built fishing vessels. Fifty million dollars in job-creation funds were offered to assist eastern Canada in projects related to economic development. I hope the Liberal government will consider those areas in the very near future.

It is all very well to bring in little band-aid programs, but in countries or, for that matter, provinces that have nationalistic, leftist, or extremely strong bureaucratic tendencies, successful and striving entrepreneurs are made to feel uncomfortable. That is the situation we have witnessed in this country in the last few years. It was experienced also in the eight years the NDP were in power in Manitoba. Most people have no idea of the extent to which businesses are affected. It drives out investment money and stops business expansion because they simply do not trust these socialist governments. I shall not read into the record tonight things that I have read into past debates in other Parliaments about the amount of investment money and businesses that have been driven out of this country.

It is easy to see that Bill C-17 is not the total answer. It is a very, very small bill that will temporarily assist a few thousand business people. I have read the figures from this particular document into the record a number of times, Mr. Speaker, showing the amount of money driven out of the province of Manitoba in the eight years it had an NDP government. I have also read into the record a number of times the amounts of money driven out of this country under Liberal governments over the years.

The unadjusted unemployment rate as of March is running at 8.6 per cent, or almost one million people. This shows that over the years the policies have been absolute failures. The government managed to con people with their TV ads and slick promotions. We cannot take that away from them because they have been very successful with it—but that is about all they have been successful with. In 1970, Mr. Speaker, Canada enjoyed the third highest standard of living in the world; in 1978, we were eleventh, and today I believe we are somewhere about fifteenth, so our standard is dropping steadily under successive Liberal governments while problems for business are mounting.

I should like to return to the *Mandate* I referred to earlier and the comments that are made about the problems of small business. I hope that the minister will take note of these tonight. I should like to quote another letter that appeared in the *Mandate* recently as follows:

Please be advised that we are wasting a lot of time and gaining nothing for the small business with regards to the Small Businesses Loans Act. I have pleaded with (1) my bank, (2) the Co-op Credit Union, (3) The Provincial Treasury

Branches and received a big horse laugh. (They all said) there is no way that we are going to let our money out for 1 per cent over prime.

That came from a plumbing company in Calgary, but it is an issue that has been raised time and time again in the House. Small business people are having problems obtaining loans from different trust companies and banks. I hope we will hear something constructive from the minister regarding the problems that small businesses are having in obtaining loans.

I should like now to quote a comment of a businessman from Salmon Arm, B.C., who writes in the *Mandate* as follows:

For our clients, banking is a constant concern. The banks do not serve the business communities—the community serves the banks.

The problems are continuing, and Bill C-17 is far from the total answer. In fact it is not anywhere near it. Another letter which appeared in the *Mandate* reads as follows:

If the government is entitled to make laws to protect the consumer, they should also have the responsibility to make them known to all small businesses in such a way that the onus is not always on us. Who reads the official Gazette anyway!

I imagine this gentleman was referring to orders in council. We know that in 1978 about 3,300 orders in council were passed. This is a constant problem for the business community, to try to keep up with all the changes and the laws. They cannot sit down and read orders in council every day. We raised a question repeatedly in the House about the number of orders in council issued which affected businesses and other people in Canada.

Another area has caused problems for the small business community, especially the housebuilding industry. The September, 1979, issue of *Hudac National Focus* applauds the Conservatives' mortgage tax deduction plan which was filibustered and blocked by the Liberal and NDP parties in the last government. The publication commented that builders and industry generally were well pleased with the program outlined by the then minister of finance, although a few were skeptical about its over-all effects. It might not have helped everybody in the country but it would have been a great step forward in assisting home owners and builders. Nothing has been done since the new government took over. We hear the NDP screaming and yelling about interest rates but they filibustered and blocked a piece of legislation which would have been a major step forward in assisting home owners and the building industry in Canada.

Not only were they busy blocking veterans' affairs legislation and the transportation of dangerous goods measure but they also blocked the mortgage tax deductibility plan which would have helped home owners and the business community.

Mr. Blenkarn: And put people right out of their homes.

● (2030)

Mr. McKenzie: That is right. The NDP and the Liberals are putting people out of their homes.

Mr. Blenkarn: It costs them 3 per cent more than it should in interest.

Mr. McKenzie: That is right. One of my colleagues has just pointed out that the interest rates have gone up 3 per cent. That is as a result of the actions of the Liberal and the NDP parties in the Twenty-ninth Parliament.

The Liberal government is also falling back in not creating jobs and instead causing problems. It could do a lot to help the business community by making Canada self-sufficient in oil. We see that Canada spends $5.1 million a day to import oil. Successive Liberal governments have done more to create jobs for OPEC than they have to create jobs in Canada.

Mr. Blenkarn: They have done a good job with high interest rates in Canada though.

Mr. McKenzie: Yes, they have certainly done a good job with high interest rates in Canada. I understand too that they have done a remarkably good job in creating work for OPEC with their policy of relying on imported oil, instead of making Canada self-sufficient. If previous Liberal governments had continued with the policy introduced by the Diefenbaker government in 1958, namely, the road to resources program, Canada could very well be self-sufficient today. We probably would not have any unemployment nor would we have to worry about importing oil. Every business in this country would be booming if the Diefenbaker program of roads to resources had been continued. But the Liberals had a big laugh about that and said that all we were doing was building roads from igloo to igloo. That is a Liberal policy for which we are paying very dearly.

Of course, under the present Liberal policy, this $5.1 million a day going to OPEC to create jobs, over the next three or four years, will increase to about $15 million a day. I am sure OPEC will be looking forward with glee to this Liberal government depending on other countries for energy.

There are others in our party who wish to speak this evening but I wanted to put these viewpoints on the record. I know the Minister of State for Small Businesses (Mr. Lapointe) has moved around—there he is behind the curtain—and I hope he has taken some note of what I have said tonight. I hope he is reading the *Mandates*, and I hope he bears in mind why we have the high interest rate policy. I do not know whether he was here during the Twenty-ninth Parliament, but I hope he bears in mind the damage that was done to this country by allowing the NDP to run Canada for 20 months. They have to take full and direct responsibility, along with the Liberals, for the high interest rate policy that we have today which was established by the NDP and Liberals in the Twenty-ninth Parliament.

Mr. Jim Fulton (Skeena): Mr. Speaker, I appreciate the opportunity to speak tonight, having been the advocate of small business during the past Parliament. As a result, I have some knowledge of the difficulties that small businesses are having in the country at this time.

The bill itself is really not going to fool the small business community. All it is is an amendment to the instructions found in the average Liberal band-aid box. The increase by $75

million to $675 million, which will take us to June 30 of this year, does not do very much to deal with many of the critical internal problems faced by the small business community. The limits are raised from $75,000 to $100,000, which addreses inflation by adding a $25,000 bump. But it is really simple indexing for three years of unbridled inflation.

It was interesting to listen to the previous speaker who never really touched on the small business community or its difficulties. Instead, we heard a lot of political rhetoric from him. I would certainly hope that the Tory party will take the time to send it out to every small businessman in Canada.

An hon. Member: They would not dare.

Mr. Fulton: The new ceiling, which will take us into 1982, adds an additional $175 million, raising the limit to $850 million. I think it is important to look at what it means. The historical bulk of Liberal legislation does not deal with working capital, nor did any of the amendments proposed by the previous administration. The bill allows for equipment, improvement on premises, purchasing and construction of premises, and the purchase of land.

Tonight I would like to centre in on working capital requirements. I would like to point out that having acted as the critic for the NDP on small business, I noticed one particular thing in the last Parliament, and that was the number of letters I received from small businesses compared with the number I received from large corporations. I can tell you quite frankly that I did not get any from large corporations.

Some hon. Members: Oh, oh!

Mr. Fulton: I think it says a lot about the two larger parties, and how they fund themselves during elections. They like to laugh and chortle. I raised the point in my riding that Alcan gave the Liberal candidate $15,000 and the Tory candidate $15,000. It is interesting how it muzzled them during the campaign. Alcan wanted to build a large dam that would destroy the fishery and a major section of the environment. The Liberals and the Tories were very quiet during the campaign. There was only one voice, and that was the voice of the NDP.

The brutal rate of bankruptcy will remain untouched by the availability of loan capital under the SBLA. It directs itself rather to cosmetic change, to premises or equipment rather than interest rates and the costs of carrying inventory and expanding deliverability of goods and services, which are really the keys to a strong business sector. It is high time that the centralized disorganized approach to small business was discussed in this House. The myriad of forms for loans and criteria are an unnecessary hurdle to most small businesses. There is a need for one apparatus which deals, like a physician, with the whole, as well as the parts, rather than having, as many small businesses do now, a full time form filling and journeyman paper chaser. Businessmen need access to capital and expertise, not to red tape and paperwork.

With interest rates at 17 per cent to 20 per cent, a small business must pay out well over $1,000 a month simply to carry a $100,000 inventory. This gives opportunity for major chains and corporations to take over markets if a small business cuts back in its inventory. For example, in my riding a number of small businessmen contacted me as interest rates escalated earlier this year. A clothing store owner had two choices before him if he was to remain viable in the small business sector. He had to carry different sizes, colours, cuts and fabrics in order to attract customers and to get them back because he had the goods they liked. His first option was to borrow, increase his inventory, and hope the customers would come and buy from this increase in inventory. His second option was cut his inventory, thereby reducing his costs, and risk losing the volume sales which would result from customers in greater numbers. Neither of those options is particularly viable. Let us not forget that four out of ten Canadians are employed in the small business sector, with sales of less than $2 million.

I think it is important to touch on one of the points raised by the previous speaker. With over one million unemployed in Canada today, we should look at the relationship in percentages of those employed. Roughly 400,000 of those individuals would move on into the small business sector should we come up with a unified plan that would get the small business sector rolling again.

The time spent chasing loans could be better used at work within the Canadian economy. Let me give hon. members a number of examples. A number of years ago I was a glazier. I can tell you, quite frankly, that the need to carry inventory in that particular trade is extremely important. A glazier is much better off cutting glass, installing glass, mirrors or whatever else, than running around to wholesalers, as many glaziers now have to do, chasing up materials because they cannot afford to carry a full inventory.

I put it to hon. members that Bill C-17 and the other 400 odd pieces of dribs and drabs of garbage legislation and programs, do not deal with the crucial problems that small businesses are facing.

Mr. Blenkarn: It's a ding-dong bill; let's face it.

Mr. Fulton: A plumber is better off refitting a home than sitting in an office trying to negotiate a loan because his accounts are slow in being paid or his cash flow is limited because of his carrying capacity.

An engineer is better off preparing a site evaluation than sorting through an inch-thick book of bureaucratic nonsense, or trying to accommodate his need for staff to some ethereal federal government gobbledygook program.

I can assure you, Mr. Speaker, that I have looked at such things as the ABCs to small business a number of times. I am glad to see the hon. member for Capilano (Mr. Huntington) here. I am sure he has had a number of things to say, and I have read some of his comments. It is certainly something that the previous government had some intention of dealing with, but did not get too far along the road in doing so.

Small business today is working to subsidize the federal monetary system that does little in return for its hard work. An active, growing small business sector requires an aggressive and an imaginative federal leadership, something that is sadly lacking in Bill C-17. We should not spend days dealing with cosmetic trivia such as this. Let us spend our days effectively, condensing and working on such things as an umbrella funding system, an expanded research and development concept—

• (2040)

An hon. Member: Are you opposing it?

Mr. Fulton: I am certainly not opposing it. I think it is a very cosmetic bill and really does not deal with the types of issues and certainly the type of media that surround such things as the introduction of this bill.

An hon. Member: It's useless.

Mr. Fulton: I would not say it is useless as the hon. member to my right is indicating. It certainly does offer some funds to the small business sector.

The myriad approach, now with some 400 programs, is an attempt to cover up the fundamental problems of Liberal support to monopoly corporations and high interest rates which result from a deficiency of made-in-Canada industrial and economic strategies.

All fingers and toes in the dike of small business problems do little today except have all digits in the dike, something the pickled corkscrew from St. John's I am sure would appreciate. It is fundamental that there must be a forum for the voice of small business in developing a comprehensive structure that deals immediately with the needs of small business, not simply the needs and the wart-healing approach of the Liberal party.

Bill C-17 is an expression of the search for band-aids to hold together an eighteenth century approach to twentieth century global economics. I notice from the comments of the hon. member for Capilano, the previous minister of small business, a number of interesting statements, and I quote from page 431 of Friday's *Hansard*:

> I suggest that part of that review must be a change in attitude, a change in the use of the government resource from a protective attitude toward industries that are now obsolete in the global market place to delivering programs of front end benefit . . . so that we can compete against global efficiency and labour in other parts of the world where there is a lower standard of living and perhaps not the burden of environmental protection—

I must say with respect to the first part of it I can agree there are some obsolete sectors in the Canadian economy that really need to be dealt with, either in terms of bringing in a new technology so those jobs can be transferred, or dealing inside of Canada's economy so that the small business sector can expand into those areas where we are now importing either technology or the goods themselves.

There are some other points touched on here. Certainly the one I would like to touch on, being the environmental critic, is where the previous minister referred to "the burden of environmental protection". It is important, in looking at some of the statements of the previous minister of the environment when his party was in office, that the costs were estimated in the hundreds of millions of dollars, the costs of environmental and industrial pollution. If we are going to talk about burdens, it is an issue we should discuss at some length.

For example, acid rain is a burden. Polluted lakes and rivers, caused by industry are a burden. Cancer and disease from a polluted environment are a cost and a burden. The studies that are coming forth today indicate that some of the areas of soft technology in fact bring more jobs with them than having an industry that does pollute the environment. It can actually bring more jobs than simply adopting, as we are seeing certainly with our neighbours to the south, such policies that say if we are going to move toward energy self sufficiency by 1990, we are going to have to trade off part of the environment. I would say, and I hope all members would support it, that as we move toward energy self sufficiency and full employment in Canada we should not simply trade off the environment simply to gain goals that are not accessible in the short term. Carefully planned and executed developments that operate with the environment are a cost benefit, not a burden.

The benefits of this bill are eroded by the high interest rates. I think we need to look at that most closely. It raises the limit from $75,000 to $100,000. With the type of inflation that we have seen in the past couple of years, that extra $25,000 has been very rapidly gobbled up.

Let's take a look for a moment at a small businessman somewhere in Canada who is having difficulty. He is having difficulty getting his accounts in and he is having difficulty carrying a large inventory. What does this act deal with? It deals with premises, machinery, and land.

Simply putting on a new store front might help to get somebody in. A new piece of land for a little parking might help. However, the fundamentals in the small business community are waiting for this government to really start credibly dealing with the very difficult situation that they are facing, that is, the cost of carrying inventory and the cost of increasing staff, so that they can get out and deal and grapple in the marketplace with the problems, and with the initiatives that are required to get the small business community going. The 25 per cent increase in the amount, with 17 per cent interest charged on that, can hardly be described as a constructive policy.

Mr. Blenkarn: Where do you get 17 per cent?

Mr. Fulton: 15.67 plus 1 per cent.

Mr. Blenkarn: One per cent over prime.

Mr. Fulton: The hon. member for Kamloops-Shuswap (Mr. Riis) covered very well the reasons why banks are less than eager to pursue 1 per cent over prime when they can pursue 3 per cent over prime on other loans. That comes to the crucial matter of what is facing the small business community, which is access to capital.

I was pleased to hear the hon. member for Capilano touch on that, with some possibility of ways of getting capital out of

the Canadian economy and getting it moving within the small business sector. This is a job for government. Clearly the government on the other side is not prepared to move on it. It is a job for all the opposition, rather than bickering back and forth as the previous speaker for the Tory party did. We should deal credibly with the issues that are at hand, rather than simply using these periods in the House of Commons to bicker back and forth about very trivial issues, getting on to the fundamental issues that need to be dealt with in this country on behalf of small business. After all, that is why this time is set aside. We should therefore pursue it as effectively as we can.

With the same frustration felt by the small businesses of Canada I give support to this bill, acknowledging however the stop-gap and bureaucratic nature of it, at a time when an imaginative and cohesive approach is required.

Mr. Otto Jelinek (Halton): Mr. Speaker, I cannot begin without saying how amazed I am at that hogwash coming from the previous speaker for the New Democratic Party. If any government followed the philosophies of the New Democratic Party, there would be no small business sector. All that would be left in a country run by the socialists would be larger unions and nationalized Crown corporations.

I would first like to congratulate the new Minister of State for Small Businesses (Mr. Lapointe) on his appointment. I hope he receives the co-operation from his cabinet that his predecessor, the hon. member for Capilano (Mr. Huntington) did, and not as his previous Liberal predecessors. Otherwise he will become a puppet on a string as they were in the past. I sincerely wish him the best of luck in his deliberations with small business because we all look, from these two parties in any event, at the future of small business in a very non-partisan way.

I am pleased to be taking part in this debate regarding the proposed amendments to the Small Businesses Loans Act. I am always delighted to speak on matters which deal with the small business sector because small business, as we know it, still know it, or certainly as we knew it, is certainly the backbone of the economy. Unfortunately, with a lack of attention to that sector, that backbone has been eroding.

Small business, as we have said over and over again, is responsible for over 60 per cent of the labour force in this country. It is certainly the largest potential employer, something that governments, generally speaking, are not taking as much advantage of as possible, especially with the unemployment figure reaching a million in this country.

It is unfortunate that this House debates matters involving small business so seldom, when in fact the whole economy revolves around it. It is also unfortunate that more often than not when this House debates matters dealing with small business, it deals with amendments or extensions of old pieces of legislation merely to keep up with the times, rather than with new innovative programs and policies that truly assist the small business sector. This bill, Bill C-17, is one such example of merely amending the Small Businesses Loans Act in such a way as to keep up with the times. Naturally it will receive all-round support, for it increases the amount of the maximum guaranteed loan from $75,000 to $100,000. As I said, that merely keeps the level of the loan indexed to the current inflation rate.

• (2050)

I recall in 1977 when similar amendments were made to the Small Businesses Loans Act at which time the ceiling went from $50,000 to $75,000 maximum. At that time a number of us recommended that we should be more generous and raise the level to $100,000 instead of going back to this bill on a tri-annual basis. Perhaps a permanent bill incorporating measures keeping up with inflation could be considered, so that we would not have to come back to deal with these band-aid approaches to small business on a regular basis, as we have been doing. In any event, three years ago dealing with these same amendments I said we should not just deal with this vital sector on an ad hoc basis, as we are doing today again but, rather, that we should develop an over-all comprehensive program for small and medium enterprises in Canada.

Over the years that I was a small business spokesman in this House, my colleagues and I proposed a variety of ideas and recommendations to assist and enhance the growth of the small business sector. In fact, my friend, the hon. member for Capilano, was in the process of developing some of those ideas when he was minister of state for small businesses in the last Parliament. Unfortunately, though, as everyone knows, this development of ideas came to an abrupt and sad end when the Liberals and New Democrats defeated a budget which, I must assume, was defeated for a reason which goes far beyond budgetary measures, namely, political power.

Mr. LeBlanc: Explain.

Mr. Jelinek: The Liberals could not have defeated the budget because they did not approve of it. I will explain. The Liberals could not have defeated the budget just because they did not approve of the budgetary measures, because why else would the Minister of Finance (Mr. MacEachen) have copied to the cent many of those budgetary measures in his mini-budget just a week ago tonight? One of the few things that was left out, of course, was a promise that government spending would not increase any faster than the gross national product. Look what the proposal is now, $4 billion. That was a promise.

The Minister of Industry, Trade and Commerce (Mr. Gray) promised during the election campaign after our budget defeat that if interest rates rose after the Liberals formed the government, he would resign. What happened? Interest rates have increased by 3 per cent, and he is still here. The only thing I can say to those who supported the Liberals on February 18 is that they have been had. If they believe that energy cost increases are going to stay below 18 cents a gallon, they are fooling themselves as well. The government has been fooling the Canadian people. That is what has been happening. The

Liberals did that in 1974 with wage and price controls. They did it again this time with the budget and with energy policy.

Where is that magic blended price or the magic made-in-Canada price? When all the blending comes together, the cost at the gas pump is going to increase by 50 cents or more a gallon, not 18 cents. We were proposing 18 cents a gallon. We proposed, hand-in-hand, energy tax rebates to low income families, to agricultural producers and to the development of the urban transit system. None of this is being proposed by the Liberals now that they are in government.

During the election campaign the Prime Minister (Mr. Trudeau) promised that as soon as he formed the government he would let us know what energy costs were going to be. In December of last year he said that in two weeks he would let us know exactly what that made-in-Canada price would be. Two weeks later he said he would let us know as soon as he formed the government. When he formed the government he still did not know. He still does not tell us, and he still keeps the Canadian public in the dark as far as energy costs are concerned. That is why I am saying to those Canadians who supported the Liberals on February 18 that—and I repeat again—they have been had.

In any event, back to Bill C-17—

Mr. Baker (Nepean-Carleton): A wonderful digression.

Mr. Jelinek: —three years ago this House also increased the eligibility level of a small business under the Small Businesses Loans Act from maximum annual sales of $1 million to $1.5 million. I am somewhat surprised that there is no change in this definition as it pertains to this legislation in Bill C-17. Is there something wrong with growth? Does the Minister of State for Small Businesses or the government think there is something wrong with growth? By not raising the level there would appear to be an incentive for small business to stay small rather than to grow.

But perhaps the most important thing which is missing is a provision which would include venture or working capital as part of this legislation because, after all, the majority of businesses which experience financial difficulties experience them because of a lack of working capital. This is something that I proposed very strenuously the last time this bill was amended in 1977. It was considered and rejected for a variety of reasons, but today more than ever, as far as the economic climate in this country is concerned, it is necessary that working capital or venture capital be included in this bill, and I hope the minister will seriously consider including such a provision when it comes before the appropriate standing committee at which time I, along with my colleagues, will be proposing a number of amendments to try to improve this bill.

However, after all is said and done with regard to this bill, it is really interest rates which harm industry the most, the high cost of borrowing money. Members of this government only two or three months ago were saying that they should be elected because they would bring interest rates down. One credit I must give to the government is for copying parts of that John Crosbie budget, and one of the measures in that budget which the government copied is the small business development bond, but that is not enough.

Three months ago this Liberal administration, as the Leader of the Opposition (Mr. Clark) has said over the past few months, knew what was wrong. Surely it must know what is right, and yet all it has the guts to do is sneak in a mini-budget so that the opposition does not have an opportunity to reply and respond. We cannot bring the budgetary measures before the appropriate committee for discussion and deliberation. What is wrong with this government which made all those promises to the Canadian public about what is good and what is not good? Unfortunately, the small business community cannot depend solely on the Small Businesses Loans Act and its tri-annual update.

The small business community cannot continue, as it were, to hang in, while governments in general ignore its basic needs on one hand, and swamp it with bureaucratic regulations, directives, controls, forms and general paper work on the other. The small firm sector is what the free enterprise system in this country was built on, and if we want this system as we know it to continue to exist, much more must be done in the way of the promotion and development of wide-ranging programs and policies.

I have said over and over again, in this House as well as outside it, that government must commit itself to developing an over-all policy, not just ad hoc amendments and legislation such as the legislation we are discussing today. This government must commit itself to an over-all policy to assist the small business community in dealing with a broad range of issues and concerns.

The party to which I belong has, on many occasions, put forward realistic recommendations for consideration by the government in dealing with this vital industrial sector and, again, we were in the process of implementing them. The hon. member for Capilano was in the process of implementing them when he was cut short. The Conservative government was cut short in trying to implement the many realistic programs and proposals which we had introduced and were in the process of introducing.

For example, here are just some of the programs which I personally have recommended in this House in the past, and I continued to do so: Give tax rebates and other incentives to those small businesses which invest in research and development, because incentive is the key word in small business. Yet under the Liberal administration of the past 12 years, incentive has virtually disappeared from the political vocabulary.

● (2100)

I turn to point two: to provide an incentive tax credit to any Canadian citizen who makes a direct investment in the equity of a Canadian-owned business. Again, we must give small business an incentive, and we must give Canadians the incentive not only to invest in small business but to keep their investment in Canadian small businesses. By such a program we would kill two birds with one stone—keep investment in

Canada, and support the small business sector at the same time.

Three: develop trade schools and apprenticeship programs. It is unfortunate that in a country like ours, in which there are now a million unemployed, we should be importing specialists and tradespeople instead of setting up expanded trade schools and apprenticeship programs here. We have to go abroad and bring in labour from other countries. It is a shame, when we have a million people unemployed, that we should have to depend on other countries for specialized labour. The Conservative government was in the process of developing more trade schools and apprenticeship programs when it was cut short by the Liberals and the New Democrats who do not have a program to replace the new programs we were recommending.

Point four: to establish a fixed proportion of government services and goods to be supplied by small business, in other words, a set-aside program. We have talked about this for years. Why should the majority of those called upon to produce products and services for the government be large corporations, many of them multinational corporations not Canadian-owned? Why cannot the government set aside part of its purchasing program strictly for Canadian small businesses which, more often than not, can provide products and services more effectively than the larger multinationals?

Five: exempt small businesses from the application of federal legislation potentially harmful to them. We often debate federal legislation which is geared to large businesses, forgetting what harmful effects many of these measures have on the small business sector, whether it is textile quotas, whether it is—

An hon. Member: The Bank Act.

Mr. Jelinek: —or the Bank Act, as one of my hon. friends mentioned. There are many pieces of legislation dealt with in this House which are harmful to small business. The minister responsible for small businesses should take upon himself to make sure that small business is exempt from these provisions whenever they are harmful to that sector.

Six: develop, through incentives, a secondary manufacturing sector. Canada is the wealthiest country per capita in terms of natural resources, yet consider what happens: we dig up our natural resources, often using American or foreign firms, and sell those resources to West Germany, Japan and elsewhere, where they create productivity and employment. Then, very often, we buy back the finished product at inflated prices, though in many cases they were made out of natural resources which came from Canadian soil in the first place. Again, through incentives, we must begin to consider establishing a secondary manufacturing sector particularly within the small and medium-size business community which is the most capable when it comes to dealing with this aspect. As I say, we have an advantage because the natural resources are here as opposed to Japan or West Germany.

Governments in the past have closed their eyes to these possibilities. Their philosophy has been: just dig it out and ship it abroad. If we had a secondary manufacturing sector here we would not be obliged to depend to the extent we do on the American economy when it comes to auto parts, for example.

One other point—and I shall be brief because I know my time is running out—calls for the total overhaul of the Federal Business Development Bank. From my point of view, its procedures are too cumbersome, too bureaucratic; there is too much red tape and too much security is demanded by way of collateral. I could tell you a dozen horror stories, Mr. Speaker. I recall when I was building up my own small business. At that time the Federal Business Development Bank was called the Industrial Development Bank. We needed expansion funds because our business was growing faster than we could get credit from the chartered banks. It took us six months to get the loan and four times the amount of collateral which we regarded as reasonable. I am sure if that bank had known my grandmother had gold fillings in her teeth, they would have asked for them, too! But I did not tell them. I might add that legal fees amounted to about 10 per cent of the total loan. Now, is that assistance to small business? The same kind of story is true today of the Federal Business Development Bank. That is not assistance to small business.

As I said earlier, bills such as the one before us are necessary for the sake of updating only. They do not constitute anything new or innovative. I believe the bill should have offered a lot more than it has, such as higher maximums, higher annual gross revenues for eligibility, an increase in the number of institutions offering the loans, the inclusion of working capital, and a far greater variety of reasons qualifying people for loans—not only those engaged in small business strictly defined but those engaged in the area of farming and fisheries as well.

I shall not dwell on this subject any longer because I anticipate putting forward these recommendations perhaps by way of amendment when the bill reaches committee stage. So, in closing, I should like to repeat what I have said often in this chamber, something which I believe is imperative if we are to preserve our democratic way of life.

If we wish the small business sector to continue and prosper in our society, as I am sure we all do—at least on the Liberal and Conservative sides; I am not so sure about those other clowns to my left—immediate action must be taken by the federal government to come up with an over-all, comprehensive program dealing with small business, rather than the present band-aid approach. I know the minister must be getting tired of hearing the phrase "band-aid approach" used so many times, but that is what it is and that is what has been applied for the last 12 years. The small business community is what the free enterprise system is all about. It is what this country was built on and what this country can prosper by.

Other countries, which are presently more fortunate than Canada with respect to unemployment, inflation, productivity and other benchmarks by which a standard of success is judged, have all concentrated their economic energies upon the small business sector. We still have a chance to keep the free enterprise system well and alive, building toward the future,

building on what we possess, building on the strength we have. But we must act at once before we lose this opportunity.

Mr. Don Blenkarn (Mississauga South): Mr. Speaker, the Speech from the Throne had a great promise in it. It said something about an assurance that ceilings for loans under the Small Businesses Loans Act and the Farm Improvement Loans Act would be raised to $100,000. That, of course, was designed to sound good to the general unwashed. This is a ding-dong piece of legislation, Mr. Speaker. It is pure drivel. It does not mean anything with interest rates on prime at 16.75 per cent. And one over prime is 17.75 per cent—18 per cent. Well, my goodness gracious!

We are now going to increase the limit which the Government of Canada can guarantee to the big banks to $675 million from $600 million. Now, is that not an important piece of legislation for the big banks? Is that not wonderful for the big banks? The big banks will be happy about that. Also we will hear about the Bank Act later in this session. Is that not super? Are we not going to do something real fine for small business? We are going to give them money at one over prime, if they happen to qualify under the regulations in the act.

● (2110)

Let us look at the act and all the regulations required under it. Under section 7 of the act it is indicated that the governor in council may make regulations prescribing the forms, applications, reports and other documents required in connection with guaranteed loan improvements effective under the operations of the act. At one over prime we have got to go through the red tape, and at 18 points we still have to go through the red tape. This is to help small business. Is that not wonderful? How can one be the Minister of State for Small Businesses, (Mr. Lapointe) and expect to help small business by one more bit of regulation and red tape up to $100,000? This is providing that one's business does not have too much gross and providing that it comes under the regulations and the requirements of the minister. What is his regulatory power? It goes on a whole page and on to the next page right down to section (m) and the subsections. It goes on and on and on.

The poor small businessman coming up to apply for a loan will say to his banker, "Sir, I want a loan under the Small Businesses Loans Act. I want to pay only one over prime." The banker is going to kick him out on his arse. This is what they call a help to small business. This is a real Liberal help to small business. They really want to help the small businessman. They want to give him all this advantage of paying one over prime. The guy could probably get the loan at one over prime without the red tape, and if he cannot, he will not get the loan anyway.

What are they going to guarantee with this one over prime loan? They are going to guarantee that the banks will get 90 per cent of their defaults covered. That is what they are talking about. They are talking about a piece of legislation which is so important that it was put into the Speech from the Throne. It was put in to help the unwashed who do not know anything about small business to think that this government will do something for small business.

I see the minister walking out right now. I do not blame him for walking out. I would walk out too if I was the minister with this piece of legislation. This piece of legislation is a travesty on this Parliament. We were asked to debate urgent legislation. The Governor General in his imputations for this House said in the speech that we must rely on the good will of members and that we must get down to passing necessary legislation, the accumulation of essential legislation. This is called essential legislation; this is called legislation to help small business. I see the hon. member for Ottawa Centre (Mr. Evans) nodding his head. He thinks that this is great stuff. He has been so heavily involved in the small business field that he really knows what it is to earn a living and pay a payroll, as long as he is on the public service staff.

Let us get down to brass tacks. This is a bill which is just pure hokum to the general public. It has no intention of helping small business at all. It will not do a darned thing to help small business. It raises the limits the banks will receive. The big banks will receive the guarantee of the minister from $600 million to $675 million. It raises the size of the loan, providing the loan goes through all the regulatory processes, up to $100,000. I say, big deal, ding-dong legislation. It is a never mind bill. One cannot oppose the thing. It has got good intentions. It says something about small business. It is really intended to help. Maybe it will help the little guy a bit, but it will not do a darn thing for the business conditions of this country.

I am disappointed that the minister has left because I would have liked to have asked him how many public servants are operating this wonderful piece of legislation, guiding the limits the banks will guarantee these loans? How many people does he have supervising the banks under the Small Businesses Loans Act? How many people are we paying as taxpayers of Canada to supervise these terribly difficult loans on which the poor small businessman only has to pay 18 per cent or 1.5 per cent a month? It is as easy as that. It is disgusting that the government should produce this legislation at all, that it should not come to the House of Commons with real concrete economic legislation dealing with the interest problems faced by business.

The other day I was doing some homework on the Bank Act. I am glad the hon. member for Ottawa Centre is looking at me. While I was doing some homework on the Bank Act, I had some discussion with some bankers, and it appears to me that the banking system is taking the hide off business to pay for its mistakes by getting into the mortgage business and the consumer loans business. What they have to do to cover their hides and their losses with rising interest rates is to charge small business prime plus one over, plus two over or whatever, just to get enough income to cover the losses they are taking on their long-term mortgage portfolios, their long-term car finance portfolios, and their long-term chargex type portfolios which are guaranteed at rates of interest far below the current prime. The effect has been that the business community has

been diddled. Really, the minister should be talking about the Bank Act. He should be talking about how we will control interest factors charged to businesses that are productive and employment oriented in the country, rather than businesses which need the assistance of this act.

Frankly this act has never done anything for small business. This act started in 1961. Really, what has it done? What are the huge accomplishments? What are the enormous successes of a statute which has been cluttering up the books since 1961? What have they really accomplished with it? We could talk about the bureaucracy they have. We could talk about the number of people who are employed in the service of the Government of Canada as a result of this act. We could talk about the paperwork that has been organized. We could talk about the forms that have been prescribed under section 7. It goes on page after page. This is the kind of thing we get from a Liberal government. They have not got anything new to offer, so they keep on amending an old piece of legislation, and they do not justify this legislation by any tremendous assistance to small business. Yes, it sounds sexy if one wants to put it that way. It is great stuff, it will help small business. They are going to increase their loan limit to $100,000. That is not the kind of thing we should be doing in this Parliament.

Even though the Governor General, in speaking to us in the Speech from the Throne, was mouthing the remarks of the Prime Minister (Mr. Trudeau), the people of Canada expect something out of this Parliament. They do not expect this kind of drivel. They expect something that is positive. They expect something that will inspire the entrepreneurial efforts of Canadians. What does this act do? It increases the loan limit to $100,000. It increases the guarantee limit to $675 million. That is all it does. At no time can we show in the administration of this act for nearly 20 years that it has really accomplished anything for small business, that it has really made it possible for small business to grow and develop, even though small business represents very close to half the employment in this country or more.

What has this act done? As a small businessman, would you bother going to your bank manager and saying, "Mr. Manager, you have got to put me under the Small Businesses Loans Act?" The truth of the matter is that you want the loan. If the manager says that it is 1.5 over prime, you will go for 1.5 over prime rather than upset the manager and try to beat him down to one over prime. That is what you are going to do. You are darned right you are going to do that. You are not going to say to Mr. Manager, "Fill out the forms under the Small Businesses Loans Act and get it for one over prime for me." Guess what! You are not going to get the loan at all if you play that kind of a game. You know it, I know it, and anybody who has been in business knows it.

● (2120)

This is cosmetic legislation designed for people who do not know any better. It is designed to put in a brochure so the government can say it has given something to small business. I suggest the government has done it to small business, not for small business, and they have done it to the people of Canada, not for them.

The government has created a situation where it has gone to the public of Canada, and intends to go this year, to borrow $50 million every business day of the year. That is fresh money they require to pay for their wasteful expenditure programs. These are expenditure programs which they refuse to come to this country and the people of Canada and this House of Commons to say why they are required. The government requires $50 million fresh cash every business day.

Some small businessmen hold savings bonds. Some ordinary Canadians hold savings bonds, but $500 million in savings bonds have been cashed in the last three weeks.

What this government has done has driven up the price of capital. It has driven up the cost of interest in this country by excessive borrowing. If the government would even cut down its requirement to borrow by a couple of billion dollars, or the $3.7 billion the budget of December 11 would have allowed, there would have been more money on the market for businessmen to borrow. When there is more money around to borrow, the interest rate goes down. Businessmen are not concerned about whether they qualify under this piece of legislation. They are concerned about whether they can borrow money at a reasonable rate. What does this government do? It is going to do something great for the small businessman by increasing the amount of the ceiling to $100,000.

I guess our party will support this piece of nonsense. I guess we will send it to the committee. As the hon. member for Halton (Mr. Jelinek) says, I suppose we can make some amendments to it. However, you know it really is a ridiculous piece of nonsense. It does not do anything for people in small business. It does not help anybody. I bet you that the minister, if he were here, could not tell us one single person this piece of legislation has really helped. If you can get a loan you get the loan yourself. If you cannot get the loan then you do not get it.

Do you think a bank is going to give you a loan at one over prime when it thinks it can dig you for three over prime, just because you go to the manager and say, "Mr. Manager, did you not know there was a Small Businesses Loans Act? Did you not know that, Mr. Manager?" You know what the manager is going to say. He is going to say, "You do not qualify, buddy boy, because I ain't going to fill out the form." He will tell you to go down the street to the Bank of Nova Scotia. The Bank of Nova Scotia will tell you to go down the street to the Toronto-Dominion Bank. You can go all around the clock and eventually you might, if you do your politicking right, get somebody to fill out the forms, but then he will probably turn the whole thing down.

This is a lot of nonsense. Anybody who has been in business knows that. I see that the hon. member for Stormont-Dundas (Mr. Lumley) knows that. He has been there before and he knows it is a lot of nonsense. It is a lot of nonsense; it is ding-dong legislation from a ding-dong government that does not know anything about business. The hon. member for New Westminster-Coquitlam (Miss Jewett)—

An hon. Member: I was sleeping.

Mr. Blenkarn: She says she is sleeping. I do not think that even she expects there is very much in this legislation. The hon. member for Skeena (Mr. Fulton) was speaking about it and I do not think he believes there is very much in this legislation. This is a filler bill in order to keep people happy and let this government say it is doing something. The government can tell Mr. Bulloch it has done something for small business today. I hope Mr. Bulloch of the organization for small business appreciates that because he has really got something. He has got a wonderful bill. He has a really wonderful bill here. It is really going to make all his members rich and prosperous. It is going to help them all make a lot of money.

This is the kind of a bill that is really not worth the paper it is written on. You will not find a bank manager getting all worked up about this bill. They think it is great. They think, by golly, the Government of Canada has really come to the assistance of the little fellow. Here we have a bill that is supposed to help small business. Why does the government not have a bill before this House that says this government commits itself to buying the things it requires from small business? It should buy a percentage of government requirements in Canada from small business. It should buy a percentage of its stationery, paper clips, typewriters, and repair services from small business.

What about the things the government needs around this Hill and in its offices around the countryside? Is a percentage of that material purchased from small business? Are we going to hire no one except people from small businesses to do the typewriter repairs, fix up the adding machines and the computers in the manpower office in my city? Is that the kind of policy we have, or are we going to continue with a policy of only hiring the big boys, the powerful boys, and give the small businessmen this drivel in Bill C-17?

Bill C-17 represents the kind of nonsense that we get from this government. This is the kind of thing this government produces so that it can say it has done something. I can see all the press clippings now. They will indicate that in the month of April this government was able to pass through second reading so many pieces of legislation: Holy baldy! Holy baldy!

This ding-dong bill with its red tape, with its 17¾ per cent demand interest on the present rate will not do anything for the business people in the community. It is keeping us busy here tonight. We are having lots of fun. We can debate it back and forth, but the real problems of the small businessmen relate to the acquiring of equity capital. If this government really was intent on doing something it should produce some amendments to the Federal Business Development Bank Act in connection with the federal government making arrangements for equity capital for small business. The government should do something in respect of the Federal Business Development Bank taking less security and a little more risk on some of the development loan possibilities that exist in small business.

This bill really does not have much to offer. It limits the minister's liability to a bank. It is really a bill to guarantee a bank against a bum loan. In others words, if a bank has to make a loan, because of political pressure in a community, and it did not think it was a very good loan, that bank is protected by the government. As a matter of fact, if the banker felt he would probably lose he would probably fill out the necessary paperwork and make the loan. If it was a good loan the banker might even talk the client into taking the loan at 1.5 per cent or 2 per cent over prime because of the speed at which the loan would be processed. After all, if the interest rate at 1 per cent over prime is 17¾ per cent, or 18 per cent, and the rate at 2 per cent over prime is 18¾ per cent, what is the difference? At that level of prime, to a person who wants the money, the total interest factor on the improvement loan does not mean much. The important thing is how fast the loan can be approved and how quickly the man can get on with the job.

This bill really does not reduce interest rates at all. It really provides an assistance program for the big banks. That is what it is, it is the big bank improvement loan. We should call it the big bank improvement loan. We could say it is the Royal benefit plan, the Commercial benevolent plan, or the Montreal yes plan. That is really what it is.

• (2130)

If one really gets down to the matter, the only people who will file applications under this act are those whom the banks looks upon as people who cannot pay their bills anyway. The banks will try to stick the minister with a $100,000 liability. They can stick this minister with a lot of liabilities. He is a good fellow for liabilities. He is a liability to this government sometimes, and he must be a liability because he brought in this bill as a matter of urgent and pressing legislation. It is a bank benevolent act.

If a person really qualifies for the loan, then he will get the loan from his local bank. I can say, from my much experience in small business and arranging financing for small business through our banking system, that our banking system is very competent at organizing loans for small business. It does not want to be bothered with the red tape of this bill. In fact the banks will make these loans at 1 per cent over prime or not much more. The banks will make these loans in some cases with minimal security if the credit worthiness of the borrower is there. It is only if the credit worthiness is not there or if the person cannot or will not pay, that the bank will attempt to stick the minister with the loan.

The minister will end up with a bank bureaucracy to look after the situations where the bank has ended up sticking it to him. This bill is very typical of Liberal legislation in that it is designed to increase the size of the bureaucracy and designed to be colour-coated to make a good impression. As far as business is concerned, as far as the guy on the street who is running a small manufacturing business, a store, or something in the construction field, is concerned, this is a bunch of nonsense. If such a person goes to his banker tomorrow and says, "Bill C-17 has been passed and you have to give me a

loan of $100,000, cheapie, cheapie, cheap", he will get the cold shoulder from his banker. You and I know that, Mr. Speaker, and the minister ought to know it as well.

The minister has been involved in small business enough to know that this piece of legislation is purely cosmetic or drivel legislation, the kind of useless bill that really does not accomplish very much and that is only there to paint the picture that this government is doing something for small business. This government has "bureaucratitus". It is a disease. The government passes legislation that provides for regulation, and I mentioned earlier the regulations in section 7, and I can go on through three-quarters of this bill about regulations.

Obviously, this is a bill that is designed to employ people. It gives the minister more people to work for him, more people in the civil service, more people to regulate and more forms to produce. It is probably good for the printing industry, and if the minister were really enthusiastic about the bill, he would organize the printing of the business forms required for this legislation so that the work would go to companies defined under the legislation as being small businesses.

This legislation will not do very much for small business. I will support the bill, but I really do not know why it was introduced as part of a program of a government that purports to do something for people, that purports to create, that purports to produce, and that purports to be interested in the affairs of Canada. After the government increases the deficit to $14 billion and brings in a requirement to borrow $11.75 billion on the capital markets of the country which will drive interest rates up and make things difficult for business, it proceeds to come along with this piece of camouflage, this piece of ding dong, this piece of nothingness and say that small business loans will receive favourable treatment.

The minister knows that it is nonsense, and anybody who has been in small business knows it as well. This bill is cosmetic and has no value in the total picture of the business community in Canada. This is typical of the kind of bill which this government produces. It is unfortunate that we on this side must support or, to some extent, go along with such a measure simply because there may be some conceivable benefit. So, I believe that we must conceivably go along.

Mr. Bill Domm (Peterborough): Mr. Speaker, perhaps the best suggestion that could be given to the government today as it addresses the problem of what it might be able to do to assist small business is that it try, through some magic that is not obvious in this piece of legislation, to put itself in the place of a small businessman. I suggest that Bill C-19 refuses to address the problem that the small businessman is facing today.

I think back to 1977 when I entered federal politics and to what the then prime minister of Canada said, that he would like to wrestle inflation to the ground. He gave the people of Canada a commitment in that year by forecasting that inflation would not exceed 4 per cent. He followed that forecast with an apology by blaming the pressures of inflation on the Canadian economy on other countries. In 1978 he said, "We will hold inflation in Canada to no more than 6 per cent." In fact, what has happened is far from the promises which the Prime Minister gave. His promises are not inconsistent with the promises his party made during the most recent election campaign.

I am sure that the business community in Canada was looking to this new government which took office only a short time ago for some injections into the economy that would help small businessmen. As a small businessman for some 25 years, I can say that this piece of legislation offers absolutely nothing new over what has occurred in the past decade, which was a complete disregard for the small businessman as he faced the pressures of inflation. We all know what members opposite thought of the "Diefenbuck", the 97-cent dollar, and we all know that when a piece of legislation is introduced in the House that offers some positive measures with regard to the fact that the small businessman must get better value for his dollar, he must also get better value from the government.

This piece of legislation, Bill C-17, will not correct what in fact is actually happening. What is happening to the business community in Canada today is that investments are leaving the country. No one wishes to invest in small business because of the bad treatment it gets from government. The government is supposed to set an example, and introduce legislation to prove it. What the government is doing in this bill is saying it would like to see the banks guaranteed for their losses incurred through the higher frequencies of bankruptcies in Canada today. This way the banks will lend to small business.

Small business is a bad risk because small business cannot get good value for its dollars spent. And why can small business not get good value for its dollars spent? It is because of the devalued dollar, the waste in government, and the high inflation rate, which was forecast in 1977 by the present Prime Minister (Mr. Trudeau) to be 4 per cent. Then it went to 6 per cent, 8 per cent, and 10 per cent. I say to the Prime Minister and to the Minister of State for Small Businesses (Mr. Lapointe), why can the government not introduce legislation that honestly tries to help the business community? Why do they dress up legislation and have headlines in the newspapers to the effect that the Small Businesses Loans Act is coming in when all it is in reality is a means for the banks to guarantee 90 per cent of their risk capital to an already bankrupt industry, small business, for job creation and employment?

● (2140)

Today the small business sector provides more than half of the total employment in Canada. We have a tremendously high unemployment rate. It approaches one million or more, if the figures were accurate. It actually exceeds one million because it eliminates those people who no longer qualify because of the effect of Liberal policies on the UIC qualifications.

This government is totally responsible for the giant octopus approach to the economy. The government is reaching out with its tentacles and is sucking like a giant octopus every nickel and every penny out of the small business community until there is nothing left for that octopus known as the government

to live on. It grows with its own greed and the person mainly affected is the small businessman.

How nice it would have been if the government had honoured some of the commitments it had made to the business community in Canada. How long can this giant cookie monster keep reaching into the cookie jar sucking every ounce of blood out of the business community until it has created the threat of unemployment for 50 per cent of the potential work force in Canada today?

If they do not smarten up soon, and introduce small business legislation that addresses the principal problem in business today—if they do not soon face the fact that the business community is going bankrupt with them, may I remind you, Mr. Speaker, that the spending of this government at some $60 billion represents 30 per cent more than they expect to take in? What business in Canada today could remain operative when spending 25 per cent more than it earns—sucking out of the people of Canada $1 out of every $4 they pay in taxes in order to satisfy their own greed?

The government's greed is nothing more than an insatiable search for power. They will tell the people of Canada anything, lead them down the garden path to nowhere, and in reality what the people get is nothing. This piece of legislation offers nothing new—no new outlook, no new approach or new direction for the running of this country.

When I ran for election in 1977 it was because I was finding it increasingly difficult to stay in business because of the greed of government and bureaucracy with its paper work. Why can the government not look at small business and design a very basic piece of legislation and give some credibility to the Minister of State for Small Businesses? It is not fair to shove him in some back room office and tell him that it is his responsibility to solve the problems of the country while, at the same time, giving him no teeth with which to attack the problem. If the minister is sincere—and I am sure he is—in wanting to help the small business community, he should introduce legislation that would cut bureaucracy, that would reduce the 60 per cent inefficiency in the civil service, that would offer funds to small businessmen at an interest rate they could afford. Why doesn't he do these things instead of introducing a meaningless piece of legislation?

This bill does nothing more than say to the business people of Canada today, "We are going to guarantee your loan to the bank; we are going to make sure that those big corporate giants known as the banks and trust companies are not going to lose any more on that problem that we, as a government, created, so we are going to insure the banks against losses in business."

When I approached the Industrial Development Bank in 1971, in 1972, and in 1974, Mr. Speaker, I found it increasingly difficult to obtain a loan. The banks are not interested, and this legislation does not offer the incentive for the bank or the lending institution to help the small businessman.

The government does not offer business people any incentive to run their businesses effectively, efficiently, economically and practically. The government cannot run its own house, so how does it expect the business community to pay any attention to a piece of legislation which does nothing more than guarantee the loan to the bank—90 per cent and write off 10? The banks can write off 10 per cent at the exorbitant interest rate of 18 per cent that our government is proposing to charge them.

I think this bill is a piece of rubbish, Mr. Speaker. The problem of the business community is totally ignored. There are not enough businessmen on the other side of the House to design a piece of legislation that will be helpful to that community.

What is a small businessman with a demand loan at the bank at up to 20 per cent interest, depending on the risk, a private loan from an individual paying up to 22 per cent, another loan from a mother or father paying dear knows what they can afford to pay, going to do with this legislation? Absolutely nothing, Mr. Speaker. He cannot consolidate his loans, nor can he make himself solvent because the legislation will not allow the small businessman to obtain working capital. The major problem in the business community today is not building a business or buying an expensive piece of equipment; it is staying in business. How can people stay in business with this kind of legislation? How can the small businessman become solvent again through the pressures of high interest rates when the government ignores him, when the government cannot even set the example for the business community to follow?

The real responsibility of the government today is to create a climate for small business, and not to meddle in the market place, not create the paperwork, not put the burden on the businessman to fill in reports and account to everybody for everything he or she does. A business is run best when the government stays out of the marketplace. What the government is doing with this piece of garbage is entering the market place with a bill which is mountainous in scope, as one of my colleagues said, and which is not even comprehensible to the average businessman. He wants something simple—for the government to make funds available to the business community in order that people can obtain working capital, can consolidate debts, can get their cash flow in line with income.

The government is taking more from the small businessman than he can afford to pay. You are taking $1 out of every $4 in taxes paid today. You, as a government, are responsible. You are taking from business people in Canada today more than they can afford to pay.

I suggest that two things should be in this act in order to enable the business community to survive. The first one is for the government to set an example and to live by the Auditor General's report which shows the government is a bad manager. There should be people in control of government who will address this major problem of how to run their own house, how to run Parliament, how to run the country.

You cannot do it. You did not do it for 12, 13, 14 or 17 years, and all of a sudden you are back in office. That is not because you have a new program. You do not. That is why you

are sitting on the opposite side of the House. We had a program and you did not, but we did not have a chance to turn the train around. You got the train running downhill in Canada for 17 years. We did not have a chance to get that second track going out west in order that we could bring it back.

I say to the government, if you do not get your ship in order, if you do not address the problem facing the business community today, and quickly—I see both businessmen on the other side are laughing—I say if they do not address the problem quickly there will not be any business community left in Canada to save.

Do you realize that you, responsible people as you are, responsible people as you should be, are currently—

Mr. Deputy Speaker: Order, please. Would the hon. member address his remarks to the Chair?

Mr. Domm: Mr. Speaker, do hon. members on the other side of the House who are reported to be creditable, sincere people, realize that this country cannot go on spending almost 50 cents of every dollar compared to the United States which spends as low as 23 cents? There are just not enough dollars to sustain that kind of octopus. The government has to get its hand out of the cookie jar. It has to remove the paperwork that is the burden on the small business community. The government has to cut that spending program from $60 billion to what it has to spend. This government must set an example for the business community, an example which the business community can look up to, not look down at.

• (2150)

As long as this government continues as a government, and as long as we allow it to spend 25 per cent or 30 per cent more than it takes in each year, the government will go the route of the business community, that is, it will go down the drain. When the government goes down the drain, we all lose. That is exactly the course the train is on now. We are going down the drain. The government is refusing to face the facts, it is refusing to address the problems of the business community and refusing to make working capital available to the small businessman so he can consolidate his debts. I say 18 per cent interest will not do it. The business community cannot survive on this program. The government ignores it. The government offers a program that is only of benefit to the major banking institutions.

We are at a time now in history when the people of Canada must be conservative. The people of Canada must learn to spend less. When I say the people of Canada, I say that the government will have to start living within its means if any legislation, particularly if a piece of legislation to be credibly studied in this House, addressing the problem of the business community is to be given any credibility at all. Having said that, with a little bit of restraint now shown by government—and it is not in its Minnie Mouse budget—we could perhaps slow up the train. But we must keep the business community shovelling the coal in. We must generate that 50 per cent of the work force that the business community generates. We will not do it by strangling these people with increased paperwork and bills like this which are of no assistance to them whatsoever.

We all know about the disasters in the post office and how well the Government of Canada runs anything that it sticks its hand into. We say: less government intervention, more responsibility given to business, less requirements of business to account to government, and the net result will be a reduction in our deficit, an improvement in the business community, and credibility to this government which it sorely needs.

What we need is a more businesslike approach from members opposite. We should not be continually laughing at the small business community. When we do that, we discredit ourselves. We have to give importance to the need to assist them and not give them lip service. We have to stop the intrusion of a government in the economy. We have to stop large bureaucracies draining life out of the business community. We have to bring in legislation that honestly and sincerely addresses the problem, and not give some front page headline story to this bill that it is going to offer the saving salvation for the business community when, in reality, it is going to do nothing of the sort.

A small businessman going broke today is not going broke because he cannot borrow $100,000. He is going broke because he cannot borrow $5,000. He cannot get enough money to meet his payroll. He cannot make the payments to the CIP, to the government. He cannot meet the payroll to his spouse, so the deduction that the government proposes to give to the spouses in small business, to a large number of businesses in Canada today will not mean a thing. He is not paying any income tax. He is not paying any money to the government. Consequently, we do not have enough dollars to run our own House here. Let us get our House expenses down. We have to move away from leaning toward the free handouts that is pressured on us by members to my left.

We have to stop realizing that every time there is a need in the country we look to the government to pick up the tab. Every time you do that, you strangle small business. Every time one gives in to a pressure group, any time one makes an election promise—and members opposite make election promises that will cost money—the business community is strangled with excesses of spending far in excess of revenue.

Let us try to put the country back on its feet. Let us do everything we can to be a good example to the business community in Canada. Let us consider, just for a moment, the possibility of getting off the back of the small businessman. Let us take a moment to think of what a saving it would be to a small businessman with a staff of two or three if he did not have to devote 30 per cent, 40 per cent or 50 per cent of his time to filling out papers in order to satisfy the bureaucrats that the system that we have implemented, here with all of our legal advice, is the best system for that small businessman. In reality, our major problem in Canada today, whether it is the labour unions, small business, or in government, is productivity or the lack of it. We cannot improve productivity in the small

business community if we do not get off the backs of these people, or say, and mean what you say, that we will cut the paperwork and set up systems within ministries today, not a new ministry or a new portfolio with 125 administering it, but systems within the existing ministries in that front bench across the way whereby their own ministerial expenses will be cut. And at the same time perhaps they will be able to cut the paperwork that is putting a burden on the small businessman. If hon. members opposite do not address these subjects soon, they can expect the kinds of problems that are compounding as they continue.

I remind hon. members opposite that in the first quarter of 1979 there were 1,465 bankruptcies. In September, 1979, there were over 2,000 bankruptcies. I would also like to remind hon. members opposite that our percentage based on the number of businesses in Canada, of bankruptcies, is not very commendable when one looks at the situation to the south of us. We have a lot to do to put our ship in order, in order that we can even compare half favourably to other free enterprise countries. The main problem is the drain that the members opposite, the ministers, and the minister for small business are ignoring—the drain on the pocketbooks of the small businessmen.

I plead with the minister for small business in his wisdom to bring in a good, honest piece of legislation that will say to the business community of Canada, "We do care and we will reduce government expenses. We will cut the inflation rate," not big insignificant promises of inflation rates of 4 per cent, 6 per cent or 8 per cent when in reality we have double digit inflation.

Let us look at what the Prime Minister has referred to as perhaps a new fresh outlook, and involve Canadians in that process of bringing credibility to government and success to small business.

[*Translation*]

Mr. Deputy Speaker: Order. In accordance with Standing Order 40, a motion to adjourn the House is now deemed to have been made and seconded. It is moved, therefore, that the House do now adjourn.

* * *

● (2200)

[*English*]

BUSINESS OF THE HOUSE

Mr. Knowles: Mr. Speaker, I rise on a point of order. Before we proceed to the late show, I wonder if we could have a word from the government House leader about the business for tomorrow. I hope we will reach an agreement in the morning on the matter we discussed this afternoon.

Mr. Pinard: Mr. Speaker, I sure hope we come to an agreement tomorrow morning. If we do, we will proceed with Bill C-19 tomorrow afternoon.

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

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

METRIC CONVERSION—REQUEST FOR PARLIAMENTARY DEBATE BEFORE SYSTEM PUT INTO FULL EFFECT

Mr. Bill Domm (Peterborough): Mr. Speaker, as the result of some questions asked on metric conversion as it would pertain to the imposing of forced implementation of metric conversion on some six million or eight million people in Canada on January 1, whether they want it or not, I asked a question in the House of Commons on April 23. I addressed the question to the Prime Minister (Mr. Trudeau). In his absence, I referred it to the Minister of Industry, Trade and Commerce (Mr. Gray). He was reluctant to answer it and passed it on to the Minister of State for Small Businesses (Mr. Lapointe).

The question dealt with two matters. I felt that the Government of Canada, against the will of the people of Canada, and without due process or consultation, had forced metric conversion on the Canadian people, in particular the cities of Peterborough, Kamloops and Sherbrooke. I asked the minister for small businesses if he would consider bringing into the House an act to be debated which would afford the opportunity for the citizens of Canada, to have their input into this legislation which will bring metric conversion into retail stores, and the meat stores in particular.

The minister responded that he was under the impression that metric conversion had been debated in the House in 1971. On April 25, last Friday, the minister for small businesses stated that he recognized that he was in error. He said, "I recognize quite humbly that there has been no legislation on metrication that was passed as such."

With that in mind, I would like to advise this government that the contrast between the United States method of handling the implementation of metric conversion in the retail stores versus Canada's method, is the same as looking at a democracy and looking at a dictatorship. What has happened in Canada is without the due process of parliamentary debate and the citizens of Canada being given the opportunity to choose. The Government of Canada, in its lack of wisdom, elected through orders in council or ministerial direction to force metrication last year on three test centres in Canada. The results were disastrous. The response against the program was overwhelming. In light of this, and in light of the adverse reaction to this forced metric conversion without debate, I look forward very optimistically to the minister's statement in the House.

● (2205)

On April 23 the Minister of State for Small Businesses, when I asked whether he would allow full parliamentary discussion on metric conversion, responded "that it would be exam-

ined". I pursued the question with a supplementary and asked whether he would introduce a bill. Again he said he would review the suggestion. In light of the throne speech of the Prime Minister and the government, in which they assured the people of Canada that they would take into consideration the wishes of the people as they proceeded with running this country, I sincerely hope they will avail themselves of the opportunity to introduce legislation before they implement metric in 21 cities in Canada on January 1, 1981.

I remind this House than when metric is imposed without the due process of debate on January 1, 1981, approximately six million Canadians will be affected over the next year. If the government refuses to introduce legislation in this House, it will be taking a very hard-handed and dictatorial approach to what we all ran for office to do, that is, represent the majority wishes of our constituents in Canada.

Perhaps some hon. members opposite would like to know that they are going to get metric in St. John's, Dartmouth-Halifax, Quebec City, Montreal, Ottawa-Hull, Hamilton, Brantford, Windsor, Edmonton, Calgary, Lethbridge, Victoria, Nanaimo, and on the list goes. I would like hon. members opposite to realize that in April of 1981 they are going to have it in Charlottetown, Moncton, Fredericton, back in Montreal for a second phase, Mississauga, Toronto, Scarborough, Kingston, Oshawa and St. Catharines. There is something in this long list I would like to draw to the attention of this House. They have left Peterborough off the list.

Peterborough went into forced metric conversion in 1979. It has presented, through delegations to this government, the adverse effects it felt. My quarrel is not with the metric system per se but with the way it is being introduced. In last Saturday's edition of the Ottawa *Citizen* an article dealing with the report of the metric overview board includes the following quotation from that report:

> The majority of Canadians are not prepared to accept metric conversion, despite active promotion of metric by the Metric Commission over an extended period. Many people also view the metrication program to be costly—
>
> Another hindrance for small business.
>
> —inconvenient and confusing, having few if any practical benefits.

A preliminary report by the overview committee last November listed more examples of public opposition to the implementation of metric, but truly to understand the nature of the opposition, it is probably best to go to the people who were the guinea pigs, the people of the city of Peterborough.

Mr. Ralph Ferguson (Parliamentary Secretary to Minister of State, Small Businesses): Mr. Speaker, the government has not yet decided on a date to proceed with the implementation of the retail scales metric conversion program.

The previous government imposed a postponement of a minimum of one year on the continuation of scales conversion across the country. The weights and measures regulations setting conversion dates for the different areas covering the country were rescinded on February 19, 1980, but the provision for weighing and selling in metric still remains. In the three pilot areas almost all the food stores in Sherbrooke still retail in metric; in Kamloops about half of the stores switched back to pounds; and in Peterborough almost all stores are back to pounds.

The national co-ordinating body which planned this conversion is the working group on scales in the retail food industry. This body met on March 24 of this year and indicated the majority of the retail representation in the working group are prepared to recommend a start of scale conversion on January 1, 1981, provided that this receives the support of government regulation over the entire industry, and with a positive public attitude toward conversion created by that time.

The working group further gave its chairman a mandate to make the government aware of its concerns and, if its recommendations receive the approval and support of government, to recall the working group to implement a program of scale conversion covering the two-year period starting January 1, 1981.

● (2210)

The working group on scales is composed of representatives from the retail food and scales industries, and from consumers' groups. Associations represented include the Canadian Federation of Retail Grocers, the Retail Council of Canada, the Retail Merchants Association of Canada, and the Consumers' Association of Canada.

Note that weights and measures in Canada have been regulated under the Weights and Measures Act, through the Department of Consumer and Corporate Affairs. The working group on scales responded to the view of food retailers and consumers that retail food scale conversion be supported by legislation in order to ensure an orderly conversion and fair and uniform advertising practices. The working group now recommends that the proposed new schedules should also be supported by regulations and by a reinforced promotional campaign.

Our review will consider the views of all the interested parties involved in the conversion of scales in the retail food industry.

CANADIAN PACIFIC RAILWAY—WINNIPEG—RAIL RELOCATION—SUGGESTED REVERSAL OF GOVERNMENT POLICY

Mr. Dan McKenzie (Winnipeg-Assiniboine): Mr. Speaker, in February of 1979 I raised a question in the House in regard to the federal government, the Liberal government of the day, making up its mind one way or another as to whether it would provide funds for CP rail relocation in Winnipeg. After much procrastination they decided they would have another study. Well, we have just received the results of that study within the last couple of weeks and they show it would cost something like $168 million for rail relocation in Winnipeg.

As the Minister of Transport (Mr. Pepin) pointed out to me last week, however, there are no funds available for rail relocation. I do not understand why Liberal governments are continually asking for studies on rail relocation in Winnipeg when they do not have any funds for rail relocation. What kind

of game are they playing with the people of Winnipeg? Tonight we have the parliamentary secretary answering for the Minister of Transport. He is calling for more studies. And the hon. member for Winnipeg-Fort Garry (Mr. Axworthy) wants more studies too. They all want more studies, but they are not prepared to put up one red cent for rail relocation. This is absolutely ludicrous in light of the statements we heard from the right hon. member for Mount Royal (Mr. Trudeau) when he was prime minister in 1979. Rail relocation, he said then, was the Liberal approach. Well, if it is the Liberal approach, let them put up the funds.

Under the rail relocation formula 50 per cent comes from the federal government and the remaining 50 per cent is split equally between the provincial and municipal governments. If Ottawa is not prepared to put up something between $85 million and $100 million, then let them stop all these studies and this silly nonsense about wanting more studies about rail relocation. Let them put their money where their mouth is. The Minister of Transport told me the other day that the door is not closed, that there might possibly be DREE funds available. I hope the parliamentary secretary has some kind of announcement to make tonight about DREE funds, and I hope it is not $3 million or $4 million. If he cannot stand up tonight and tell us it is $85 million to $100 million, it will be further evidence they are leading us down the garden path.

There is another point I want to make clear tonight. This deliberate delay with regard to building the Sherbrook-McGregor overpass, because the Liberal government will not provide funding for the CP rail relocation, will cost Winnipeg an additional $2.8 million in construction fees, and I want a commitment from the parliamentary secretary that Ottawa will reimburse the city for the cost of this delay in providing funds while studies, studies, and yet more studies were being held. They will have to pay the additional $2.8 million which the city of Winnipeg will have to raise due to the 14-month delay in building the overpass.

● (2215)

The Minister of Transport stated to me the other day that everybody and his aunt want rail relocation. Well, not everybody and his aunt have been asking for it. It is the Minister of Transport, the former minister of transport, the present Minister of Employment and Immigration, the hon. member for St. Boniface (Mr. Bockstael), and the Prime Minister who have been asking for more and more studies. So, the onus is on the present Liberal government to provide some kind of funding to the tune of $85 million to $100 million.

Rail relocation has to be initiated by federal legislation and federal funding. They are committed to making a firm commitment to produce $85 million to $100 million in funds. Then the provincial government will be put on the spot to see what they will come up with. The Minister of Transport was critical the other day because he said that the Manitoba government has not said much about providing funding for rail relocation. But the city of Winnipeg and the province of Manitoba cannot make any firm commitment for funds until the senior government makes a firm commitment because it is their legislation.

We have heard the statements from the previous minister of federal-provincial affairs. He gave tips to the city of Winnipeg on how to obtain funds for rail relocation, and he was so concerned about the grain handling problems in Winnipeg, that they are a major concern of the federal government, and the possible relocation of yards. He went on and on about the backup of grain cars. He was concerned about grain cars and grain movement, but when the final crunch comes, they do not have any money to put up at all. All we have is the UTAP funds which the province of Manitoba is prepared to turn over to the city, $7.2 million of the $10 million which was allotted to the province, but that is the only funding they have. The city of Winnipeg and the province do not have a bottomless pit of money to bring forward for CP rail relocation.

I hope the parliamentary secretary tonight has a firm commitment to give us. I hope he will announce that he has found $85 million to $100 million in DREE, or if they cannot come up with the funds, for heaven's sake say that you are going to forget about rail relocation and will grant a permit to build the Sherbrook-McGregor overpass. Everybody would like to see the rail relocation go through, but if they cannot come up with the funding, then we will have to go with the Sherbrook-McGregor overpass.

I want to remind the parliamentary secretary that the two bridges crossing the tracks now are under weight restrictions. I hope the Liberal government is not waiting for these bridges to be closed permanently and then maybe come up with some solution. We cannot go on and on with this procrastination, stalling, and calling for more and more studies. I hope the parliamentary secretary will stand on his feet tonight and give us a firm commitment one way or the other.

Mr. Robert Bockstael (Parliamentary Secretary to Minister of Transport): Mr. Speaker, following the conclusion of the railway relocation study in Winnipeg, I have been involved in reviewing the study and have conferred with the Minister of Transport (Mr. Pepin) and Transport Canada officials about the study findings. In this process both the minister and myself have used the consultative approach. For instance, on April 24 the minister met with representatives of the city and the province to exchange views on the course of action to follow.

I am sure everyone here will agree that removing the railway tracks from the downtown of cities is a very desirable action. The cost of doing so, however, may in many cases be prohibitive. In the case of Winnipeg, the minister has already indicated in the House earlier that Transport Canada does not have funds, other than those available under the urban transportation assistance program, to allocate to Winnipeg. During the meeting on April 24 he reiterated his position on that subject in light of the report that the estimated net cost for relocation of the yard is $128 million, and $169 million is the estimated net cost for moving the yard and its main line.

● (2220)

I would note that the city is likely to construct the Sherbrook-McGregor arterial roadway system even if the rail lines are removed from their present location.

The study which was undertaken by the federal government was carried out because the city provided no estimate on the cost of relocation when they applied to build the Sherbrook-McGregor overpass.

Before the meeting with the representatives of the city and the province adjourned, the minister agreed to approach the Department of Regional Economic Expansion to find out whether this department has funds that might be allocated to the relocation project in Winnipeg. This possibility is being explored expeditiously so that an early decision can be reached.

I doubt very much that even should the federal government be in a position to increase its own financial commitment proportionately, the province and the city in turn would be willing to give the proposed CPR rail relocation in Winnipeg their corresponding priorized financial participation. Such an essential component of their co-operative involvement can only be resolved through jointly held negotiations.

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

Motion agreed to and the House adjourned at 10.21 p.m.

HOUSE OF COMMONS

Tuesday, April 29, 1980

The House met at 2 p.m.

• (1405)

ROUTINE PROCEEDINGS

[*English*]

DUTCH ROYAL FAMILY

GOOD WISHES TO QUEEN JULIANA ON HER ABDICATION, AND PRINCESS BEATRIX ON HER ACCESSION TO THRONE—MOTION UNDER S.O. 43

Mr. Peter Elzinga (Pembina): Madam Speaker, I rise under the provisions of Standing Order 43.

Tomorrow, April 30, being an historic day in the life of the Dutch Royal Family and the Dutch people, and being mindful of the special regard Canadians have in their hearts for the Royal Family and recognizing the contribution of the Royal Family to the beautification of our national capital, I move, seconded by the hon. member for Esquimalt-Saanich (Mr. Munro):

That this House convey to Her Majesty Queen Juliana on the occasion of her abdication our sincerest good wishes for many more years of happiness, and to Princess Beatrix on the occasion of her accession to the throne our prayers that Divine Providence may guide her in her reign.

Some hon. Members: Hear, hear!

Madam Speaker: Such a motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

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

Some hon. Members: Agreed.

Motion agreed to.

* * *

FINANCE

COMMUNICATION BETWEEN MINISTER AND NDP FINANCIAL CRITIC—MOTION UNDER S.O. 43

Mr. Bob Rae (Broadview-Greenwood): Madam Speaker, I rise under the provisions of Standing Order 43. In view of the statement in the House of Commons by the Deputy Prime Minister and Minister of Finance (Mr. MacEachen) on April 22, 1980, that he "tried to reach the financial critic of the New Democratic Party last week to tell him" about the non-budgetary statement made by the minister on April 21, I move, seconded by the hon. member for St. John's West (Mr. Crosbie):

That the Minister of Finance be provided with specific, detailed and non-evasive instructions as to the use of that great Canadian invention, the telephone, together with the telephone numbers, both office and home, of opposition finance critics, to carry with him at all times.

Madam Speaker: Such a motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

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LABOUR DISPUTES

REQUEST MINISTER INTERVENE IN DISPUTE AT PORT OF SAINT JOHN, N.B.—MOTION UNDER S.O. 43

Mr. Bob Corbett (Fundy-Royal): Madam Speaker, under the provisions of Standing Order 43, I rise on a matter of urgent and pressing necessity.

In view of the current strike by National Harbours Board policemen and the subsequent illegal walk-out by longshoremen in the port of Saint John, New Brunswick, and the severe economic repercussions that the city, province and Atlantic region will suffer as a result of this strike, I move, seconded by the hon. member for York-Sunbury (Mr. Howie):

That the House instruct the Minister of Transport to go immediately to Saint John to show his concern and intervene personally in an effort to end this dispute.

Madam Speaker: Such a motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

S.O. 43

• (1410)

AIR CANADA

FLIGHTS FROM OTTAWA TO ST. JOHN'S, NEWFOUNDLAND—MOTION UNDER S.O. 43

Hon. John C. Crosbie (St. John's West): Madam Speaker, I rise, under the provisions of Standing Order 43, on a matter of urgent and pressing necessity.

Since yesterday the Minister of Transport (Mr. Pepin) advised the House that there would be an air service direct from Ottawa to St. John's starting next week, and that he would like all members from Newfoundland to be properly served in terms of transportation from the capital, especially on the outward run as suggested by the Deputy Prime Minister and Minister of Finance (Mr. MacEachen), and since a spokesman for the minister later yesterday advised the news media that the Minister of Transport "goofed" when he replied to the "Newfs", I move, seconded by the hon. member for St. John's East (Mr. McGrath):

That the minister see that Newfoundland be properly served in terms of transportation from Ottawa by directing Air Canada to commence a service direct to St. John's from Ottawa, or resign, since Canada cannot afford further "spoofs" or "goofs" from the minister who has now angered, alarmed and annoyed transportation users in Canada from Prince Rupert in British Columbia across every province to St. Shott's in the southeast corner of Newfoundland.

Madam Speaker: Such a motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

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POST OFFICE

CALL FOR LEGISLATION AMENDING MAXIMUM LIMIT FOR AWARDING ROUTE CONTRACTS—MOTION UNDER S.O. 43

Mr. Bill Vankoughnet (Hastings-Frontenac): Madam Speaker, I rise, under the provisions of Standing Order 43, on a matter of urgent and pressing necessity.

The Minister of Consumer and Corporate Affairs and Postmaster General (Mr. Ouellet) informed this House that he was willing to increase the maximum allowable limit for rural postal delivery contracts without submitting them to tender. In response to my question yesterday he said "of course we would like to raise the limit as soon as possible". He went on to say that he "would be the first to go ahead with such a measure and have it approved immediately".

Accordingly, I move, seconded by the hon. member for Simcoe South (Mr. Stewart):

That this House direct the Minister of Consumer and Corporate Affairs and Postmaster General to introduce the necessary legislation to Parliament as quickly as possible so that the excellent service of rural mail carriers is not deterred by the further delay of this measure's hasty passage.

Madam Speaker: Such a motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

PUBLIC SERVICE

MEASURES TO IMPROVE MORALE—MOTION UNDER S.O. 43

Mr. Rod Murphy (Churchill): Madam Speaker, I rise, under the provisions of Standing Order 43, on a matter of pressing and urgent necessity.

In view of the fact that the Canadian government's relationship with public servants has deteriorated drastically in recent years, resulting in low morale, antagonistic negotiations, mass demonstrations and strike action, I move, seconded by the hon. member for Saskatoon East (Mr. Ogle):

That this House instruct the government to do the following as initial steps in attempting to improve the situation:

(1) To immediately reopen direct negotiations with the clerical component of the PSAC and make a more realistic offer than the 5 per cent per annum offered to these low-salaried government employees;

(2) to grant extensions of the priority status to those former government employees who were laid off in 1978 and 1979;

(3) to table before this House a government plan to increase government and management efficiency prior to any further lay-offs or staff size reductions; and

(4) when government lay-offs or staff reductions are planned, to provide an itemized report on the government services that will be affected before any action is taken.

Madam Speaker: Such a motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

TOURISM

FINANCIAL ASSISTANCE TO WINNIPEG CONVENTION CENTRE—MOTION UNDER S.O. 43

Hon. Jake Epp (Provencher): Madam Speaker, I rise under the provisions of Standing Order 43. In view of the government's failure to aid in relocation of the CPR yards in Winnipeg, and in view of the government's unwillingness to consider financial aid for the Winnipeg Convention Centre, I move, seconded by the hon. member for Winnipeg-Assiniboine (Mr. McKenzie):

That the government reconsider its decision of no aid for the Winnipeg Convention Centre and make moneys available to the Winnipeg Convention Centre on the same basis as that given to other cities which have built or are considering the building of convention centres.

Madam Speaker: Such a motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

POST OFFICE

SATURDAY DELIVERY OF RURAL MAIL—MOTION UNDER S.O. 43

Mr. Girve Fretz (Erie): Madam Speaker, I rise on a matter of urgent and pressing necessity under the provisions of Standing Order 43.

In view of the fact that many small towns in rural ridings and, indeed, rural areas presently receive delivery of their mail on Saturdays, in view of the fact that this delivery date is an important one for those who have come to depend on it, and in view of the fact that the Post Office is presently considering cessation of this service, I move, seconded by the hon. member for Simcoe North (Mr. Lewis):

● (1415)

That the Postmaster General instruct his department to terminate consideration of the proposed ending of Saturday delivery, which is a direct slight to rural Canada.

Madam Speaker: Such a motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

ORAL QUESTION PERIOD

[*English*]

THE CONSTITUTION

CONSTITUTIONAL DISCUSSION WITH REPRESENTATIVES OF INDIAN PEOPLE

Right Hon. Joe Clark (Leader of the Opposition): Madam Speaker, I have a question for the Prime Minister, who tonight I understand is addressing the all chiefs and elders conference which is meeting in the city.

The Prime Minister will know, with regard to constitutional discussion, that the Conservative government agreed that representatives of the Indian people would participate fully and directly in all constitutional deliberations having an impact upon an identifiable interest in their affairs. Is it the intention of the government to honour that commitment?

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, the Leader of the Opposition will permit me to remind him that his government, I believe it was last December, followed up the policy which we adopted in February of last year when at the first ministers' conference on the constitution the federal government put on the agenda the issue of Indian participation and obtained the consent of the various premiers to have that item concluded the way we did.

The conclusion was that we undertook to have the ministers who were discussing the constitution meet with the Indians, and I am very happy that the then prime minister, now the

Leader of the Opposition, followed up on this commitment. We certainly intend to go in that direction as well.

Mr. Clark: Madam Speaker, I am sure that hon. members appreciated the brief excursion into the history and background of the question. I wonder if the Prime Minister would now answer my specific question. Will the specific undertaking given by the government which I had the honour to lead be honoured in its specific terms by this government?

Mr. Trudeau: Madam Speaker, the purpose of stating the history was to indicate that we gave the undertaking and, necessarily, we will carry it out. In the meantime, I am happy that the Leader of the Opposition had an opportunity to subscribe to that undertaking.

Some hon. Members: Hear, hear!

Mr. Clark: Madam Speaker, if the Prime Minister is confused about the matter, I can advise him that the Indian people are not. They know there was a markedly different commitment given by the government which I had the honour to lead from that which was given by his government. It may well be that the Liberal government of the time was moving in that direction.

The Prime Minister could ease concern and clarify the question considerably if he would indicate to the House whether it is the intention of his government to honour in specific terms the commitment given by the government which I had the honour to lead.

Mr. Trudeau: Madam Speaker, if the Leader of the Opposition refers to the blues, he will see that I gave that commitment at the end of my first answer.

* * *

INDIAN ACT

REVISION OF LEGISLATION—DATE OF COMPLETION

Mr. Stan Schellenberger (Wetaskiwin): Madam Speaker, I direct my question to the Minister of Indian Affairs and Northern Development. Now that the revision of the Indian Act has gone through various stages, can the minister state what his target date is for completion of that revision; and is he intending to make any changes in the terms of reference?

Hon. John C. Munro (Minister of Indian Affairs and Northern Development): Madam Speaker, as the hon. member's leader has just mentioned, the all chiefs and elders conference is being held during the course of this week. They will be deliberating on the Indian Act.

It is perhaps the first time in Canadian history that such a group has come together to make their views known with respect to how they perceive and, indeed, how they would like the Canadian government to proceed on this matter.

Because of this conference, I am withholding answers to questions of this type which the hon. member has just asked

until I have at least had a chance to hear what the Indian leaders of this country say about the matter. I will be in a better position to answer questions of the type which the hon. member has just put in a couple of weeks, after I have had an opportunity to assess the feelings of the conference.

• (1420)

Mr. Schellenberger: A supplementary question, Madam Speaker. The minister and previous ministers have conducted a number of studies that were to assist in the revision of the Indian Act. All those studies are now in the hands of the minister.

Is it his intention to discuss those studies with the Indian people at this conference, or what impact will they have and what part will they play in the revision of the Indian Act?

Mr. Munro (Hamilton East): As I say, Madam Speaker, if one looks at the agenda, they are going into this question thoroughly. They have asked me to watch their deliberations. After the Prime Minister speaks to them tonight, they have asked me to speak to them on Thursday and respond to some of their suggestions.

I hope to be in a position then to indicate in some concrete fashion the direction in which I think we can proceed with their backing, but I will do so only in the most general terms at that early stage.

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THE CONSTITUTION

NEGOTIATION ON COLLECTIVE RIGHTS OF ABORIGINAL PEOPLES

Mr. Lorne Nystrom (Yorkton-Melville): Madam Speaker, my question is also for the Prime Minister: it is on the constitution as it pertains to the aboriginal people of this country.

I should like to ask the Prime Minister if he is prepared to negotiate with Canada's aboriginal people the entrenchment of certain collective rights for them in any new Canadian constitution.

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, the question is too general for me to do it justice in this particular forum. If the hon. member would indicate what he means by collective rights, we might have a little discussion about them.

Mr. Nystrom: A supplementary question, Madam Speaker: Is the Prime Minister willing to negotiate with these people the entrenchment in our constitution of certain collective rights? Those rights could be defined in future negotiations between the Indian people of this country and the federal government and perhaps the provinces.

In principle, is the Prime Minister in agreement with the entrenchment of certain collective rights for the Indian nations of this country in a new Canadian constitution?

Mr. Trudeau: Madam Speaker, I apologize to the hon. member, but I repeat: if he is asking me a theoretical question without indicating what he has in mind—

Mr. Nystrom: Will you negotiate?

Some hon. Members: Oh, oh!

Mr. Trudeau: There seems to be a bit of worry over there. The position I have always taken on these discussions—but I realize it is perhaps not the forum to do it—is that there are very few collective rights which cannot be protected by reducing them to individual rights. I should like to know more from the hon. member about what he has in mind.

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NORTHERN PIPELINES

MACKENZIE VALLEY PIPELINE—SETTLEMENT OF DENE LAND CLAIMS

Mr. Jim Manly (Cowichan-Malahat-The Islands): Madam Speaker, my question is directed to the Minister of Indian Affairs and Northern Development and also pertains to specific rights. In 1977, Mr. Justice Berger of the Mackenzie Valley pipeline inquiry called for a moratorium on major development in the north until native claims had been settled.

On March 24, 1980, application was made to the NEB for a certificate of public convenience and necessity for the building of a $360 million, 12-inch, 560-mile oil pipeline from Norman Wells to Zama, Alberta.

Some hon. Members: Order.

Mr. Manly: Application was made—

Some hon. Members: Order.

Mr. Manly: My question is, considering the government's recent initiatives to reopen claims negotiations with the Dene people, will the minister endeavour to persuade his cabinet colleagues to instruct all government agencies involved in the decision on this pipeline to postpone any action until Dene claims have been settled in a manner that is satisfactory to the Dene people?

Hon. John C. Munro (Minister of Indian Affairs and Northern Development): Madam Speaker, I believe I shall be seeing the leadership of the Dene during the course of this week, and we will be discussing that matter. We are responding to their desire to have the land claims question to which the hon. member referred settled as quickly as possible.

Discussions have indicated that we might be able to find an acceptable solution so that all development is not frozen in the meantime. I wanted the involvement of the Dene in the type of solution that I am hopeful we can arrive at.

ENERGY

OIL PRICING PACKAGE—DISCUSSION WITH PROVINCES

Hon. Ray Hnatyshyn (Saskatoon West): Madam Speaker, I should like to direct my question to the Minister of Energy, Mines and Resources. Is part of the oil-pricing package that he will be discussing with his provincial counterparts a tax or a levy on all crude oil used in Canada to pay the cost of imported oil which is to be passed on directly to the consumer in the form of higher prices for petroleum products? Is that a proposal the minister is making to the provincial governments as part of his blended price concept?

Hon. Marc Lalonde (Minister of Energy, Mines and Resources): Madam Speaker, several alternatives are being considered. They will be discussed with my provincial colleagues, and I shall be very happy to inform the House and the hon. member as to developments in those discussions.

An hon. Member: Now answer the question.

Mr. Hnatyshyn: Madam Speaker, I wonder if the minister, who not very long ago was so anxious to have the full details of the previous government's proposals out in the open, would do us the same courtesy as we did to him by giving the full details.

I wonder if he could give a commitment now that the price he will negotiate with the provincial authorities, including all taxes and levies, will not exceed the increase of $4 or $4.50 proposed by my colleague, the hon. member for St. John's West, in his budget over the next three or four years. Will he make that commitment now, including taxes and levies that I referred to in my first question?

• (1425)

Mr. Lalonde: Madam Speaker, I would like to remind the hon. member that we waited for 6½ months before we got from his government an indication of what they were planning to do. When we received that indication, it was not acceptable to the House or to the country. So we will take the time necessary over the next few months to discuss these matters extensively with the provinces, and I hope that we will come up with an acceptable solution for all parties concerned and for the Canadian public.

As to the second part of the question raised by the hon. member, I would like to remind him that the proposals contained in the budget of the previous minister of finance—

An hon. Member: Four dollars and $4.50.

Mr. Lalonde: —were well above the $4 and $4.50 that were mentioned.

Some hon. Members: No.

An hon. Member: Rubbish.

Mr. Clark: That is not what you said in the election campaign, Marc.

Mr. Lalonde: We have indicated quite clearly that our proposals would produce for Canadian consumers a price that would be lower than that under the previous budget put forward by that government.

Second, I would like to remind hon. members that the best evidence of this is that this year Canadian consumers have saved $2.6 billion already by the decision of this government not to impose the 18 cents tax of their government.

Some hon. Members: Hear, hear!

An hon. Member: Where did you get the money: from a piggybank?

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INDIAN AFFAIRS

FINANCIAL ACCOUNTABILITY OF NATIVE BANDS

Mr. F. Oberle (Prince George-Peace River): I would like to ask a question of the Minister of Indian Affairs and Northern Development. The meeting of elders and chiefs which is going on in Ottawa right now will be very much preoccupied with the whole question of financial accountability, as was the Auditor General and the Treasury Board—not so much the accountability of Indian bands but of the department the minister represents in the House.

With regard to the service agreement on which we had such a problem getting agreement from the Indian bands and the federal government—which agreement the minister has now extended until July 15—could the minister tell us whether he has the concurrence of Treasury Board to make this extension, since there has already been an extension from 1979 to 1980? Furthermore, could he tell us what new information he will use to guide him in reaching an agreement by July 15?

Hon. John C. Munro (Minister of Indian Affairs and Northern Development): Madam Speaker, I advise the hon. member for Prince George-Peace River that my officials, under my instructions, have had discussions with Treasury Board with respect to the service agreement to which the hon. member referred. I am going to continue those discussions in parallel fashion with discussions I wish to undertake over the next few months with the Indian leadership on this very contentious question, with the idea that we can jointly come up with a solution that will be satisfactory to all concerned.

That is my desire, and I hope to get under way with those talks as soon as the all chiefs conference is over. Again, there will be discussions on that question during the course of this week.

Mr. Oberle: Madam Speaker, I take it from the minister's remark that he has not obtained the concurrence of Treasury Board to extend the arrangement that we have had with the various Indian bands throughout the country; in other words, there is no assurance that the bands will receive their financing

in the usual manner, since Treasury Board insisted on the implementation of the service agreement.

Furthermore, could the minister address himself particularly to the question of what his policy will be in the future? Will he rely, for instance, on the Beaver report to establish financial accountability of the bands or the more central associations of native people in this country?

Mr. Munro (Hamilton East): Madam Speaker, certainly I am looking at the Beaver report. But to specifically answer the hon. member's question, financing for the bands will continue during this period under the previous arrangement with the BCRs—the band council resolutions. So that has not changed. It will continue during the period in which we have the consultations.

• (1430)

One of the primary reasons for the July 15 date to which the hon. member referred was that it was my hope that, as a result of consultations, we could come up jointly with an acceptable solution that we could put into operation subsequent to that date. If the talks go well, I still feel that is possible. If not, we will have to look at the possibility of an extension because, as I say, I am sure we can work the matter out.

* * *

[*Translation*]

ENERGY

STATEMENT OF PÉQUISTE MINISTER ON PRICE OF OIL—GOVERNMENT POSITION

Mr. Irénée Pelletier (Sherbrooke): Madam Speaker, my question is directed to the Minister of Energy, Mines and Resources. In view of the startling statement made by PQ minister Marcel Léger to the effect that Quebec will have to pay world prices for oil in a few years because Alberta will apparently have to reduce its oil supplies as of 1985, could the minister tell the House whether that statement of the Quebec minister is based on serious studies of the energy situation?

An hon. Member: They are liars.

Hon. Marc Lalonde (Minister of Energy, Mines and Resources): Madam Speaker, I think that this is another rather irrational statement of PQ ministers on the energy question. I am afraid that Mr. Léger is unaware of the existence of the tar sands in Alberta. He would be well advised to make a visit there. He would realize that the province has various forms of gas and oil supplies which will last for decades and should be used to serve all Canadians, including Quebeckers, of course.

[*English*]

TRANSPORT

MOVEMENT OF GRAIN—INFRASTRUCTURE FUNDS FOR DEVELOPMENT OF PRINCE RUPERT, B.C.

Mr. Jim Fulton (Skeena): Mr. Speaker, my question is to the Minister of Transport. At a press conference yesterday in Vancouver, Senator Perrault of the other place chopped $2 million from the amount of the infrastructure funds announced by the minister for the Prince Rupert grain port development.

Would the minister confirm to this House that the senator's figures are not correct, and that those given by the minister to this House are in fact the amounts allocated?

Hon. Jean-Luc Pepin (Minister of Transport): Madam Speaker, the figures used by the distinguished leader of the government in the other place are right. However, there is $2 million to be added to the $20 million which I think he referred to, and that is for navigational aid. Therefore, the discrepancy is simply that the leader of the government in the other place did not include that item on top of the $20 million to which he referred.

Mr. Fulton: Madam Speaker, in light of the statements made by Senator Perrault at the press conference, would it not be more appropriate in future for these statements to be clarified by an elected representative of this House making the statements?

Some hon. Members: Hear, hear!

Mr. Pepin: Madam Speaker, I had checked the written document.

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ENERGY

GASOLINE REFINERY TAX—IMPACT UPON USERS OF FUELS

Hon. Bill Jarvis (Perth): Madam Speaker, my question is addressed to the Minister of Energy, Mines and Resources. It relates to the number of alternatives which he indicated to my colleague from Saskatoon West he would be discussing with provincial counterparts. One of these alternatives, in addition to a higher excise tax on gasoline, would appear to be a tax at the refinery—or whatever one might call that—which is now the subject of some press speculation.

Will the minister confirm directly if that is one alternative? Will he also confirm that such a tax would impact not only upon consumers of automobile and vehicle gasoline, but upon consumers of home heating oil and other non-transportation petroleum products?

[*Translation*]

Hon. Marc Lalonde (Minister of Energy, Mines and Resources): Madam Speaker, first I would like to welcome in the House my hon. colleague and critic who was absent a few

weeks due to illness. I hope he will remain with us for many months yet.

In reply to his question, I should point out that press reports to which he referred are, of course, speculative and I do not intend to make comments during the negotiations on all items which will appear in newspapers and all speculations from left and right. They are now speculations and I do not intend to deal with them any further.

[*English*]

Mr. Jarvis: Madam Speaker, I do not ask the minister to comment on press speculation. Unless I misunderstood him, he indicated to the hon. member for Saskatoon West that there were a number of alternatives, and he did not rule out a specific tax at the refinery level.

Will he also give the commitment that he will not rule out, in discussions with provincial colleagues, the offsets that will obviously be necessary because of the impact not only on oil consumers but specifically on certain income groups and certain geographic regions? I think particularly of Quebec and Atlantic Canada because of their high dependence on oil.

Mr. Lalonde: Madam Speaker, my colleagues will have noticed that I indicated to the hon. member for Saskatoon West that we were considering a number of alternatives, but I did not indicate that the one the hon. member was speculating upon was necessarily one of those alternatives.

Some hon. Members: Oh, oh!

Mr. Crosbie: Say it isn't so.

Mr. Lalonde: As far as the point raised by the hon. member is concerned, I can give him the clear assurance that I am not going to rule out any alternatives.

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INDIAN AFFAIRS

STATUS OF NEGOTIATIONS ON B.C. INDIAN LAND CLAIMS—EXPECTED COMPLETION

Mr. Lorne Greenaway (Cariboo-Chilcotin): Madam Speaker, I wish to address a question to the Minister of Indian Affairs and Northern Development. In view of the long-standing need to resolve the problem of the British Columbia cut-off land claims—an injustice that affects some 30 Indian bands in British Columbia—and in view of the fact that the previous government was taking concrete and positive steps to resolve this 60-year old issue, could the minister inform the House if negotiations are presently taking place; and, if so, what is the target date for their completion?

Hon. John C. Munro (Minister of Indian Affairs and Northern Development): Madam Speaker, with respect to these particular land claims, I hope to have discussions on Thursday with the Indian leadership on precisely how they wish to proceed. I will endeavour to speed up the process if I possibly can. Pending those further discussions, I prefer to defer giving a more specific answer to the hon. member until next week.

Mr. Greenaway: Madam Speaker, I did mention in my preamble that this problem has been going on for some 60 years, and I think the Indians have laid down very specifically what their claims are. I ask the minister to address this problem as soon as possible. Is he contemplating a meeting very shortly with the Indians on this question?

Mr. Munro (Hamilton East): Yes, Madam Speaker, I most certainly am. As I say, I hope the meetings will get under way this week. This is one of the real benefits of having the conference at this particular stage. We can talk about the process and we can talk about meetings in the very near future to keep the process going in an endeavour to resolve this particular problem.

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EMPLOYMENT

TRAINING AND HIRING OF NATIVE PEOPLES FOR ENERGY PROJECTS

Mr. Jack Shields (Athabasca): Madam Speaker, my question is for the Minister of Energy, Mines and Resources. In light of the government's commitment to affirmative action, can the minister assure this House that he will support Alberta's policies on native employment, and that the Alsands pricing and taxation agreement will include clauses to ensure the recruitment, training and employment of native people and also ensure business opportunities for native people?

Hon. Marc Lalonde (Minister of Energy, Mines and Resources): Madam Speaker, I will certainly be pleased to raise this matter with my counterpart, the minister of energy for Alberta, when I see him. As part of the general policies of this government, any steps taken in the area of affirmative action to increase the employment of minority groups and women in the work force will be supported by this government.

Mr. Shields: Obviously, the minister did not hear the first part of my question. I was asking if he would go along with the Alberta government policies. My supplementary is to the Prime Minister. In light of the government's commitment to Canadian ownership, is this government committed to equity participation by the native people for the development of the tar sands and heavy oil industry in northern Alberta?

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, I cannot answer that we are committed to that, but it is certainly an option that the Indian people might want to pursue.

[*Translation*]

TOURISM

REQUEST FOR GRANT FOR CONSTRUCTION OF CONVENTION CENTRE IN HULL

Mr. Gaston Isabelle (Hull): Madam Speaker, my question is directed to the Minister of State for Small Businesses. Considering the rumours that have been spread in the national capital area regarding a possible federal subsidy to the city of Ottawa for its convention centre, can the minister tell the House whether he intends to make a similar subsidy for the convention centre of Hull, a city which, as the minister knows very well, is as much as Ottawa a component of the national capital area?

• (1440)

Hon. Charles Lapointe (Minister of State (Small Businesses)): Madam Speaker, as I indicated yesterday, the whole policy on financial aid to convention or trade centres is being revised, and I would like to remind the hon. member for Hull of something he knows already, that the financial commitments of the federal government in the area of Hull now exceed $500 million. But in the revision we are now doing I shall certainly take into consideration the representations he has made for the municipality he represents.

* * *

[*English*]

HEALTH AND WELFARE

REPORTED MERCURY POISONING OF NORTHERN ONTARIO AND QUEBEC RESIDENTS—ACTION TO PREVENT

Mr. Bill Blaikie (Winnipeg-Birds Hill): Madam Speaker, my question is for the Minister of National Health and Welfare. The latest in a long list of reports on the mercury poisoning of native Canadians, entitled "Methylmercury in Canada", was released recently by the minister's department and came to what I and many others believe to be an obvious conclusion, namely, that some individuals have mercury levels which are a health risk, and that one can expect the most sensitive to show early or mild symptoms of Reed-minimata disease.

What new steps are the minister and her department taking to stop the systematic poisoning of residents in northern Ontario and northwestern Quebec?

[*Translation*]

Hon. Monique Bégin (Minister of National Health and Welfare): Madam Speaker, I am not in a position today to answer that question, for the simple reason that the Quebec health minister, Dr. Lazure, for a reason that I do not understand but that I am trying to clarify, does not want me to make public the report prepared jointly with McGill University concerning the Crees in Quebec. That is why I would prefer to wait until this report is published before saying what we will do.

[*English*]

Mr. Blaikie: Madam Speaker, I asked the hon. lady what she intended to do herself, through her department, to stop the systematic poisoning of native Canadians my question was not about Dr. Lazure's or any other report.

What is the minister doing, for instance, to encourage the provincial governments which are involved here to compensate people whose lives have been affected by this poisoning, so that they can return to a state of health, so that alternative economies might be developed—matters of the sort that were dealt with in the report and to which my original question referred?

[*Translation*]

Miss Bégin: The hon. member did not understand. I will try to explain why I want co-operation and why we need provincial co-operation in this area. Naturally, we are trying to control mercury poisoning in some Indian reservations. On the federal side, that means I have nothing new to add since we are continuing our monitoring, and I think that in the end the right solution will be to have health workers from the Indian communities work inside the reservations so as to inform their fellow Indians and improve their eating habits. Moreover, if there are specific instances and industrial or other causes of pollution affecting the environment, we need help from the provinces. That is why, I repeat, I want Dr. Lazure's approval or else I will go ahead and publish the most recent study so that we can have an over-all picture of the situation, because this is indeed a very important study.

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ENERGY

INQUIRY WHETHER QUEBECKERS REMAINING IN CONFEDERATION WOULD BENEFIT FROM PAYING LESS THAN INTERNATIONAL PRICE

Mr. Maurice Dupras (Labelle): Madam Speaker, my question is directed to the Minister of Energy, Mines and Resources.

In view of the recent statements of PQ ministers Landry and Joron, to the effect that Quebeckers should pay the world price for their oil and natural gas, which tremendous increase could be offset by exporting electricity, can the minister give the House the assurance that Canadians, and Quebeckers in particular, because they belong to Canada, should have the advantage of paying a far lower price than the world price for their oil and gas? Moreover, could he say whether the exports of electricity would make up for the high cost of oil in a sovereign Quebec?

Hon. Marc Lalonde (Minister of Energy, Mines and Resources): Madam Speaker, here again we are dealing with a

whole series of statements coming from PQ ministers that are completely groundless. In the last few years, all Canadians, and Quebeckers in particular, have benefited greatly from the fact that our price in Canada has been lower than the world price. This government has clearly indicated that we would arrive at a made-in-Canada price for oil and gas that would be lower and will continue being lower than the international price, which will be advantageous for all Canadians, including Quebeckers, as long as they belong to the country known as Canada.

In answer to the second part of the question, I would say that clearly the exports of electricity mentioned by the ministers would be totally inadequate as compensation for the world price a sovereign Quebec would have to pay. According to the best forecasts, such exports could bring in some $600 million, while oil imports at world prices would cost over $6.8 billion. What we are witnessing here is a bunch of nonsense meant, literally, to hoodwink Quebeckers in the current referendum struggle.

[*English*]

OVER-ALL POLICY—EMPHASIS ON COAL

Mr. Gordon Taylor (Bow River): Madam Speaker, my question is to the Minister of Energy, Mines and Resources. What emphasis, in Canada's over-all energy program and policy, is the government placing on coal?

Hon. Marc Lalonde (Minister of Energy, Mines and Resources): Madam Speaker, we are placing a high emphasis on coal. Together with the provinces which have a lot of coal, we are carrying out many examinations in this field. The hon. member knows, however, that there are certain problems in connection with coal exploitation in terms of the environment and the cost of production in some areas. These are being examined.

Currently, for instance, discussions with British Columbia are going on concerning the development of whole new areas of that province for the exploitation of coal, some of it for export. If we could count on a sufficiently high demand in Canada, I can assure the hon. member that we would want to examine the coal option very closely as being one which would be added to those arising out of our large resources of gas and other forms of energy.

Mr. Taylor: I appreciate the minister's answer. I wonder if he could outline any steps the government is presently taking to deal with the great issue with regard to coal from the west and from the maritimes, and tell us in particular whether anything is being done about the gasification of coal.

Mr. Lalonde: Madam Speaker, the question of the gasification of coal is one which has been examined and which is still being reviewed on an almost constant basis. I must advise the hon. member, however, that it appears at the present time that coal gasification for domestic purposes would result in a more expensive product than the large amounts of gas we already have, so it would not appear that coal gasification for domestic purposes is the most economical way of allocating our resources at the present time.

As far as the question of transportation tariffs for coal is concerned, I would prefer to refer this matter to my colleague, the Minister of Transport. Again, it involves the question of cost and such a matter would be reviewed as part of the general question of tariffs for transportation of goods in this country.

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NORTHERN AFFAIRS

LAND CLAIMS NEGOTIATORS FOR YUKON AND MACKENZIE DELTA

Mr. Dave Nickerson (Western Arctic): Madam Speaker, my question is addressed to the Minister of Indian Affairs and Northern Development. In view of the fact that delay and indecision on the part of the government in appointing special land claims negotiators for the Yukon and Mackenzie Delta regions is giving rise to all kinds of wild speculation and rumours, including the possibility of the appointment of Dr. Lloyd Barber for the Yukon and Dr. John Naysmith for the Delta, could the minister, in order to allay the apprehensions and suspicions of the residents of these areas, either confirm or deny that he is considering the appointment of these persons? When does he expect the appointment of special land claims negotiators to take place?

● (1450)

Hon. John C. Munro (Minister of Indian Affairs and Northern Development): Madam Speaker, in the Yukon and the Northwest Territories one thing became abundantly clear, that is, that the governments of both territories and the people generally—whether it be people involved in the business community, or the leadership of native organizations—indicated that one of the clouds that was perpetually over the territories was the fact that the land claims question was not settled.

I assured them that I would proceed in an endeavour to appoint negotiators as quickly as possible, and that I am doing. These rumours may emanate from the fact that various names were suggested by governments and by other people interested who, they felt in their own wisdom, would be appropriate for the job.

Mr. Nielsen: Not in the north, they would not.

Mr. Munro (Hamilton East): Many names were suggested, there is no question about it. So I am endeavouring to find out who is available, who might be prepared to take on the job, and I hope to have an answer to that question within the next week or ten days. But I would advise the hon. member that it is not easy to find a person willing to take the job in terms of the time he will be called upon to give to it in order to do an adequate job. I am sure the hon. member is aware of that.

Mr. Nickerson: Madam Speaker, the approach of the previous Government of Canada to this question in appointing a member of the House to act in the capacity of a negotiator was apparently favourably received. Could the minister consider that possibility again?

Mr. Munro (Hamilton East): Madam Speaker—

Mr. Nielsen: Don't phone Judge Berger.

Mr. Munro (Hamilton East): —I have considered that possibility. I think it would be appropriate for members of the House, be it my parliamentary secretary or others who are interested, to act in an advisory capacity to any negotiator. But it became quite clear to me that what everybody had in mind was somebody who would sit down and work at it in a constant fashion and perhaps be involved in negotiations not only taking place in Ottawa but in the territories themselves.

That type of mandate would rule out, it seems to me, any member of the House carrying on negotiations on an active basis. It would not be realistic, and I think they understand that. Someone indicated that that was fine, but they certainly did not want a member of the bureaucracy, and I was quite prepared to go along with that suggestion.

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ENVIRONMENTAL AFFAIRS

ACID RAIN POLLUTION—NEGOTIATIONS WITH UNITED STATES

Mr. Tom McMillan (Hillsborough): Madam Speaker, my question is directed to the Minister of the Environment. Given that the Ontario government has made known that it will soon be making a major announcement concerning measures to abate acid rain—particularly that coming from Inco—and given the fact that this particular initiative will be welcomed, for example, by the Americans who will see it as an indication that at least Ontario is serious about this problem, even if the federal government is footdragging, would the minister tell the House what specific steps he intends to take now to ensure the early completion of an agreement with the United States for the abatement of acid rain on both sides of the border?

Hon. John Roberts (Minister of State for Science and Technology and Minister of the Environment): Madam Speaker, some of the argumentation of the hon. member is false. It is not the federal government that has been dragging its feet in this matter. Indeed, the action which Ontario is about to take has been helped considerably by studies done at the federal level and on the information provided to it about the situation. It is not a question of our dragging our feet, but a question of Ontario and the Government of Canada acting co-operatively to resolve this problem.

The hon. member may want to refer back to some previous issues of *Hansard* to see that, indeed, the question of pressing the United States has been discussed here before. I have indicated to the House previously that we are pressing the Americans to reach an agreement. That was the subject of my discussions with the United States a couple of weeks ago, and the matter was discussed again with secretary of state Vance on his visit to Ottawa, and I believe that substantial progress has been made.

Mr. McMillan: My supplementary question is also directed to the Minister of the Environment, Madam Speaker. He has mentioned research and studies. As he will know, the previous government made a commitment in principle to a substantial increase in funding for acid rain research. This, again, demonstrates that government's concern about the problem whereas the present government seems to be less concerned.

Would the minister indicate, now, whether the commitment made by the previous government to such increased funding for acid rain research will be honoured by the new government, and whether it considers this an area of high priority?

Mr. Roberts: Madam Speaker, I will try to say to the hon. member as politely and forcefully as I can that I have no attack to make on the previous government's record in this direction. But the hon. member is completely off base in suggesting that there has been any reluctance on our part to proceed vigorously in this matter. The facts are exactly the contrary, and the hon. member does himself no credit in asserting the opposite.

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EXTERNAL AFFAIRS

FOREIGN AND DEFENCE POLICIES RESPECTING NATO AND NORAD

Miss Pauline Jewett (New Westminster-Coquitlam): Madam Speaker, my question is for the Secretary of State for External Affairs. In an interview televised last evening, the minister reiterated his view that except in the field of aid there is no need to re-examine or have any public input to our foreign and defence policies, including our NATO and NORAD alliances.

My question to the minister is: Does this mean that the minister does not favour a six months' extension of the NORAD agreement in order to allow a review of that agreement by the Standing Committee on External Affairs and National Defence?

Hon. Mark MacGuigan (Secretary of State for External Affairs): Madam Speaker, the hon. member has not quoted me quite correctly. What I said last night was that I did not see a need for a total review of our foreign policy. I am very happy to have contributions from Parliament and from the public in the area of foreign policy and, in particular, I hope we will soon be able to announce that we are able to have a parliamentary contribution to the question that the hon. member raises with respect to the alliance.

EXTENSION OF NORAD AGREEMENT TO ALLOW FOR REVIEW

Miss Pauline Jewett (New Westminster-Coquitlam): Madam Speaker, may I ask the Minister of National Defence if he is in favour of a six months' extension of the NORAD agreement so that there can be a critical review of that agreement by the standing committee of the House on a reference from him, or from him and the Secretary of State for External Affairs jointly?

Hon. J. Gilles Lamontagne (Minister of National Defence): Madam Speaker, without presuming on the decision which will be taken after discussion with different committees, I think it would be a logical and reasonable way of doing it.

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AIRPORTS

PLANS FOR EXTENSION OF MOUNT HOPE FACILITY

Mr. Bill Kempling (Burlington): Madam Speaker, I have a question for the Minister of Transport further to a question put to the minister yesterday by my colleague, the hon. member for Hamilton-Wentworth.

Can the minister advise whether he has acquainted himself with the location of the Mount Hope airport, and could he advise us if the expansion of that facility will proceed as announced by the previous government?

Hon. Jean-Luc Pepin (Minister of Transport): Madam Speaker, I do not have anything to add to what I said yesterday on that subject. I am well informed of the location of the airport, and particularly well informed of the number of steps which need to be taken—to which I referred yesterday—before the runway is reoriented and the terminal extended. I gave the full explanation yesterday.

Mr. Kempling: I take it from the minister's reply that there is no commitment on the part of the government to proceed with the expansion announced by the previous Conservative government.

Could the minister say whether more studies have to be done? Is this what he is saying, that more studies are required before the expansion can proceed? Seventeen studies have been done so far on that airport expansion. They have examined every groundhog and tadpole from Copetown to Tapleytown and back. Surely you do not need more studies.

Mr. Pepin: Madam Speaker, I answered the question yesterday by saying that the past commitment to $100 million or $45 million for that purpose was not what was paramount in my mind. What was paramount in my mind was to do the right thing in this particular instance. I indicated very clearly yesterday that there were a number of obstacles to clear, and I mentioned some specifically.

An hon. Member: I like you better when you are serious.

TRANSPORT

IMPROVEMENTS TO PORT OF PRINCE RUPERT—PROPOSALS FOR FUNDING

Mr. Jack Murta (Lisgar): Madam Speaker, I should like to direct my question to the Minister of Transport because of the uncertainty caused by conflicting statements made for a number of weeks over the whole question of the port of Prince Rupert.

• (1500)

Can he assure the House at this time that, first, the port will proceed as planned; and, second, that the funding will be similar to the funding set down by the previous Progressive Conservative government, which was acceptable to all parties in western Canada including the consortium, and also the provincial governments in western Canada?

Hon. Jean-Luc Pepin (Minister of Transport): Madam Speaker, I have explained that question a number of times. It is terribly simple.

Some hon. Members: Oh, oh!

Mr. Pepin: My predecessor referred to $42 million. If one adds the navigational aids to that, one will have $44 million. If one deducts about $8 million, which is the commitment of Alberta and British Columbia to that project, one will have—

An hon. Member: It is $36 million.

Mr. Pepin: I am coming to it. If one deducts from that about $14 million, which is the cost of the wharf that will be built on a cost recovery basis, one will have $22 million which is the extent of the federal government's direct contribution to that project.

An hon. Member: This sounds like the energy formula.

Mr. Pepin: There have been a number of discussions on the wharf.

Mr. Baker (Nepean-Carleton): That is a good place to have a discussion.

Mr. Clark: On the wharf, or on the rails?

Mr. Pepin: My understanding is that an agreement has been reached, on a cost recovery basis, between the National Harbours Board and the consortium. There is still one point to be finalized; it has to do with the lease on the land. That is being discussed presently and, hopefully, a conclusion will soon be reached on that also.

Mr. Murta: Madam Speaker, I have just one short supplementary question. The minister was in the process of alluding to this at the conclusion of his statement. When does he feel that the negotiations will be concluded? Can he indicate that to the House? Also, when does he think construction will start on the proposed terminal? Will it take place in the latter part of 1980, or will it be delayed until 1981?

Point of Order—Mr. McGrath

Mr. Pepin: Madam Speaker, the present development entitles me to believe that the last thing to be clarified, which has to do with the lease, will be clarified in the coming days and that construction will begin in mid-May.

* * *

PETITIONS

REDUCTION IN INTEREST RATES

Madam Speaker: Order. I have the honour to inform the House that the Clerk Assistant of the House has laid upon the table the second report of the Clerk of Petitions stating that he has examined the petition presented by the hon. member for Churchill (Mr. Murphy) and finds that it meets the requirements of the Standing Orders as to form.

* * *

POINT OF ORDER

MR. McGRATH—AIR CANADA SERVICE BETWEEN OTTAWA AND ST. JOHN'S

Hon. James A. McGrath (St. John's East): Madam Speaker, I wish to rise on a point of order. It arises out of a reply to questions asked in the House yesterday by the hon. member for Humber-Port au Port-St. Barbe (Mr. Tobin) and the hon. member for St. John's West (Mr. Crosbie). A question was directed to the Minister of Transport (Mr. Pepin) referring to the recently announced decline in service by Air Canada between the city of St. John's and the national capital, to which the Minister of Transport replied, as reported on page 454 of *Hansard*, as follows:

But my very recently acquired information is that there will be such a service direct to St. John's, and that will be announced next week—or start next week.

That is the end of the quotation. I am sure the hon. minister, whom I know and respect, does not want to mislead the House deliberately or otherwise. But in today's paper there is a quotation from his office to the effect—to quote one of his officials—"We goofed; there is not to be such a direct service announced."

I realize how anxious the hon. minister was to accommodate his supporter in the back benches, the hon. member for Humber-Port au Port-St. Barbe, but if I may paraphrase the hon. member for St. John's West and indeed the minister's officials, I am sure the minister would not want to deliberately "goof with a Newf". Consequently, I want to give him this opportunity to correct the record, and even hopefully to tell the House that in fact he has intervened and that the national capital will have a service to the capital of the province of Newfoundland commensurate with the importance of that route and the amount of traffic also.

Hon. Jean-Luc Pepin (Minister of Transport): I was trying to catch Madam Speaker's eye a moment ago but I failed to do so. I thank my hon. friend for giving me this opportunity. Indeed, yesterday I was a victim of my eagerness to please Newfoundlanders both in the House and outside the House. I should have checked further the usually reliable information I got.

I have now checked and the answer I received is that Air Canada is of the view that traffic flows indicate that the best use of equipment and schedule—they failed to mention members of Parliament— is to concentrate on westbound in the morning and eastbound in the evening. The present intention is to have flights as follows: departing Ottawa in the afternoon at 1600 and reaching St. John's at 2240; then in the morning a flight from St. John's would be leaving at 7.15 and arrive in Ottawa at 10.32. So members of Parliament would leave in the afternoon of Friday at 1600 and be back here at ten o'clock on Monday, which is not a bad idea, I think.

I have asked Air Canada to review this further, and I will be discussing that with them.

An hon. Member: Is that both ways?

Mr. Pepin: Both ways.

Mr. Epp: Are they to Quebec?

Mr. Pepin: The flights are from Ottawa to St. John's.

Mr. McGrath: They have misled you again.

ROUTINE PROCEEDINGS

[*Translation*]

HOUSE OF COMMONS

MOTION RESPECTING VISIT OF PRIME MINISTER OF JAPAN

Hon. Yvon Pinard (President of the Privy Council): Madam Speaker, after consulting with the other House leaders, there seems to be unanimous consent to adopt the following motion concerning the speech to be delivered in the House by the Japanese Prime Minister.

The motion reads as follows:

That on Monday, May 5, 1980, notwithstanding Standing Order 2(1), the House shall meet at 4.30 p.m. and shall conduct its business as if it had met at 2 p.m.;

That private members' hour shall be suspended for the day's sitting;

That the address of His Excellency the Prime Minister of Japan, to be delivered in the House chamber earlier in the day before members of the Senate and the House of Commons, together with all introductory and related speeches, be printed as an appendix to the House of Commons debates of that day and form part of the records of this House; and

That His Excellency's speech, together with all introductory and related speeches, be made available to the media for transmission in the usual way by the House of Commons broadcast system.

Madam Speaker, as I said, there seems to be unanimous consent for this motion to be introduced today and agreed to by the House of Commons.

Madam Speaker: Hon. members have heard the suggestion made by the President of the Privy Council. Is it the pleasure of the House to adopt the said motion?

Some hon. Members: Agreed.

Madam Speaker: It is so ordered.

* * *

[*English*]

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk)

Mr. D. M. Collenette (Parliamentary Secretary to President of Privy Council): Madam Speaker, the following questions will be answered today: Nos. 212, 355, 623 and 644.

[*Text*]

GOVERNMENT OF QUEBEC—AMOUNT GIVEN THROUGH PROGRAMS

Question No. 212—**Mr. Herbert:**

During each of the past five years, what amount, identified by programme, was sent directly to the government of Quebec?

Hon. Pierre Bussières (Minister of State, Finance): The reply to this question is contained in the answer to question No. 211 tabled this day.

DEPARTMENT OF LABOUR—PERSONS IN SX CLASSIFICATION

Question No. 355—**Mr. Herbert:**

1. As of March 31, 1979 (a) how many persons in the SX classification were employed by the Department of Labour (b) how many were (i) Francophones (ii) females?

2. What are the present totals?

3. Was there a structural change in the department since March 31, 1979 and, if so, what effect did such a change have on the number of SX's employed?

Hon. Gerald Regan (Minister of Labour): 1. (a) 15; (b) (i) 4, (ii) nil.

2. (a) 15; (b) (i) 4, (ii) nil.

3. Yes, there was a structural change; it did not affect the number of SX's employed.

TREASURY BOARD—LAWYERS ON STAFF

Question No. 623—**Mr. Howie:**

How many lawyers are employed on staff in the Treasury Board?

Hon. Donald J. Johnston (President of the Treasury Board): The Department of Justice provides 11 lawyers to the Treasury Board. These lawyers also provide legal services to the Department of Finance, the Comptroller General and the inspector general of banks.

TREASURY BOARD—NUMBER OF PERSONS ON STAFF IN PUBLIC RELATIONS

Question No. 644—**Mr. Howie:**

How many persons engaged in public relations, publicity or media relations, are employed on staff in the Treasury Board?

Hon. Donald J. Johnston (President of the Treasury Board): The communications division of the Treasury Board has three employees engaged in providing the services stipulated on behalf of the Treasury Board secretariat and the office of the Comptroller General of Canada. In addition, four information officers assist the two departments with other communications tasks, mainly related to publications.

* * *

[*English*]

QUESTION PASSED AS ORDER FOR RETURN

Mr. D. M. Collenette (Parliamentary Secretary to President of the Privy Council): Madam Speaker, if question No. 211 could be made an order for return, this return would be tabled immediately.

PROVINCIAL GOVERNMENTS—TRANSFER AND EQUALIZATION PAYMENT PROGRAMS

Question No. 211—**Mr. Herbert:**

During each of the past ten years, by province, what amount was given to provincial governments by transfer and equalization payment programs?

Return tabled.

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

Madam Speaker: Shall the remaining questions be allowed to stand?

Some hon. Members: Agreed.

● (1510)

GOVERNMENT ORDERS

[*English*]

EMPLOYMENT TAX CREDIT ACT

AMENDMENT RESPECTING EXTENSION OF PROGRAM PERIOD

The House resumed from Thursday, April 24, consideration of the motion of Mr. Axworthy that Bill C-19, to amend the Employment Tax Credit Act, be read the second time and referred to Committee of the Whole.

Mr. Maurice Harquail (Parliamentary Secretary to Minister of Regional Economic Expansion): Madam Speaker, let me say once again that this is a continuation of my first opportunity to speak in debate this session, and I wish to join with other hon. members of the House in expressing my congratulations to you, Madam Speaker, and to offer my best wishes to you in your new responsibilities in the chair.

To continue the debate from the other evening, Bill C-19 is a very important measure with which, I submit, this House should deal with dispatch. I am delighted to refer to an intervention during my remarks the other evening by the distinguished House leader for the opposition, who indicated so openly his willingness to co-operate in the quick adoption of this most important measure.

Mr. Baker (Nepean-Carleton): I am a most agreeable fellow.

Mr. Harquail: I believe there is complete agreement in this House that anything we can do as a government to alleviate any aspect of unemployment in this country must be done with haste and dispatch.

The other evening as time ran out for this debate I was stressing the importance of youth in this country in relation to the employment tax credit plan. The youth of this country suffer much more than their fair share in relation to unemployment, accounting for almost half of the total unemployed in Canada. The employment tax credit program has been a useful means of helping young people gain a foothold in the work force. About 55 per cent of the participants to date have been in the 25 or under age group, split equally among men and women.

There is substantial evidence to indicate that the early labour force experience of individuals has a significant bearing on their later employment and income record. Jobs obtained through this program, incidentally, have a fair chance of becoming permanent. In Newfoundland, Prince Edward Island, Ontario, Manitoba and Alberta, more than half the employers have indicated that the jobs newly created would survive beyond the 52 weeks maximum for earned tax credits. In Saskatchewan, Nova Scotia, New Brunswick and Quebec more than 57 per cent felt most of the jobs would survive, while the figure was 41 per cent in British Columbia.

In the fiscal year 1979-80 some 39,000 agreements were signed and a total of about 51,000 Canadians were placed in jobs. Small businesses employing 20 or fewer signed 75 per cent of all agreements, and 40 per cent of those were employers with a maximum of five in their normal work force. The program was an important source of jobs for women, representing 34 per cent of all placements.

As I said at the outset of my remarks the other evening, we must collectively agree to co-operate in the adoption of such measures that will bring some relief to the unemployed of this country.

We support not only this measure, particularly in relation to the Atlantic area, but as well the Canada Works program which we hope to see the government keep in place as an important make-work, job-creation program for the coming months. In addition to this program assisting the youth in this country, we know that the Opportunities for Youth program, which is under review at the moment, will help in a very real way, along with other measures that are approved and funds that will be spent during the summer months, to create jobs for the young university people in the work force.

Small businesses in Canada have most fully accepted the employment tax credit program which is being extended as an interim measure, pending the introduction of new employment development measures to be introduced in this House by the minister in the very near future. Acceptance of tax credits by small businesses is reflected in the fact that 77 per cent of all agreements were signed with businesses employing 20 or fewer, as I mentioned earlier. I might say that I have received a good many inquiries in my own area and have had discussions with people who have made small businesses work in this country. They are very anxious to see this measure adopted by the House and implemented.

This program is attractive to employers for the very good reason that a maximum of $4,160 in tax credits can be earned for every person hired under the program. All of the Atlantic provinces and the Gaspé region of Quebec are eligible for that amount. In most other urban areas in other regions employers can earn a maximum tax credit of $3,120 for each employee hired under the program, while in the remainder of the country the maximum is $3,640.

I realize that we can be as technical as we like, quoting figures and taking as much time as we want, but rather than delay the adoption of this measure I would simply like to take the opportunity of stressing the importance of the benefits that this measure will bring, particularly to the Atlantic region where we do have designated areas under the DREE program, areas where we do have extremely high seasonal unemployment.

I am delighted to have had the opportunity of participating in this debate in a positive way. I have indicated my support for this motion and hope that, with co-operation from all sides of this House, we will see the early adoption and implementation of Bill C-19, to amend the Employment Tax Credit Act.

Hon. Perrin Beatty (Wellington-Dufferin-Simcoe): Mr. Speaker, this is the first opportunity I have had in this Parliament to participate in debate and I want at the outset of my remarks to offer my congratulations to you and, through you, to Madam Speaker on the ascension to your current high offices. I know both of you will discharge your responsibilities with that degree of dignity and impartiality which will do honour to all sides of this House, and which will satisfy members on all sides that the choices made were excellent ones.

Some hon. Members: Hear, hear!

Mr. Beatty: Perhaps I can be forgiven if I have a sense of *déjà vu* as I begin my first remarks here in this Parliament,

because during the previous Parliament I had the opportunity of speaking in debate only once. That intervention came during a debate on a proposal made by our government to extend rights to Canadians to a mortgage interest and property tax credit which would have given relief from high interest rates and high property taxes to millions of Canadians.

My particular intervention came in the course of an afternoon discussion on a motion which was proposed by the present Minister of Employment and Immigration (Mr. Axworthy), who was then just the hon. member for Winnipeg-Fort Garry. He proposed a series of amendments to the legislation which would have had the effect of destroying the bill itself and preventing it from going forward. He put himself firmly on record as being opposed to extending this sort of tax relief for individual Canadian families.

As I said, I had the opportunity in that Parliament to speak only once in debate. I made my intervention on the proposal that is made by the present minister, and three days later the government fell. My sincere hope is that three days after this intervention on the minister's proposal which he is putting forward today, he will have the same success and that Canadians will have the opportunity to again change governments. Particularly when Canadians see the way in which this government has handled the whole question of management of the Canadian economy, they have cause for very deep concern.

● (1520)

The minister said in his introductory remarks that this bill would help create some 50,000 new jobs for Canadians. I can accept, as my colleagues can, that at a time when we have one million Canadians unemployed—and this figure does not include Canadians who have given up looking for work or native Canadians who are often not included in employment surveys—extraordinary measures must be taken to create employment when, clearly, unemployment is reaching the level that it is today.

I would like to stress that I find it ironic that this minister has brought—before this House, in his second bill, a band-aid measure to create these jobs when that minister was in the vanguard of leading the filibuster against the property and mortgage interest tax credit plan in the last Parliament. It is ironic that this minister and his colleagues in the Liberal party and their colleagues in the NDP blocked that tax relief for Canadians which would have provided a direct stimulus to the construction industry, given new jobs to the home furnishing industry, and given relief to individual families to make the goal of owning a home of their own much more affordable.

When we were in government we urged that action be taken quickly to give that sort of relief to home owners and young Canadians who wanted the opportunity to own a home of their own and were seeing that dream being snatched away from them by high interest rates. When we make that argument we were told by the colleagues of the present Minister of Employment and Immigration and members of the NDP that if a Canadian was wealthy enough to own his own home, then he was too wealthy to receive assistance from the government. They said that the proposal was welfare for the rich and that such people were not entitled to receive a break from high interest rates.

Therefore, I find it ironic, to say the least, that this Minister of Employment and Immigration, who must share personally the responsibility for blocking that tax relief for Canadians, would get up today and argue in favour of a new tax credit program which would, in his words, create new jobs.

Tomorrow night is the last night for Canadians to file their income tax returns. Each of us should have had our tax returns in before now, but if you are like me, Mr. Speaker, you may not have. Millions of Canadians are going to be confused merely because of the efforts of the present Minister of Employment and Immigration in blocking that tax relief, because it was necessary for our government to put a provision on the income tax return which would allow Canadians to apply for that tax relief. There is no indication when one files a return that in fact the Liberal party and their friends in the New Democratic Party were successful in blocking that relief. Literally millions of Canadian families will find themselves tremendously confused when they discover that that tax break has been snatched away from them.

I listened to the hon. member for Hamilton-Mountain (Mr. Deans) as he spoke in the debate on Thursday night. The hon. member was eloquent as he outlined the problems which face Canadians today, those in his own constituency and those across the country, with increasing lay-offs, increasing unemployment, and increasing financial strains caused by the scorched earth economic policies of this government. I was particularly struck by his comments regarding interest rates; they were very germane. He made a statement which I think would be useful to put on the record again. He said that perhaps with our interest rate policy we should encourage the building industry to again start building homes for people of average means. He pointed out that the spin-off in the home building industry is phenomenal, that 3.6 jobs are created in related industries for every job that is created in building a house. He asked us to imagine the number of jobs that would be created in related industries if we could get on with building homes for people at prices they could afford and with mortgages they could afford. That is what he said last Thursday night, as reported at page 397 of *Hansard*.

I recognize that the hon. member for Hamilton Mountain was not a member of this House last December when the Conservative party put forward proposals which would give relief from high interest rates and high property taxes to average Canadian families. He should recognize, however, when he speaks in this debate—bemoaning the Liberal government's high interest rate policies, that it was his present colleagues and the Minister of Employment and Immigration who were responsible for denying Canadians relief from high mortgage rates. It is not enough to express indignation about the effect upon Canadian families of these high interest rates today. Where was he then? Where were his colleagues when this government was trying to bring in provisions which would

give relief to Canadian families and stimulate the home construction industry?

In my own constituency, Mr. Speaker, a large number of young Canadians would like to have the opportunity to buy a home of their own but they find that they cannot do so. What would be the effects upon the economy in my constituency of stimulating the home construction industry? How many new jobs would be created, I ask the Minister of Employment and Immigration? What would happen at the Hotpoint plant in Orangeville which supplies goods for housing? What would be done at the GSW plant in Fergus? What would happen in the furniture building industries in my constituency—

Mr. Nielsen: And Winnipeg.

Mr. Beatty: —and in Winnipeg, for that matter, if we were to give a shot in the arm to the home construction and home furnishing industries in Canada? How much more quickly we could create permanent jobs by giving incentives to Canadians so that they may recognize that Canadian dream of owning a home of their own. Yet we find that because of the Liberal party's policy in opposition, joined by the New Democratic Party, Canadians were denied that right and many millions of young Canadians will not have the opportunity to own a home of their own.

I think it is important that we ask these questions when considering a provision which would be an economic band-aid and which in the short term would create 50,000 new jobs. What was the policy of the minister and his colleagues when they were in opposition? What happened when we asked for their support for the initiatives we put forward to stimulate industry in Canada and create new jobs? What did they do on the night of December 13, when they were voting on a provision in a budget which would create small business development bonds?

In the mini-budget introduced by the Minister of Finance (Mr. MacEachen) last week, it is clear that he discovered the provision contained in the budget of December 13 which would have given small businesses in my constituency and across Canada a chance to get money at lower rates of interest. In essence, it would have subsidized interest rates for small businesses.

Where were this minister and his colleagues then? Where were the members of the NDP? In that budget we proposed measures which would have given stimulus to the small business sector, which is the major employer in the country just as it is in my constituency. Several months later the Minister of Finance has discovered that it was a good provision which would give some relief to small businessmen.

As a reasonable person, Mr. Speaker, I ask you if the small businessmen in my constituency would not be better off now if, instead of forcing an unnecessary $50 million election, instead of stalling these provisions, the Liberal party had decided to support those measures allowed them to be put in place.

The minister was party to a vote which prevented those measures being taken and which prevented us from keeping small businessmen in business. Failures in the small business sector are running at an unprecedented rate this year. In each constituency small businessmen and family farms are going out of business at a rate unheard of in our history. Foreclosures on homes are running at a record level.

I put it to the Minister of Employment and Immigration that if he is genuinely concerned about the small business sector, about individual families and about creating jobs in Canada, it would have been better to allow that budget to go through. It would have kept Canadian businesses operating, it would have stimulated the economy and would have allowed Canadians to get on with creating the goods and services so necessary for a young and expanding population.

As I said earlier, we recognize that band-aid measures may be necessary when a million Canadians are unemployed. But I say to you that the only way we as a House of Commons can look at measures like this is to examine them in the context of the whole of the government's economic policies.

• (1530)

When the minister spoke in favour of this bill on second reading, I asked after he sat down whether he could elaborate on the job creation policies that were coming forward and how they differ from the proposals made by the previous government, the Conservative government. At that time the minister refused. I think he has a responsiblility to this Parliament and to the Canadian people to indicate what proposals he has to supplement what he is doing to attack the root problem of chronic unemployment that faces Canadian society today and which particularly disfavours young people. Half the people in Canada who are unemployed today are young people, Mr. Speaker. The unemployment rate among young people is running at twice the rate among older Canadians. I am worried that if the first experience young people have with the labour force is to be told that there is no room for their skills, that there is no need for them, it can have a serious effect upon their work habits in the future. What does this government propose, beyond these band-aid measures, to deal with this problem of unemployment, particularly among young people and native Canadians?

I think we have to recognize one fact, Mr. Speaker, when dealing with this whole question of employment. Perhaps nothing more graphically illustrates the difference in approach to unemployment between this government and the previous government, or between the New Democratic Party and the Conservative party, than our attitude toward job creation. We in this party believe that the private sector should be the engine for growth in the economy. We believe there should be long-term, well paying secure jobs in the private sector, not just band-aid proposals. Such proposals should not require increased expenditure by the federal government. They should not be short-term proposals which result in people being laid off after a few weeks' work.

If we are to attack the root causes of unemployment in Canada, we will have to attack them within the private sector. We will have to allow the private sector to expand in order to

provide the jobs so desperately needed today. It is not enough simply to propose band-aid solutions or short-term jobs, which is what the employment tax credit would do. We need permanent jobs, Mr. Speaker, which will give Canadians the opportunity of securing long-term employment.

The Canadian people want candor from the government regarding their economic policies. On December 13, they voted against the budget proposed by this party. They rejected the solutions we proposed and went through the election campaign claiming that our proposals were unacceptable to Canadians. They said that they were certainly unacceptable to them. The Canadian people then decided to give the Liberal party an opportunity to bring forward alternative solutions. Mr. Speaker, they have that opportunity now, but where are their policies? What are their spending plans? What is their energy policy? That would have a very important effect upon unemployment in my part of Ontario. By implication, the Minister of Energy, Mines and Resources (Mr. Lalonde) indicated today that he is contemplating a major increase in the retail price of gasoline. That is the only way one can interpret his statement.

How different it is to listen to members of the Liberal party today compared to their speeches during the election campaign when they complained about our proposals to ensure energy self-sufficiency for Canadians—proposals which would ensure energy being available to all Canadians in the future at affordable prices. We were worried then, when we made our proposals, about the need to ensure jobs for Canadians.

Let me mention again, Mr. Speaker, the effect upon my constituency if this government's policies are followed and we allow ourselves to develop a growing dependence upon foreign sources of oil. What happens in portions of my constituency where Canadians must commute to work if we run out of gasoline? What happens if industries throughout the industrial heartland of Canada are forced to lay Canadians off? What happens to the homes in constituencies such as mine which are dependent upon energy being available? What happens to Canadian agriculture when shortages of energy develop?

What we find today more than two months after the federal election is that the Liberal party has yet to level with the Canadian people and to indicate what its policies are. This government has yet to tell the people where it intends to take us in terms of energy and what it will do to break that increasing dependency upon foreign oil which was started during 11 years of Trudeau government? What does this government intend to do to ensure that the promises are kept to provide energy to Canadians at a price that is affordable? It will not tell us.

What this government is doing is preparing Canadians in my constituency for higher prices and for shortages in the future. I ask the Minister of Employment and Immigration what will be the effects upon unemployment in my constituency in the future if his government's policies on energy continue as they are today. I ask the minister what will be the effect upon small business if the Liberal government is allowed to continue as it is today.

During the election campaign Liberal candidates went from coast to coast attacking our government because of what they described as high interest rate policies. I accept that interest rates during that period were high, because we were forced—due to the legacy left by 16 years of Liberal government, big spending government—to allow interest rates to rise. The clear implication of the statements made by Liberal candidates and Liberal frontbenchers during that period was that if the Liberal party were given a chance to govern, interest rates would go down in Canada.

You probably saw, Mr. Speaker, the present Minister of Industry, Trade and Commerce (Mr. Gray), when he was Liberal finance critic in the last Parliament, appear on Morton Shulman's program in Toronto and give the firm, unequivocal undertaking that he would resign if the Liberal government allowed interest rates to go higher after they formed the government. Why is he with us today? Has he changed his mind? Surely this minister owes it to the people of Canada and to my constituents—because he was in my constituency during the election campaign—talking about Liberal solutions for the economy—to indicate why his opinion on interest rates has changed.

Clearly, interest rates in Canada are having a direct effect on the ability of small business and family farmers to provide jobs in this economy. It is not enough for the Minister of Employment and Immigration to propose band-aid solutions and to ignore the real root of the problem.

The Liberal party has a responsibility to indicate to Canadians and this Parliament what are their spending plans. Both the Minister of Finance with his mini-budget last week and the President of the Treasury Board (Mr. Johnston) when he tabled his estimates last week—refused to indicate to the Canadian people how much money this government intends to spend this year. How can we look upon any proposal dealing with expenditures by this government if it will not level with Canadians and indicate its spending intentions?

The Minister of Finance provided projections in his mini-budget. He projected that the federal deficit might go up to $14.2 billion in 1980-81, as opposed to a $10.5 billion deficit projected in the Crosbie budget last December. The Minister of Finance projected that there would be a half of 1 per cent real growth in the economy as opposed to a 1 per cent real growth projected in the Crosbie budget of last December. The minister then went out of his way to say that his figures did not constitute a firm financial plan on the part of the government, that they were simply projections.

When will we have that plan? When will this government level with Canadians and tell us what it intends to do with the Canadian economy? Clearly, in the vote on the night of December 13, it was not enough for the Liberal party to simply say that they were opposed to what we were presenting in the budget. They had a responsibility to the Canadian people to come up with their own solutions and to indicate where they wished to take this country.

When the Minister of Employment and Immigration made his introductory remarks in this debate, he said that his

proposal today was not designed to undercut the role of the private sector. The minister continues to believe that the private sector should be creating jobs in our economy. How can the private sector be expected to increase investment in our economy if it is left with continuing drift and uncertainty on the part of the Government of Canada.

It has been a year and a half since this country has had a budget passed by Parliament. Yes this government, of which this minister is a prominent member, continues to deny Canadians leadership and continues to refuse to indicate to them what the government's economic plan is for the future.

● (1540)

There are ominous signs, Mr. Speaker, because in the Speech from the Throne the government gave an indication of how it differs from the approach taken by the previous government. The Clark government, of which I had the honour to be a part, believed that the time had come in Canada for governments to pay their bills, to reduce the size of the government, to bring it under control and to begin to have government of a size which was manageable by the Parliament of Canada and by the cabinet of Canada. But what we find in the Speech from the Throne is a statement that Canadians do not want smaller government, they want more efficient government.

I say to the Prime Minister (Mr. Trudeau), the Minister of Finance and the Minister of Employment and Immigration that you cannot have fat government at the same time as you have efficient government. If you are going to be successful in having an economy that is properly managed, if you are going to have this Parliament discharging its responsibilities to scrutinize public expenditures properly, or if you are going to have a feeling that the cabinet, the elected representatives, have some control over the activities of the government, then you cannot have fat government. You cannot have government which is characterized by waste and by uncontrolled growth, and yet this is what appears to be offered to the Canadian people by this government.

I want to remind the Minister of Employment and Immigration of the commitment made by the Liberal party. Perhaps it is a mistake to do so because the Liberal party has already indicated its intention to break so many commitments that it made as a party in opposition. However, I want to remind him of a statement made by the Prime Minister on January 12, 1980, when he was leader of the Liberal party, to the Liberal campaign college in Toronto. I have a copy of his text here and this is what he said:

> Our commitment is this:
>
> —We will hold the line on government expenditure growth to under the rate of GNP.
>
> —We will not introduce the gas tax or the mortgage scheme. This will mean more justice for our society and more money for the treasury.
>
> —We will review the tax system to ensure that all sectors of the economy make their fair contribution to future needs.
>
> —The deficit will be reduced—
>
> —in a phased and orderly fashion, but not at the expense of jobs, growth and the attack on inflation.
>
> —Finally, in this election campaign we pledge that any new expenditure programs to meet the evolving needs and requirements of Canadians will be financed by re-allocating existing expenditures or by increases in revenues. We will not add to the deficit by adding new programs.

I find that statement hard to believe even when I see those words in black and white. The Prime Minister went on to say:

I asked the President of the Treasury Board in this House last week on more than one occasion if he would level with the Parliament of Canada and with the Canadian people and indicate whether that promise to hold spending growth to less than the growth in the GNP would be kept. The minister refused to give a straight answer. He refused to give a firm undertaking that it would be. He said that that was their goal, that they would like to hold down expenditure growth to less than the real growth in the GNP. But he refused to give any firm commitment.

I ask what happened to the commitment that any new expenditures would be financed by reallocating existing resources as opposed to increasing the deficit? What will the deficit be? What are the spending plans of this government? When will the Canadian people be given the opportunity to know what plans the government has for them? When will the government level with Canadians? What does the Liberal party believe in? What kind of leadership does it intend to provide for Canadians? Surely the time has come with a majority government in office to provide leadership for Canadians and for the government to provide an example of candor if they expect the private sector is going to be willing to make the investment that is necessary to create new jobs in our economy.

I would remind the minister as well of a statement that was made by the Liberal party during the election campaign in response to a *Financial Post* questionnaire about spending. This is how the Liberal party responded to that questionnaire and stated their policy on spending and growth:

> Our policy is to continue ensuring that government spending grows less rapidly than gross national product. As this policy will require the same kind of restraint which kept spending increases below 10 per cent over the last four years, most changes will have to be in the form of reallocations of existing budgets to ensure continued emphasis on economic development and to protect the least fortunate in society.

What happened to that commitment? If you believe that the Liberal party was serious and was acting with honesty when it made this commitment, what it must do now, when the Minister of Finance projects a real growth rate in the Canadian economy for this year of one-half of 1 per cent, is to keep spending to less than one-half of 1 per cent of real growth. Will the government keep that commitment or break it as it has broken so many others?

An hon. Member: They have broken it already.

Mr. Beatty: My colleague is saying that the Liberals have broken it already. Indeed they have. So much for candour on the part of this government.

Because the government recognized the devastating effect that inflation was having on lower income Canadians, upon middle-income Canadians and on small business, it promised

to attack inflation. But where is it? Where is the indication that the government is prepared—

Mr. Nielsen: To wrestle inflation to the ground.

Mr. Beatty: —as my colleague has said, to wrestle inflation to the ground? The Prime Minister promised this many years ago. As he said before, inflation was dead in Canada, that it no longer existed. He said that separatism was dead in Canada as well.

What we did was to institute a regime of restraint. We indicated that if new spending was to take place, it was going to be necessary to reallocate resources out of current budgets which exist today. But what we are going to find now, now that these big spenders are back in office, is increased deficits on the part of the federal government, massive increases in federal spending and massive new intrusions by the federal government in the private sector. We are going to find that because of the government's demands on money in our society, pools of capital which are necessary to the private sector to remain healthy and to expand will be drying up. That is the Liberal party's policy on inflation. That is the direction in which they intend to take the Canadian economy.

When will we have a budget? When will we have more than band-aid measures? When will we have an indication that the government is serious about dealing with these problems which it complained about when in opposition? What we have today in positions of leadership in Canada is a government that is either indifferent to business or hostile to it.

We can go back to the date of the Prime Minister's year end remarks when he talked about a new society, when he talked about how the free enterprise system in Canada had failed. The free enterprise system in Canada, Mr. Speaker, was not given the opportunity under successive Liberal governments to succeed. What they found was that the federal government would strangle the private sector through increasing regulation, through paperwork burden, through higher taxes, through uncontrolled federal spending which led to massive inflation on the part of the Canadian economy. Clearly Canadian business has a right to be skeptical as it makes its investment decisions for the years ahead. Surely small businessmen in my constituency have a right to ask the minister and to ask all members of the treasury bench what their plans are and when they will begin to recognize the problems facing small businessmen, family farmers and families of average means in Canada today. When will the government begin to bring in proposals which will be helpful to these Canadians? We do not see any indication of any awareness on the part of this government of the problems being faced by so many Canadians.

I was disturbed by two aspects of this bill in particular. The first is in the area of job creation. While this will be helpful in the short term, these jobs are not necessarily permanent ones. Federal funding runs out, and when it runs out, all too often the jobs run out as well. What we should be doing is ensuring that permanent jobs are created in the private sector. We can only do that by attacking the underlying problems facing business today, not by treating them with band-aid solutions.

I was disturbed also by one element of the bill, and I was made that much more concerned by the remarks of the parliamentary secretary when he spoke on Thursday night. We on this side of the House pointed out that because this proposal is a tax credit, the benefits will only go to those businessmen with taxable incomes, to those who are profitable and are therefore paying taxes. When the parliamentary secretary spoke he tried to respond to this point by pointing out that you can roll forward the benefit for up to five years, and if a business became profitable after five years it could claim, at any time during that five-year period, this tax credit.

What he is saying is that the government intends to provide benefits for small businesses as soon as they no longer need them, as soon as they get profitable, not in the formative stages, not when times are rough, not when the jobs of Canadians who are already working in those small businesses are already in jeopardy because they are not profitable, but when they turn the corner by themselves without the assistance by this government. Then the tax credit will be of some use.

I want to put on the record again the comments made by the parliamentary secretary because I found them extraordinary. I do not think that this government should be allowed to forget statements like this by the Parliamentary Secretary to the Minister of Employment and Immigration (Mr. Dawson) in dealing with the effect on small businesses and whether indeed this tax credit would be of benefit to small businesses which are profitable.

● (1550)

The Parliamentary Secretary to the Minister of Employment and Immigration said, as quoted at page 393 of *Hansard*:

> Many would argue that we should not subsidize an unprofitable firm, but a firm which cannot make a profit after five years should not be given the benefit of the tax credit. That is the first point.

What he is saying is aid for the healthy, aid for the profitable, but not aid from this government for small businesses at a time that is critical to them and to their very health. When jobs in existing industries or new businesses which are being created now and which are not profitable in their first year are in jeopardy, this government will be nowhere to be found. You can call on them for your tax credit after you turn the corner, after you become profitable—if you do in spite of this government's policies.

As I said at the outset, this party recognizes that the serious social and economic problems posed by unemployment in Canada today require that the government take measures, even band-aid measures, to begin to alleviate some of the suffering of a million Canadians.

We demand from the Minister of Employment and Immigration, the Prime Minister and members of the treasury benches that they accept their responsibility to come forward to the Canadian people in the Parliament of Canada with an economic plan designed to attack the root causes of problems

in our economy, that they recognize for the first time that business must be a partner in creating these jobs. It must be the singlemost important instrument for creating these jobs. That can only be done if government begins to restrain its demands upon the economy, and if we begin to show some respect to the private sector and to the entrepreneur, small businessmen, the family farmer, who so desperately need an ear in Ottawa that is willing to listen.

[*Translation*]

Hon. Roch La Salle (Joliette): Madam Speaker, I did not want to miss this opportunity to make some comments on the bill under consideration or on the extension of legislation that we already know. Still I would like to say to the minister at the outset that of course in principle we cannot seriously object to his request to maintain the tax credits in order to help not only some industries but more particularly a number of unemployed who would be glad to be back in the labour force. In principle we have no major objection but indeed we will not miss this opportunity to let the minister know that this measure is just not enough to solve the problem of unemployment that we face today because unemployment means a lot of hardship or misery for over a million Canadians.

This is not the first time in about 12 years or so that I have heard unemployment problems discussed in the House of Commons. I remember very well that when I first came here there was already concern about the fact there were some 300,000 unemployed. In the last 12 years, after many representations, there were so many statements or promises that that number of 300,000 would be reduced! Today there are about four times as many unemployed. I am concerned as are my colleagues and many others. I presume members opposite are also concerned about the means that are now open to the government, whose attitude since the throne speech gives us even more reason to worry, and thousands of Canadians are worried because of inadequate measures.

We have before us a piece of legislation that will undeniably produce a few thousand jobs, but we must not waste this opportunity to make the minister aware of the situation—in any case, he can take new initiatives in cabinet—to prod him to make proposals that would go much further than the form of aid we have before us.

I know that this legislation results in assistance ranging from $1.50 to $2 an hour in certain areas. I also know that this legislation which has been in force for over a year has meant the creation of some 50,000 additional jobs. According to the minister the problem lies in the fact that the act provided for tax credits ending March 31 and that it was urgent to table this bill which, of course, has forced the House to postpone the throne speech debate.

The minister emphasizes that, as stated in the Speech from the Throne, he definitely intends to present in the near future—perhaps in a matter of two or three weeks—other job-creation programs to deal with the unemployment problem in Canada. I want to stress that this is only a beginning and that the government will keep introducing job-creation programs. Finally there will be a committee to study the possibility of creating new mechanisms which would help create employment. These are observations which have often been made in the House of Commons for the past 12 years, Mr. Speaker, and I do not believe that the absence of adequate measures in the Speech from the Throne must be construed as wishful thinking.

In the Speech from the Throne we have not heard many commitments on the part of the government to reassure the 200,000, 300,000 or 400,000 unemployed. In addition, the Minister of Finance (Mr. MacEachen) did not hesitate to point out that unemployment would reach at least 8 per cent, and in view of the delay in tabling his budget, we already have the impression that unemployment could reach 9 per cent at the end of this year which means 200,000 or 300,000 additional unemployed. Also, the absence of economic direction will delay some investments and discourage some investors from taking concrete steps in terms of job creation. The minister must be aware of those things.

We are now clearly witnessing the economic failure of this government over the last 12 years. Mr. Speaker, some might say we did not bring in enough measures during the seven months we were in power, but we had already clearly given a new direction in terms of the use of private enterprise. It was also clear that businessmen seemed to feel we were moving toward a kind of co-operation and mechanisms that would allow them to invest with confidence and optimism because after only a few months they were already feeling we were going to give back to private enterprise the place it deserves in a society like ours. But in the circumstances, in the absence, I repeat, of the measures that were necessary, it is also clear that we are going to experience once again a certain stagnation that is going to create more unemployed, given the measures which we had already considered and which this government is now refusing to take.

And to illustrate this, since 1968, I think we might have to talk about a drama because I think we have to agree that in the context of unemployment, which we call the cancer of our economy, it is clearly a drama. And it is a drama at the Canadian level, it is a drama in my province also—I think many hon. members from Quebec know perfectly well the miseries the province of Quebec is going through as a result of a rather extraordinary rate of unemployment. Some would like to blame the provincial governments and heaven knows how the provincial government—even before the arrival of Mr. Lévesque, Mr. Speaker, when Mr. Johnson or Mr. Bourassa was in power—was always under fire from members of this House because of the rate of unemployment back home; it was the same in the maritimes and elsewhere, and we just found out that there are problems and concerns in Ontario as well, and rightly so. So I believe that the last 12 years indicate a

failure at this level and it seems that the measures or the attitude or the theories of the current government did not succeed in finding a solution to adjust the unemployment rate to a more acceptable level.

In the light of strong disappointment, Mr. Speaker, some people wanted to take advantage of the Speech from the Throne to address themselves only to the question of national unity. I have no objection because it is a problem that has to be solved before long, but how can we think of a solution to national unity when the unemployment rate will rise again this year, when so many regions and provinces show their disappointment with the lack of sufficient measures, the lack of efforts to consult with the provinces in the face of an economic problem?

When a sufficient number of Canadians will be working, it will be much easier to talk to one another, Mr. Speaker, for it is important to be able to discuss, and it will also be much easier to understand one another. But when provinces and regions are faced with such problems on an economic level as they are experiencing today, and when the situation dates back to 12 years ago, when projections indicate difficult months and years to come, it is hard to ask Canadians to forget these problems and treat one another as brothers. So we are faced with an economic problem, raised several times by many in this House. This economic failure is certainly not my responsibility nor that of my party and the proposal by the minister is nothing more than a feeble attempt at solving forthcoming problems.

● (1600)

I shall speak about my own province, but I would certainly not want to miss the opportunity to state that the same problems exist in my constituency. Since I have represented this constituency for 12 years, I know how many times I have had to appeal on behalf of serious organizations such as the municipal council of the major city in my riding and how many representations I have made on behalf of certain municipalities and organizations concerning economic matters. Mr. Speaker, I believe it took me ten-odd years to benefit from the advantages offered by the Department of Regional Economic Expansion to certain areas in my province and in other parts of Canada. It took me roughly ten years to obtain for my constituency what has been in effect since April 1, namely the benefits granted by the Department of Regional Economic Expansion. For ten years, I was refused these advantages even though my constituency was also suffering from high unemployment and, of course, during my short term as minister I made the public service and my government understand that my riding, as much as any other area in Canada, but not more than any other, deserved these advantages which will provide certain subsidies in the next four years if some industries are interested in developing there.

At least my constituency now has the same tools as other regions. In Quebec as a whole, we have many people in city councils, chambers of commerce and economically stimulating organizations who have thought about encouraging the required and appropriate infrastructures for the establishment of certain industries. I therefore trust that the extension of this legislation will allow a certain number of industries to benefit from the act. But once again, that is not enough.

I hope that my constituency, like so many others, will soon be able to know if the budget includes incentives for job creation. For the moment, however, we have been refused a budget and we have no information on what it will include and this just adds to many deceptions, concerns and expectations.

I believe we should do much more than what we are now doing. I would also like to say that when we talk about incentives, many people are greatly concerned about the refusal of the government to do anything for home owners. We know that the building industry has a strong impact on job creation. I think that this sector employs about 30 per cent of Canadian manpower. And yet, Mr. Speaker, we had proposed a program designed specifically for the home owner to help him keep his house in spite of high mortgage rates.

I think that this government knows what excessive interest rates mean. The Deputy Prime Minister and Minister of Finance recognizes as does the Speech from the Throne, that the rates are excessive but nothing has been proposed yet to develop and help the construction sector and home owners. I remember that our proposal had been delayed and boycotted, I think the word is appropriate in the House of Commons, because it offered no direct help to tenants. But this government offers them nothing either. If it had been true that our budget was unacceptable to them, even though thousands of home owners think otherwise, it would have been urgent to propose something for tenants, but we are still waiting for that kind of measure. But it is also proven, Mr. Speaker, that the measure we introduced was aimed at helping home owners keep their homes through interest assistance and encouraging Canadians to buy their own homes, giving them a share in this land, so they would become prouder and more involved in our society through home ownership.

We know that a Canadian who gets his own home becomes involved in municipal, provincial and federal affairs—this is automatic and quite natural, Mr. Speaker. But for some time interest rates have been rising, home owners are concerned and there are statements that this government should think over. There are reports from Toronto, in Ontario, a press release that there are thousands of bankruptcies because of high interest costs.

The home builders association are making very official representations on the lack of measures urgently needed to help the building industry. I have here a letter from CIPREC, the Canadian Institute of Public Real Estate Companies, from

which I would like to quote a few paragraphs. That letter was sent to the Minister of Finance. I quote:

> Our industry recognizes the need to reduce the inflation rate, to control the level of deficits and to maintain interest rates at appropriate levels to support the value of our currency. But such unprecedented rates have an abnormal impact on the real estate industry, and especially the residential sector. The development of real property is of prime importance to the economic welfare of this country, and more jobs probably depend on that industry than any other.

It is stressed that—

> In 1976, there have been 273,000 new housing starts in Canada, but the figure declined to 197,000 in 1979. The CMHC estimated that the Canadian demand could justify the building of up to 220,000 units in 1980, but under current conditions the figure cannot exceed 150,000. The general implications of unemployment are very serious since the building of each unit creates between 3 and 4.4 man-years of employment. Consequently, a decrease of 70,000 units below Canadian potential could result in the loss of 200,000 jobs this year.

Those are not my remarks, Mr. Speaker. This is not a totally groundless comment I make; those remarks come from a serious organization entertaining equally serious concerns about current interest rates and which will entail considerable loss in the housing industry, affect hundreds of businesses and could indeed increase unemployment by as much as 200,000 people.

I could not miss this opportunity to point out to the responsible minister his obligation to make urgent appeals to the cabinet, to force his government to take action primarily concerned with housing. That is clear, and I think members opposite feel the same way. Besides, I recall that a short time after the election, at a government caucus meeting, some members, each more talkative than the other, told journalists how important it was to pressure the cabinet into helping home owners who were already anticipating the loss of their house. We all know that the renewal of mortgages is of terrible concern for young and older home owners alike. Even young people who would like to become owners overnight are really stuck because of those interest rates and because of the lack of action by the government. But the minister is not unduly worried. He suggests that 35,000 home owners could be hit a little harder, but despite that he is confident that he will manage to get over it.

Clearly, the government refuses to give help that is essential and now urgent. And it speaks of a measure that is efficient and will reduce unemployment. It is unthinkable, Mr. Speaker; we will witness months and years of hardship if this government does not agree to change the formula that has made of it the winner in terms of unemployment for the last 12 years. How inconceivable, how unacceptable that this government should continue thinking that by spending a bit more money on social programs the rate of unemployment will be reduced. But the people want to work! Some will say that too many Canadians are lazy. The Prime Minister himself did not hesitate to say so. But that claim is untrue. Personally, I feel that, as a whole, the Canadian people have more pride than that: they are eager to work. Canadians are not happier when they have to depend on social measures and unemployment insurance. Such claims are simply not true.

• (1610)

The public expects real proposals, a new economic direction; the people and the business sector are waiting for the government and the budget, to find out in what direction the country will go from here on in. That is important for business, and its members will not hesitate to invest provided, first, they can invest in the private sector while at the same time helping Canadians through their competence and know-how. I feel present leaders of this country would stand much to gain if they listened to businessmen who, as a group, have proved their initiative, have made progress, and have achieved fantastic results for the country as a whole. It seems to me the administrators of this country, the Prime Minister and the cabinet, could benefit from sitting down with that type of entrepreneur to find out what is going to become of the business sector.

Given the present state of bankruptcy of our economy, our private enterprise would certainly not want to consult with any of the members that have been in the cabinet in the last 12 years. But I have been one of those who often favoured the possibility of bringing together representatives of the business world who live close and know the Canadian economy, the Minister of Finance and his staff as well as trade unions representatives, because they all are directly involved in, and directly interested by, the question we are debating now and by the unemployment issue.

It is urgent, I think, that the government recognize that middle and long-term policies and objectives are needed in terms of the private sector which would certainly appreciate knowing the intentions of the government. Then we will be able, I think, to encourage investors to invest more money. We certainly will have to have some kind of incentives so that Canadians invest their money in our businesses, instead of the government procrastinating on those measures which we will debate until May 20, Mr. Speaker. I know it, I feel it; there is now a more pressing priority than to listen again, Mr. Speaker, to questions directed to ministers about questions asked by Quebec ministers. It does not make any sense at a time when we have so much to deal with here in Ottawa.

If some members are concerned about the loss of confidence of a number of Canadians or a number of Quebeckers in the federal system, it is because the people in charge at that time lost this confidence here in the House and now they will have to win it back here in the House by introducing constructive, positive measures. The minister of employment will have his work cut out for him during the next few months and the next few years. Of course, the measure he has moved is acceptable but the lack of propositions, for which we have been waiting for three weeks, is bound to discourage Canadians. It is certainly not likely to encourage the members who sit on this

side who, I am sure, had succeeded in giving at least a direction and a certain optimism to all Canadians.

It is not through the Speech from the Throne that we should act. I know that. We know that there are only pious wishes in the Speech from the Throne. Some proposals should follow the good intentions mentioned in the Speech from the Throne, but those proposals are not put before the House of Commons; we are waiting for them, we are waiting for the budget, and that cripples the affairs of the country. However, Canada has not been too well served by its Parliament in the last 12 months as there was hardly a two-month sitting period. Therefore, in order to help his Minister of Employment and Immigration (Mr. Axworthy), the Minister of Finance (Mr. MacEachen) should table his budget as soon as possible so that Canadians can expect some proposals which could mean a reduction in the unemployment level, of which the new Minister of Employment and Immigration would be the champion. I am convinced that the new minister is well intentioned, I really am, but I caution him against the experience he has not had with this government, but which we and thousands of Canadians have had for the last 12 years. This experience has unfortunately resulted in an increase in the number of unemployed in Canada from 300,000 in 1968 to 1,300,000 in 1979 or 1980. Some will say that the number of people in the work force has increased, of course, the population has increased, but we do have more unemployed and that is the problem of the Canadian people.

We all wish that the social climate were healthier than it is at present. But, as I said, Mr. Speaker, we must first of all solve the economic problem. The provinces are aware of this. They have often been let down in their representations to this government in the last 12 or 13 years. The provinces would have wanted to be involved in the major national decisions. But they were not given the opportunity to participate, yet that would have made the government realize the advantage of solving certain things and the danger of going too quickly in certain areas. Because of this government's attitude, we now have an unacceptably high rate of unemployment. I think the government should reconcile provincial interests as quickly as possible so that we can propose economic measures in accordance with regional and provincial realities.

I hope, Mr. Speaker, that these few comments will be sufficient warning to the minister so that he will pressure his cabinet colleagues and prompt the Minister of Finance to present concrete measures in the House, because his objective is a very noble one, I am sure, that of lowering the unemployment rate in Canada and we are all prepared to co-operate with him in this regard.

But I must remind the minister that we will not achieve this objective if his government is bent on maintaining the philosophy or attitude of the last 12 years. Important changes must be made, and I trust that the new ministers in this old cabinet will be able to bring about new initiatives. Only then could we congratulate and applaud the new government, if it deserves it.

• (1620)

[*English*]

Mr. Lyle S. Kristiansen (Kootenay West): Mr. Speaker, in rising to debate the principle of the bill now before us, Bill C-19, one is struck by what I would call the somewhat schizophrenic behaviour of the government. On the one hand, the government doles out money to business to subsidize the private sector to create jobs in the short run, as exemplified by this bill, and on the other hand, sometimes in co-operation with other governments, they hand out millions to business, again to subsidize the private sector to destroy jobs in the longer run. Obviously this bill is an example of the former, and the example to which I want to refer in just a few moments is a rather glaring illustration of the latter.

The attitude of the government would seem to be summed up rather well in the words of a rather well known actor, Peter Ustinov, when he said, "I find myself of two minds on the subject—one more or less in disagreement with the other." That appears to be the attitude of the government.

As I said, this program seems to fall into the first category—handing out money or doling out money to some of the private sector in order to create jobs in the short run. Are they temporary jobs? How temporary are they? Do we really know, as yet, how many jobs have been created by this wage subsidy program, most of which will be at the minimum wage or very close to it, I would suspect? Perhaps we could hear something more from the government as to what level of income they expect people to live on who hold the jobs which are, in large part, created by this program. Is the purpose of this bill to open up to new applicants or new businesses the addition of more employees in the creation of more production, or is it to extend the current jobs already created in that sector?

In any case, I should like to now comment on the opposite end of the pole. A story appeared in the Toronto *The Globe and Mail* on April 21 entitled: "$140 million grants to mills will cost 600 to 800 lost jobs". The federal government will put up one-third and the provincial government of Ontario in this case will put up two-thirds under the Department of Regional Economic Expansion program, which is the program we are dealing with here. The Department of Regional Economic "Contraction" would perhaps be a better term, especially if this is to indicate the kind of path on which that department is embarked. The almost $50 million, which is the federal government's contribution to this particular program, is not, to our way of thinking, in line with the recent statement of the Prime Minister (Mr. Trudeau) that the policy of the government is to "help those who need help the most". If that is the case, I think we have come upon a rather startling definition of those who are "in need" in our society.

I should like to mention some of the companies. The article which appeared in *The Globe and Mail* reads as follows:

Among the companies given grants so far, Great Lakes Forest Products Ltd. could lose 200 jobs at its mill in Dryden. An additional 240 will be lost at an Abitibi-Price Inc. mill at Iroquois Falls.

Mr. More, who is the pulp and paper consultant to the Ontario department of industry and tourism, according to the article also said the following:

—another 280 jobs will be lost at Ontario Paper Co. Ltd. in Thorold; about 100 at Spruce Falls Power and Paper Co. Ltd. of Kapuskasing; and 20 at Domtar Inc. in Red Rock.

If this is the government's new definition of those "in need" in our society, then it perhaps strikes some of us in our corner of the House as strange that that is where the public welfare bill of this government is going. It is quite in line with the kind of corporate welfare which has been passed out for many, many years by this government, the former Liberal government and the "blue blip" that appeared somewhere in the middle.

Apparently these are corporations which the government thinks are in need of this assistance. We are paying almost $50 million out of the federal treasury to eliminate between 600 and 800 jobs. I wonder what the Minister of Industry, Trade and Commerce (Mr. Gray) would think about some of the companies. Some of them are multinationals, some of them are 100 per cent subsidiaries of American corporations, and others have interlocking directorships which are somewhat more obtuse in nature.

Is E. B. Eddy Forest Products Ltd., a subsidiary of George Weston Ltd., a firm that is really "in need"? What about Spruce Falls Power and Paper Co. Ltd.? The company is 100 per cent United States owned. What about the Ontario Paper Co. Ltd.? That company is a wholly-owned subsidiary of the Chicago Tribune Co. All of these companies have regular profits in the tens and in the hundreds of millions of dollars. Why do they need subsidies from the public purse—out of the pockets of working taxpayers—in order to do what they ought to be doing if they are interested in running efficient and proper businesses? It is rather beyond the wildest extent of my imagination. I do not know how we can legitimize that as being a proper charge on the public purse.

Meanwhile hundreds of smaller independent companies in the forest industry in particular are in severe danger of going belly-up due to some of the other policies of this government. While Bill C-19 may be all right in itself, it does nothing to put a dent in the kind of unemployment the other policies of this government are creating. Under some circumstances maybe there could be a proper case for the kind of social assistance that is being offered to these corporations.

Again I should like to refer to Mr. More, the pulp and paper consultant to the Ontario department of industry and tourism, the provincial partner in this giveaway, and what he said about these companies' attitude. He said the following:

—the industry endangered its position in the world market in past years by not having the business sense to expand and consolidate.

Also he said:

As a result, the government now has to guide it with multi-million dollar incentives.

Mr. More's words describing their attitude in past years are rather colourful, but I should like to quote his remarks as they appeared in *The Globe and Mail*. I am sure *The Globe and Mail* would not print anything which should be censored. It reads as follows:

They take the attitude: "When things are good, we'll go like a son of a bitch and make good profits, and when they're bad we'll tough it out."

Those are the words of an official of the Conservative government of Ontario describing the attitude of the compagnies to which this government is giving $50 million because they did not do their jobs.

Mr. Blais: Does that offend you?

Mr. Kristiansen: As a woodworker, it really offends me. But it is difficult to understand what rationale the Department of Regional Economic "Contraction" has in mind when it gives this kind of assistance to companies with that kind of dismal record in terms of looking after their own affairs and keeping their own business house in order. It is an incentive for initiative in reverse. It is free enterprise turned upside down. I am suprised that my Tory friends are not jumping in on this. Surely the Conservative government of Ontario could be wrong too.

• (1630)

This is one of those nice hunky-dory, cosy relationships we seem to have within the "contracted" departments and their friends. Something needs to be said because we hear some of our friends to our right chastizing some of the unemployed for refusing to accept work, by whatever definition they may choose, as one of the speakers did earlier in this debate last week.

The Conservative party was rather schizophrenic on that too, because one of their critics stood up and said that there were actually fewer unemployed than appeared because a lot of people would not take jobs when they were offered, while another stood and suggested there were in fact hundreds of thousands of hidden unemployed in Canada who should appear in the statistics but do not in fact do so. I suppose the government is not the only group that is a little schizoid in this regard.

The policies being pursued, which are creating such a severe rate of unemployment in a number of industries, particularly in the forest industry, are really the result of a coalition policy, again of the current Liberal government, the past Liberal government and the "blue blip" that appeared in between. One of the key aspects of that policy, of course, has been the continually rising—now floating—slightly sinking—we will never know—interest rate policy that has been a feature of all three governments.

I would just like to mention a few things about unemployment, in the forest industry in particular. In fact, things are getting so standard as regards lay-offs and headlines and news about lay-offs from one end of the country to the other that the *Daily Townsman* of Cranbrook, in the riding of my colleague, the hon. member for Kootenay East-Revelstoke

(Mr. Parker), now prints headlines that say "CFI plans no lay-offs yet due to poor market". Surely we have reached the height of absurdity and asininity in terms of our approach to unemployment and the kind of policies which seem almost deliberately designed to create it when the fact that there are no lay-offs at a major mill creates news. Surely our world is being turned upside down.

This is not just a matter of the government's current interest rate policy. I will have something more to say a little later about the designs and the plans of both the government and the Bank of Canada and its announced policies, which seem to be pursued in order to put us into an even worse position than that now prevailing in the United States. If we think we are in trouble in our housing industry, let us consider the United States lumber industry which is facing an even worse crisis. This government by its statements—and I will go into those in a few minutes—seems determined to catch up.

On April 4, just a few weeks ago, a report in a newspaper in Spokane, Washington, indicated 38,000 lumber workers in the Pacific northwest were unemployed due to high mortgage and high interest rates prevailing in the United States. In this morning's *The Globe and Mail* it was reported from Boise, Idaho, that more than 60,000 mill workers and lumberjacks in the northwest and southern United States are now out of work, due again to interest rate policies and the refusal of the United States government, although it has done more than the Canadian government, to take specific action to aid home owners, giving some type of assistance to those who are having to renew their mortgages for the first time. That government is doing more than Canada, but it is still only a drop in the bucket there. This government is doing nothing here.

No one would suggest, and members of this party would be the last to do so, that whatever action the Canadian government takes in terms of our mortgage interest rates, or the interest rate structure in Canada, is going to put everybody back to work in the Canadian forest industry. None of us would suggest that. There is a significant market, particularly for plywood, in central and eastern Canada, but that market is falling apart.

In a number of recent stories, one again in today's *The Globe and Mail*, this is mentioned. This article is from Amherst, Nova Scotia, and it states:

> Tony Rumbold said markets for the bureau's 49 member-firms started dipping sharply in February as high interest rates slowed down housing construction in Canada and the United States.

That report is from the Maritime Lumber Bureau. The situation has worsened.

I am not suggesting that the unemployment statistics tell the whole story, but what are some of the statistics in the forest industry? Let me refer to the government's figures from Statistics Canada's labour force survey for March, 1980. They indicate that in the Atlantic provinces in the forest industry there were 4,000 unemployed, or 44.4 per cent. According to StatsCan there were 11,000 or 44 per cent unemployed in the forest industry in the province of Quebec, and that is as of March. In Ontario the figure was 11.1 per cent, but both the governments of Ontario and of Canada seem set hell bent to make it worse.

In British Columbia there were 3,000 or 10 per cent unemployed, and let me say a little more right now about that 3,000 figure or 10 per cent in March for British Columbia. The last report compiled by regional Council No. 1 of the IWA which covers western Canada—these are just IWA members but there are a number of other labour organizations in the forestry industry in this country including the Canadian paperworkers union and the lumber and sawmill workers, not to mention the tens of thousands of Canadian woodworkers who do not have the benefits of union organization—listed 3,000 unemployed in the IWA alone in March, but as of April 22 the total for that region west of the Manitoba-Ontario border was 6,082.

By May 2, just a few days from now, there will be an additional 300 laid off in The Pas, Manitoba, by the Manitoba Forestry Resource Corporation. Just a couple of days ago, I believe, there were 350 people laid off at a mill in Salmon Arm, British Columbia. By the end of April 1,640 employees of Weldwood of Canada will be laid off, mainly in the Williams Lake and Quesnel areas of the Cariboo district in British Columbia. That is a total of 8,000 to 9,000 people.

Let me read briefly from a couple of notes prepared for me a few days ago when I attended a meeting that was attended in turn by a number of people who had just been laid off or were about to be laid off in the Kootenay region, both Kootenay West and Kootenay East-Revelstoke. I asked some of them for an up-to-date report. This note is from an employee of Revelstoke Sawmill in Radium, British Columbia, and states:

> On April 4, Revelstoke Sawmill, Radium, closed down "B" mill which was employing 70 people and maintenance and also laid off one shift at the planer, employing 15 people. On April 18, 1980, there were further lay-offs. The company shut down the planer. There are now only 37 people left working and this is very unstable. We suspect that within a very short time the mill will close down completely. This will leave approximately 200 people out of work. This figure does not include the contract loggers and truckers.

More of them are going down. The note continues:

> This is the main industry in our area and our people are scared. There is no sign of improvement. We feel the government had better have a good look at the situation and do something about correcting it.

● (1640)

That is an appeal for help from real people, and this mill is in a small community. Certainly, there is a tourist industry in Radium Hot Springs. This city sits right on the edge of one of our greatest national parks. But in terms of stable year-round employment, the forest industry is all that these people have and all that many of the communities in that area have, both in the east Kootenay and in the west Kootenay and in hundreds of other smaller communities across this country. We must begin to do something about the situation.

In the town of Haney, which is found in one of the Fraser Valley ridings, there were 350 shake and shingle employees laid off due to market conditions. They expect a possible 150 more in the near future. At least 100 loggers have not returned to work, and it is possible that other mills will cut back. There

were 70 cedar mill employees laid off, and all the other loggers were late in returning. Stories like that can be repeated by the hundreds.

It is not enough to have an employment tax credit creating a few temporary jobs close to the minimum wage when what we are facing across the length and breadth of this country is thousands, approaching tens of thousands, of people who work hard for their living, who are proud but are being cast on to the garbage heap of society because this government and previous governments have refused to take any concerted action to attempt to come to grips with their problems.

Sometimes statistics are sneered at. I recently read a cartoon. It was one of those cartoons which can be read, and it is not necessary to see the pictures. The cartoon was in the *Castlegar News* of March 22, and I believe that it was written by Jules Feiffer. The situation pictured is a little boy asking questions of a man behind a desk. On the desk is the word "Economist". It reads:

What's a depression?

Bad for business.

Yeah, but what is it?

A depression is when upwards of 12 per cent of the middle class is unemployed.

What's a recession?

Unsettling for some individuals but a useful hedge against inflation.

It sounds like government policy.

Yeah, but what is it?

A recession is when upwards of 7 per cent of the white middle class is unemployed.

What's affluence?

Good times!

Yeah, but what is it?

Affluence is when only 3 per cent of the white middle class is unemployed, and minority unemployment has levelled off at 25 per cent.

We are past that. Perhaps I am playing the role of the little boy, but I know that we are getting the same kinds of answers from this government as the economist in the cartoon gave. We got the same kind of answers from the last government—the "blue blip" between the two Liberal administrations.

One of my Conservative friends to my right had the absolute unmitigated gall recently to wonder where the New Democratic Party was when the Tory government was brought down without being given a chance to do anything in government. The Conservatives intended to give up to $375 to some home owners in Canada and to some people who wanted to buy homes. This was at the same time as their interest rate policies—and maybe the Liberals will have something to cheer about as well for a while—climbed continuously during their nine month aborted pregnancy in office, enough to raise the payments on an average home by at least $500, possibly $1,000 and probably $1,500 in a year.

The Conservatives expected us to be thankful because their government was going to give back up to $375 to some of the people. That is like suggesting that we should have confidence in the captain of a ship who sends half his crew to paint the superstructure while he sends the other half below to scuttle the hull. The Conservatives complained, and they wanted to know where we were. I was not here but my party was here, and we were doing our job when we brought down that government because it had to be one of the worst governments in one of the shortest periods of government in the history of Canada. It was so bad that it even made the second coming of the Liberal party look good.

Mrs. Mitchell: No way.

An hon. Member: They weren't that bad.

An hon. Member: That's going too far.

Mr. Kristiansen: Apparently many Canadians thought they were better. There are a number of other statistics which one could quote. I do not wish to get into them, but there are a few lessons to be learned.

I would like to go back to the joint program of the Department of Regional Economic "Contraction". All of the companies to which they gave assistance—approximately $50 million in federal dollars and $100 million in Ontario dollars, all of which were taxpayers' dollars—were large, integrated companies, and many of them were owned by multinationals. Almost all of them were companies with integrated operations, not only in lumber, but in shake and shingle, plywood and—most important for our current purposes—in the pulp and paper industry which is doing rather well at the present time.

The pulp and paper industry is the only sector of the forest industry that is showing strength at this point in our history. Why does that assistance go to the sector which should be strong? Simply to reward them for their lack of initiative in not keeping their plants up to date in the past when they were earning good money? They were doing their job badly, but they are one of the few industries that have really made it on the differential between the Canadian dollar and the U.S. dollar. It has been cream for the pulp and paper industry, and it is still doing rather well. They are the people whom this government and the Prime Minister believe need assistance most. At least, that is to whom the government is giving assistance.

I said earlier that I wanted to comment for a few moments on the actions of other governments. One might classify the new program for assistance to the house building industry, $160 million, in the United States as peanuts, but at least it is a start. In the context of the United States $160 million does not go very far. Nor would $16 million in a Canadian context go very far, but at least it would be a beginning.

I do not often have very much of a favourable nature to say of the present government of British Columbia, but a few months ago it became involved in a program, whatever its difficulties, in which, by using approximately $7 million, it generated $200 million in terms of mortgage loan assistance to people for new housing starts. That is perhaps one of the few and only reasons why British Columbia housing starts in the first period of this year had a slightly better performance than the rest of the country.

I am not suggesting that the federal government make a duplicate copy of the B.C. program, nor am I suggesting that it make a carbon copy of the United States program; but I am pleading with it to do something besides giving away up to $50 million to large, integrated companies that are not in difficulty for the purpose of eliminating hundreds of jobs, in this case throughout northwestern Ontario.

The Globe and Mail of today had an article in its business section headed "Bond prices spurt higher as large U.S. banks reduce prime rate to 18.5 per cent". The article is on page B3. Again, what it says is rather shocking and is an indication, I suppose, of this government's real policy at a time when it should be doing something to create demands in housing, for our forest products, lumber and plywood, to a meaningful extent within Canada through a new approach to interest rates.

The article reads in part:

> The U.S. authorities' stance contrasts sharply with that of the Bank of Canada, which has re-established a painfully tight grip on the Canadian banking system and is resisting the downward move in Canadian short-term rates.
>
> The Canadian central banks' aim is to restore—

What they call—

> —a more normal spread between Canadian and U.S. interest rates as the year progresses, according to economist Michael Manford of Merrill Lynch Royal Securities Limited of Toronto.

The article goes on to quote Mr. Manford:

> In all likelihood this will be accomplished by slowing the decline in Canadian prime rates until U.S. rates fall below them, he wrote in the firm's Capital Markets Letter. Thus the Canadian prime rate is likely to average 14 to 14.5 per cent by year-end, compared with 13 per cent in the United States.

● (1650)

At the moment we have the advantage and can try to keep our industry going a little better than theirs. Their unemployment statistics are absolutely astronomical. Why in heaven's name is the government and the Bank of Canada bent on following a policy that will drive us further and further into national bankruptcy and put tens of thousands more of our people out of work?

An hon. Member: It is the national Liberal employment policy.

Mr. Kristiansen: It certainly seems to be. It is not because they have not had advice.

A Canadian Press story which appeared in the *Nelson Daily News* on March 6 reported in part as follows:

> The government could create 100,000 additional jobs through a reduction in interest rates and some fiscal stimulus, says the Canadian Institute for Economic Policy in a study released Wednesday.
>
> Fiscal stimulus refers to tax cuts or incentives, or both.

It goes on to suggest that the government should be taking deliberate action to lower interest rates. This is in line with what the New Democratic Party has been trying to get across for some time. It would turn the whole thing around.

The International Woodworkers of America met with the previous government but I do not think they have yet had a chance to meet with the present government. They presented a rather comprehensive brief to the former prime minister which discussed the impact of current interest rates on the wood products industry in British Columbia. It is a rather detailed brief of some 25 pages and accompanying statistics. It offered a well presented and documented argument and attempted to persuade the government of the day to reverse its disastrous policy on interest rates. I suggest it should be required reading for members of this government. They have heard the arguments and the facts.

Some of the top economists as well as influential groups and economic bodies in the country have suggested that the government turn its policies around. Instead of that, what we get is a renewal of the employment tax credit program. Thousands of people are being thrown out of well-paid jobs—people with mortgages, people with families, with bills to pay, with credit cards—yet incentives are still being given to finance companies, credit card companies and others so that they can advertise and increase the demand for credit. We have been suckered by an industry which our public policy tends to assist in this endeavour. The present policies will throw thousands of people out of work and a continuation of the tax credit program will only offer some of them temporary jobs at or near the minimum wage. That is not good enough, Mr. Speaker.

People who have been used to earning $10, $11 or $12 an hour are not fussy about accepting a short term job and losing their right to unemployment insurance benefits in order to take it. If they do not, then, of course, our Conservative friends and perhaps a couple of hon. members opposite are going to accuse them of being welfare bums who do not want to work!

Who should have to work at those rates, Mr. Speaker, in a country that has the potential and, hopefully, the ability to get its act together and produce wealth per capita such as no other country in the world can dream of? To ask our people to live below the poverty level is worse than ridiculous; it is almost criminal.

My colleague, the hon. member for Hamilton Mountain (Mr. Deans) borrowed a phrase from me the other day. Indeed, I invited him to use it and he did to open his address. I should like to close with the same quotation. As the hon. member for Hamilton Mountain thought it suitable to open the subject, I, too, can think of no better phrase with which to close. Perhaps even some of my Conservative friends would listen to John Foster Dulles, who said that "the measure of success is not whether you have a tough problem to deal with, but whether it is the same problem you had last year".

We not only have the same problem we had last year, Mr. Speaker, we have a worse one. We seem bound and determined, as a matter of deliberate public policy, to further complicate it and make it worse. We go off in both directions, Mr. Speaker. We appear to have a schizophrenic government.

Perhaps I should wonder if the words of Frank Scott in his poem about Mackenzie King are not somewhat appropriate. He wrote that "We had no shape because he would not allow

us to take sides, and no sides because he would not allow us to take shape".

Do we have a jellyfish? Maybe, Mr. Speaker, but we do not need a jellyfish. We need a government that takes some hard, tough decisions and begins to move this country in a direction where people who want to work can work, where people who want homes can have homes, good jobs with good rates of pay. It can be done if the government will listen to some of the advice offered, not only by the opposition but by many of their own so-called experts.

I plead with the government to listen; I plead with the government to act. I plead with them to get their act on track and try to be just a little more consistent in the pursuit of their economic policy.

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

The Acting Speaker (Mr. Blaker): Order, please. Before I recognize the next hon. member, it is my duty, pursuant to Standing Order 40, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the hon. member for Saskatoon West (Mr. Hnatyshyn)—Energy—Oil pricing package—Discussion with provinces; the hon. member for Halton (Mr. Jelinek)—External Affairs—Boycotting of Moscow Olympics—Government position on other sports activities with Soviets; the hon. member for Burnaby (Mr. Robinson)—Royal Canadian Mounted Police—Alleged illegalities committed by members of force.

GOVERNMENT ORDERS

[*English*]

EMPLOYMENT TAX CREDIT ACT

AMENDMENT RESPECTING EXTENSION OF PROGRAM PERIOD

The House resumed consideration of the motion of Mr. Axworthy that Bill C-19, to amend the Employment Tax Credit Act, be read the second time and referred to Committee of the Whole.

Mr. J. M. Forrestall (Dartmouth-Halifax East): Mr. Speaker, at the outset may I associate myself with the many kind remarks that have been made concerning you and may I ask you to convey my best wishes to Madam Speaker for success in conducting the business of this chamber. I have known both you, sir, and Madam Speaker for a long time and I have confidence in the impartiality you have already demonstrated in many areas. I know that will be reflected in your attitude toward the chamber, the right of members to be heard and the good conduct of business. I know we sometimes have a tendency to get out of control. I wish you well, sir, and I wish Madam Speaker well.

The government caught hell today, Mr. Speaker, and justifiably so, for the blatant positions they adopted during the last general election with respect to what they would or would not do in the area of job creation. I regret the minister is not in the chamber. As a matter of fact, in the course of my remarks I shall express regret that the Minister of Transport (Mr. Pepin) and the Minister of National Defence (Mr. Lamontagne) are not present. Indeed, I am a little disappointed to see only one member of cabinet from Atlantic Canada in the chamber. That is an area of the country which is probably the most seriously affected, not only by programs being developed by this government, but which historically has been adversely affected by past programs. So many have been ad hoc, short-term programs.

We can look forward to some 9 per cent or 10 per cent unemployment in this country, but in my area it can run to 25, 30 or 40 per cent, and even to 60 or 70 per cent in pockets of the black community. When I reflect upon the ad hoc programs of the past, I find the government's position during the last election campaign to have been farcical. They have been in power for only two months but before that they had 16 years to put programs in place. Ad hoc programs are not good enough, Mr. Speaker.

One of the reasons they are not good enough is that of every dollar generated in Atlantic Canada today, 64 cents comes in the form of a government-to-government transfer or a government-to-people transfer. That leaves 36 cents of new wealth for every dollar generated in Atlantic Canada. This is so because of a variety of reasons, but most important of all because of our dependency in recent years on government transfers on short-term government programs.

● (1700)

If we do not turn the situation around, by the end of the 1980s or early 1990s that figure will rise from 64 cents to somewhere close to 80 cents. There will be a difference of opinion, depending on certain factors, but in any event the consensus is that it will be very close to 80 cents for every dollar generated. No wonder there is disparity. The situation is a direct effect of ad hoc job programs. We hear it said that they are great because we need them; we take them because we have to have them, but they do not create permanent long-term jobs. What the government must do, and must do very quickly or it will have the Atlantic provinces as a cost to the federal treasury forever is to turn its emphasis in our part of Canada toward the creation of jobs based on our natural and renewable resources.

If the emphasis, the time and the energy that we do place in dreaming up these programs—for example, the one in front of us is the extension of the tax credit program—

An hon. Member: You are always lost.

Mr. Forrestall: I may be lost as far as the noise is concerned from the other part of the chamber, but I am not lost in my concern and my awareness of what in God's name is going on in Atlantic Canada. It is something a little bit more than I can say for my friend. If hot air were music, people like that would make fine brass bands, but they do not do very much for the economy of our country, Mr. Speaker.

In this chamber I have argued for a considerable period of time for governments to pay attention to the needs of the disparate regions of this country, to get away from ad hockery and the "couldn't care less attitudes" and to take the disparate regions out from under the need for government-to-government and government-to-people transfers. Then one would not have disparity. You do not waste your time when you look imaginatively or with concern to regions which suffer the way Atlantic Canada does. You do not waste your time when you do that. Quite the contrary. If you were to look imaginatively at Atlantic Canada you would find our renewable resources.

I was asked what we did in the fisheries. We offered tax incentives to those wishing to invest in the fishing industry, in new fishing vessels. That is what we did. What did this government do? It cancelled this program and took it away, preferring to give handouts. That is one thing that this government did.

We offered incentives to people to go into Atlantic Canada. We told them to invest in Atlantic Canada in our renewable resource and natural resource areas. We could then create long-term job opportunities and permanent job opportunities. We could then raise capital and start paying our debts to the rest of Canada. We are in debt to the rest of Canada, and I do not like it.

As a matter of fact, it brings into question the whole area of national unity. The other day I listened to a planted question asked by the hon. member for Richelieu (Mr. Leduc) of the Minister of National Defence. It was so provocative that after three o'clock I reserved my right to rise later on this week on a question of privilege, a question of privilege which is a very serious one. As a matter of fact, now that I have reviewed both the French and English *Hansards* as well as the electronic media, I cannot make any charge and I am not making any charge, but it is rather interesting that the English *Hansard* reads quite differently from the French *Hansard*. The question had to do with jobs and with the need in Atlantic Canada to stop putting money into permanent long-term job opportunities and is an interesting one.

The question raised by the hon. member for Richelieu appears at page 414 of *Hansard* for April 25, 1980 and reads as follows:

> Madam Speaker, my question is directed to the Minister of National Defence. I should like to know what the intentions of the government are with regard to the future of escort ships in Canada.

That question was planted, there is no question about that. The reply given by the Minister of National Defence reads as follows:

> Madam Speaker, I am glad the hon. member brings up the matter considering the updating of our Canadian armed forces, which process is making great strides, the purchase of fighter aircraft and probably, in the near future, that of other material. With regard to the ships we must purchase for the Canadian navy, I think it is important to mention that the Quebec shipyards will certainly benefit the most considering that we have two shipyards which need help very badly, and like other parts of Canada the situation can certainly be improved.

That alone raises the question of whether or not the government has abandoned the time-honoured principle of tendering with respect to public service contracts in this area. But what disturbed me more than that is the record, and I wanted to check because it is not the way I heard it. My understanding of the other language is certainly not the best, as hon. members in this chamber will attest, but it is not without some knowledge. At page 415 of the French edition of *Hansard* it reads "les plus favorisés". To me those words mean "the most favoured"; I repeat, "the most favoured".

What does that have to do with employment? It does not have anything to do with employment per se, but it does have to do with the morality of a government who, with a simple statement, can write off four Atlantic provinces, the province of British Columbia and all of the shipyards of the Great Lakes. I ask, why was this done? Because the night before on television the shipyard workers said Yes and presented a petition to René Lévesque that said Yes. How do they counter that? By kicking Atlantic Canada in the ass.

An hon. Member: Order, Mr. Speaker.

Mr. Forrestall: Do you want to talk about morality? Do you want to talk about national unity?

An hon. Member: Shame.

Mr. Forrestall: Do you want to talk about jobs and job creation?

The Acting Speaker (Mr. Blaker): Order, please. The hon. member for Ottawa Centre (Mr. Evans) is rising on a point of order.

Mr. Evans: Mr. Speaker, we are once again witnessing a case of unparliamentary language being used in this chamber by a member on the other side.

An hon. Member: Apologize.

An hon. Member: Retract.

The Acting Speaker (Mr. Blaker): I have to inform hon. members that I have been involved in other matters. I rely on the hon. member for Dartmouth-Halifax East (Mr. Forrestall) and if in fact his language was unparliamentary, he might care to withdraw it.

● (1710)

Mr. Forrestall: Mr. Speaker, I will be delighted to withdraw. What I said was that this government, their morality and apparent concern for parts and regions of this country was submerged in the question of the referendum, and perhaps under certain circumstances rightly so. As a matter of fact, it

has been a kick in the rear end. I used the other word, in the "ass". I mean it with respect to them.

Some hon. Members: Oh, oh!

Mr. Forrestall: They have lost sight. I will withdraw the remark if it is unparliamentary; I doubt very much that it is. I almost put it the other way, that the asses themselves have ignored the rest of Canada.

What does this have to do with jobs and employment? Nothing directly. However, it clearly indicates to the rest of Canada that it is the intention of this government, if you will, to ignore regional disparity, to not pay any particular attention to very, very high unemployment in some regions of this country. I am speaking here about Atlantic Canada.

For the first time since before the right hon. gentleman from Prince Albert, Mr. Diefenbaker, led a government, there was no mention in the throne speech of regional disparity. For the first time there was no commitment in the throne speech to those regions of Canada that suffer extensively from high and chronic unemployment and from high and chronic underemployment.

The programs represented by this bill do much for our young people. This is just one bill, but there are a number of programs that are good. However, in terms of bringing Atlantic Canada into the mainstream of Canadian society, enabling our people to begin to pay their bills, I suggest to the government and hon. members opposite that this type of program is just ad hoc, short term, gap filling and does nothing.

One hundred permanent jobs will do more to correct the problem of disparity and to enhance national unity in Atlantic Canada than a thousand one or two-month jobs. You cannot build a future and a family cannot buy or build a home with a part-time job or with government handouts; it does not work. That is what we have here. I am not critical of the bill but what it is symptomatic of—that we keep putting band-aids on a very serious problem facing Canadians.

What else did we do about jobs? There is an opportunity available to this government to very quickly create an atmosphere in this country within which 25,000 to 30,000 new jobs could be created in the marine and related fields. I am talking about the establishment and creation of a Canadian merchant marine, a program supported by former ministers of transport; by Mr. Marchand, now in the other place, and by Otto Lang, who has gone back to private industry. Somebody sent him back there, I am not sure who.

An hon. Member: Sensible prairies.

Mr. Forrestall: There was also the hon. member for Vegreville (Mr. Mazankowski) in the last government. Indeed, under the last government a process of industrial consultation, development of cabinet papers, the development of positions, methods and ways of creating the type of atmosphere which would be conductive to the re-creation of a Canadian merchant marine went a long, long way. Indeed, if it had not been for the defeat of the government, in all likelihood by now there would be in front of this chamber or ready to come into this chamber proposals which would have made that a reality.

In terms of 25,000 to 35,000 new jobs, the cost is $3.5 billion. Hon. members laugh at that. We paid $3.5 billion to $4 billion to offshore cartels to move our imports and exports. Why are we not using that money to pay Canadians on board the ships, to build ships in Canadian shipyards, to repair Canadian ships in Canadian shipyards and to protect our waters north of 60 degrees through Canadian industrial effort and entrepreneurship? We have not done any of these things.

A good start has been made. I am talking about jobs. This is the type of permanent long-term job-creation program that we need. There was no mention of it in the throne speech. I hope we can construe that as meaning that the work done to date and the progress made by the former government and by officials of Transport Canada is such that there is no need to mention it, that in fact it is virtually a fait accompli and will be before us in a matter of time. I hope that is the interpretation. If, on the other hand, the government has abandoned that program, they can be called to task. It would demonstrate that they wasted their time on ad hockery and have not paid any attention to those areas which will create the type of long-term permanent jobs that we need in this country if we are to grow.

There is just one other area. Where does the question of a Canadian merchant marine stand? Is this government going to go ahead with it or has it abandoned it? More important than that, when are we going to find out from them? There are upwards of 20,000 jobs directly involved in the establishment of a Canadian merchant marine if we only look at moving 10 per cent of the goods we produce for export and the goods we import. If we ever got to 100 per cent, we would have a very, very viable industry. Governments would have taken a very positive step to enable the Atlantic provinces to begin to pay their bills, to get out from under the burden of transfer arrangements which are too high. They depress our capacity to expand.

Development of the Canadian merchant marine would add another dimension. I will mention this in two ways. The Liberal administration prior to the present one had started to explore with the province of Nova Scotia the possibility of a sub-agreement within DREE under the general development agreement with that province for the establishment in Nova Scotia and New Brunswick of an ocean industries park dedicated to marine and marine-related activity.

With respect to the one in Nova Scotia, it had already attracted 25 to 30 very serious inquiries from new industries dealing with new technology related to the sea. Under the Clark administration, these proposals from the previous Liberal government were brought forward. They were developed, found to be sound and an agreement was prepared and drawn up. It would have been ready for signing by the middle of last December.

Where is that agreement? Is it the intention of the government to go ahead with that, because 22 of those 25 to 30 inquiries would have produced a little over 900 new jobs. They

were the types of jobs that would have led to the development of exportable technology in Atlantic Canada.

Where is the sub-agreement so that we can put the infrastructure in place? I am not talking about that now in Canada. I am talking about attracting to Canada technology that we can develop and export. That is what we need.

● (1720)

What can come out of the F-18 in terms of exportable technology? What exportable technology have we acquired in Canada in the last 30 or 40 years in the branch plant economy we run? How much exportable technology have the great multinationals, our friends to the south or from the United Kingdom or western Europe, left with us? What base have they given us from which we can develop exports and create Canadian jobs and bring dollars back to Canada? I suggest it has been very, very little and that very few jobs have been created by foreign multinational companies allowing us to develop technology to the point at which we can resell it. No, what technology they brought into this country was just sufficient to meet their own market needs here, you can be sure, not for re-export in competition, in many instances, with their own parent companies.

So we have to do these things. The incentives are great but they are short term. This motion asks for an extension of the bill for one year. What do we do next spring? What do we do next fall? If there is oil off the east coast of Canada, maybe we can develop the dollars we need to start paying our bills. Maybe we can begin reducing the need for government-to-government transfers. Maybe we can begin to reduce government-to-people transfers by way of unemployment insurance, welfare and that type of thing.

I say "maybe" because we do not know whether the oil is there or not. We have been counting on it for four or five years and so has the government, hoping it will bail them out and that no further action will be needed. But it is not good enough. I do not want to gamble that there is enough wealth out there to create the type of permanent employment we need and stimulate the flow of dollars which would get us out of this transfer of funds grip in which we are held. It is like claustrophobia; it closes around one, takes away initiative and dulls the imagination. Obviously it has dulled the imagination of the government, otherwise we would not be here discussing what is essentially a housekeeping measure.

There is another area I wish to touch on and it has directly to do with job creation. What happened to the $50 million for Atlantic Canada which was in the budget of my hon. friend from St. John's West (Mr. Crosbie)? What happened to the $14 million for small craft harbour improvements? That money was intended to ensure that our fishing industry would have safer harbours to use.

An hon. Member: What budget?

Mr. Forrestall: The hon. member asks "what budget?" The budget which the Minister of Finance (Mr. MacEachen) reintroduced here with one or two minor exceptions the other night. How can the hon. member stand up in front of his constituents and look them in the face? If it comes to that, how does he shave in the morning? Isn't the hon. member just a little ashamed of himself? Wait until he goes back to his constituents next fall and they ask him, "How come I am paying $1.50 for gasoline?"

We had a program in place and I will give the House a small example. I have 15 or 20 fishermen fishing out of Chezzetcook Harbour along the eastern shore of Nova Scotia. Plans were made to dredge the entrance to that harbour so that they could get in to the inner station in times of storm or to unload, so life would be a little easier for them. Forty-eight hours after the defeat of the government on February 18, somebody here in Ottawa—and I suspect it was the Minister of Finance or one of his henchmen responsible for political matters in Atlantic Canada or Nova Scotia—had that program cancelled. "We didn't promise it; it was something the Tories promised and couldn't deliver, so cancel it and send the money down to South West Nova, between there and the riding of the Minister of Finance, where 90 per cent of the maintenance money and new money for harbours and breakwaters and port improvements has gone in recent years." Anyway, the program was cancelled. What has that got to do with jobs? It was cancelled in the same way as the $13 million for small craft harbour improvements was cancelled by this government, simply because they do not care, they do not need the money there; they would prefer to use it as an offset with respect to the cost of moving a uranium plant already established in one part of Canada, in the province of Ontario, in the Port Hope area, up to northern Ontario.

An hon. Member: Hear, hear!

Mr. Forrestall: Give a cheer for that! Be proud of that! It is my money that you wasted.

An hon. Member: Fifteen million!

Mr. Forrestall: It is his money. It is your constituents' money. It is also money belonging to constituents in British Columbia and Newfoundland. But members over there do not care about it. Look at that expression! It is pure, absolute gloating. She has been here only a few months and she has got that expression. And how long did it take her to get it? Look at her! Did it take years to get it? Well, it will settle in, we know. We now know what is the hon. member's approach to the morality of government. "Yours by divine right, to hell with the taxpayer, it's only money".

Mr. Speaker, I started to talk about fishermen. I want to say one or two words in conclusion about job creation. Last week in Nova Scotia along the eastern shore we experienced one of those natural phenomena which, thank God, occur only once every ten years or so in which there is a combination of a surface storm and what the fishermen call a seabed storm. A week ago last Saturday the fishermen along the eastern shore of Nova Scotia set traps in readiness for the 1980 lobster season. About 50,000 traps were set. A storm developed in the early part of last week. To describe its ferocity I might say it

cost the lives of three fishermen, their boat and their equipment. The fishermen I have talked to personally, the ones I have surveyed, put 2,309 traps in the water a week ago last Sunday. I am talking, now, of just 14 lobster men out of some 300. Mr. Speaker, 2,072 of those traps, out of 2,309, were completely destroyed. In a good lobster season a trap will produce 100 pounds of lobsters, bringing to the fishermen between $2.50 and $3 a pound depending on the market. That cash is gone.

When it came to my attention last Thursday that the storm was abating to the point at which the fishermen could get out to check their traps, I got in touch with the office of the Minister of Fisheries (Mr. LeBlanc). The people there were not even aware a storm had occurred. I alerted them to the fact and asked that an assessment of the damage be started as soon as was reasonably possible—which was the following day, just last Friday.

● (1730)

By yesterday morning nothing had been done. By this morning there seemed to be a general awareness that upwards of 300 fishermen had lost their means of livelihood for the next four or five months. There was no program to do anything about it, no indication of any special effort to go out and help these fishermen find lobster trap replacements, no indication of whether or not there might possibly be available to them some interim financial help to buy traps, and no consideration had been given until early this morning to whether the government would even consider extending the lobster season.

I mention this because obviously it is a very serious problem to lobstermen from the Halifax harbour down to at least Port Bickerton, and as you move further east along the shore, the losses seem to go down, as you can tell from these figures, of 250 traps set 226 are lost, of 220 set 210 lost, of 250 set 200 lost, of 120 set 100 lost, and of 128 set 103 lost or damaged beyond repair. No action was taken by the federal government. The fisheries protection officers in the area were becoming aware of it by last week, but there was no intervention, no special direction, no care and no concern from this government for the livelihood of men who have to ply the seas for their living.

It is the same attitude they have to jobs—"give them a handout." That is all you have in northern Ontario from this government. All you got was a handout, and do not ever make a mistake about that. They will give you hundreds of millions of dollars, they do not care about it. Do you know what it is? In job creation, they gave us $44 million three or four years ago to put in a water infrastructure program to service the city of Halifax. Of that $44 million, within ten days of the documents being signed, over $40 million was being spent back here in Quebec and Ontario. They stand up in the House and say, "We just gave you $44 million, what do you want?" We say we want jobs so we can start paying our own way, so we are not the poor cousins.

It was interesting to hear the member from British Columbia speak about the rough time they are having. They are having it, no question about that. Our situation is exactly the opposite to theirs. For every government to person transfer in terms of the total stimulation of dollars in British Columbia, where for us it is 64 cents of the transfer dollar, for them it is the exact opposite. For every 64 cents which the federal government pumps in there in terms of pensions, unemployment, or government-to-government transfers, they are producing $1.64 of new wealth. So that is just the gap.

They should keep up their good work and fight for their own provinces, but in the doing of it let them remember that there are four provinces and the eastern part of the province of Quebec where underemployment and unemployment are serious, chronic problems facing this country. Those problems will not be addressed by short-term, ad hoc approaches to employment. We must, as a nation, start to be a little imaginative; we must begin to look at areas such as natural resources and renewable resources, areas where our dollars will have a better opportunity to create long-term permanent jobs. Until we have done that, you will have as a burden around the necks of Canadian taxpayers the million or million and a half people living east of Quebec City. I do not think that does anything for national unity and I do not think it serves us well, but we do not do anything about it and I think that is regrettable.

If I have a hope for the next four years, it is probably that in terms of jobs, of job creation, this chamber will come to recognize and will be able to bring to bear on governments a type of awareness and realization that, if we do not move, we will create third and fourth generation people in all or parts of five of our provinces whose lives will have been touched directly by some form of welfare payment from the 1930s through the 1950s, 1960s and 1970s. We are now dealing with fourth generation people who are growing up, coming through the schools, who will be underemployed, who will spend a large part of their lives on unemployment insurance or some other form of government-to-people transfer. Surely as Canadians, surely as a responsible House, we can use our imagination and can redress this so that it does not become an accepted fact in the Canadian way of life.

Hon. Judy Erola (Minister of State, Mines): Mr. Speaker, since the hon. member had alluded to an announcement that the Minister of Energy, Mines and Resources (Mr. Lalonde) made last Friday about the moving of a refinery to a section of the province to which I am very close, I would like to begin by recounting something that happened to me this past weekend. I live in a very remote area of northern Ontario. I was wakened very early in the morning by a cacophony of sound which I found quite startling. At first I thought I was sitting in the House of Commons facing the hon. member and his colleagues. But no, it was a flock of geese, and I thought to myself: even they know when it is time to move north.

The hon. member has, in the same breath, justified the move. It was not only a political move—I deny that—it was a logical move. It was a move which meant that this government is standing by its policy to refine where we mine, to carry on further processing of our natural resources. I find it a purely

logical move, a move that will strengthen the regional economic base of northern Ontario. I am proud of it.

Some hon. Members: Hear, hear!

Mrs. Erola: Canadian youth suffer much more than their fair share of existing unemployment. They account for almost half the total unemployment figure. The employment tax credit program has been a useful means of helping young people gain a foothold in the work force. About 55 per cent of the participants to date have been in the 25 or under age group, split almost equally between men and women.

There is substantial evidence to indicate that the early labour force experience of individuals has a significant bearing on their later employment and income record. Jobs secured through ETCP, incidentally, have a fair chance of becoming permanent. The hon. member will note that particularly in Newfoundland, Prince Edward Island, Ontario, Manitoba, and Alberta, more than half the employers have indicated that the newly created jobs would survive beyond the 52-week maximum for earning tax credits. In Saskatchewan, Nova Scotia, New Brunswick, and Quebec, more than 47 per cent felt that most of the jobs would survive, while the figure was 41 per cent in British Columbia. In the fiscal year 1979-80, 39,000 agreements were signed, and a total of about 51,000 Canadians were placed in jobs because of it. Small businesses employing 20 or fewer signed 77 per cent of all agreements, and 40 per cent of those were employers with a maximum of five in their normal work force. Something that was very important to me was that for women the program was an important source of jobs. Women represented 34 per cent of all placements.

● (1740)

The extended program, and new initiatives that will be announced soon, will take into account the need to place women in jobs, as well as others who may experience difficulty in entering the labour force. On the average, 88 per cent of the Atlantic region take-up was from small firms. In the prairies small companies represented 85 per cent of participants. In British Columbia the figure was 82 per cent, while it was 77 per cent in Ontario, and 72 per cent in Quebec. Distribution of jobs placed 51 per cent in manufacturing, 20 per cent in retailing and wholesaling, and 12 per cent in service industries. Machinery and fabricating occupations supplied the openings for 43 per cent of the new employees, while 15 per cent worked in clerical jobs, and 7 per cent in sales.

Last year just over 100 public servants managed the program. That is one of the reasons why employers like this program. They have told us quite plainly that it is because there is very little paperwork involved, just two one-page forms to be completed by the employer. There is an optional third sheet which is designed to simplify procedures further. But on the whole it works very quickly, very efficiently and well on both sides.

Employment and unemployment patterns vary widely in Canada. The employment tax credit program, successful though it is, cannot meet all the needs of the labour force in the country. The extension of ETCP is an interim measure, but one that needs immediate help. This government is developing other employment measures which will be presented to the House very soon. They will be measures which address the diversity of this country and will be sensitive to the needs and opportunities in all regions.

Some hon. Members: Hear, hear!

Mr. David Orlikow (Winnipeg North): Mr. Speaker, this bill proposes to extend the employment tax credit program for one year. It was first brought forward in 1978. It provides tax credits to private employers for creating additional or incremental employment. It provides for a credit to employers from $1.50 an hour in low unemployment areas to $2 an hour in high unemployment areas for those employers who make use of this program. Its objective is to provide 50,000 additional jobs at a cost of approximately $100 million.

Given the magnitude of the unemployment situation in this country, it seems to us, at a time when our unemployment could be compared to a major epidemic of pneumonia that should be treated with the most modern types of antibiotics, that the government proposes instead to use a mustard plaster to deal with our unemployment. Let us look at what the situation is. The latest figures for unemployment show, according to Statistics Canada, that in March of this year we had 969,000 people unemployed and an unemployment rate of 8.6 per cent. That is one of the highest, if not actually the highest rate of unemployment of any of the industrialized countries in the western world. Those are the official figures, but it has been estimated that the real figure for unemployment is not 969,000 but probably 1.5 million unemployed.

For example, in Newfoundland where the official figure for unemployment is 31,000, in fact there are probably close to 75,000 unemployed; in Nova Scotia where the official figure for unemployment is 40,000, in fact there are probably 65,000 unemployed; and in New Brunswick where the official figure for unemployment is 37,000, in fact there are probably 80,000 unemployed. The reason for the wide discrepancy in the figures is very simple. It is because Statistics Canada counts as unemployed only those people who are unemployed and actively looking for work. In many of the slow growth areas of this country, such as the Atlantic provinces and the Interlake area of Manitoba, there is simply no use looking for work because there are no jobs available.

In fact the situation is much worse than I have indicated because we have seen in recent weeks undoubtedly the beginnings of what will be major lay-offs. The three major multinational automobile manufacturers, General Motors, Ford, and Chrysler, have each announced substantial lay-offs in the last few weeks. I will not go into the details of these because the hon. member for Hamilton Mountain (Mr. Deans) dealt with that a couple of days ago. But lay-offs in the automobile industry created by a drop in sales of more than 10 per cent over last year mean inevitably major lay-offs in the automobile parts industry, the glass industry, the rubber industry and the

plastics industry, all of which have as their major customer the automobile industry.

It has been estimated that in Ontario one in ten workers work in plants directly or indirectly involved with the production of automobiles. When that industry goes into the kind of crisis it is facing now, we can expect even more lay-offs than we have had up to the present time. What is true of the automobile industry is also true of the construction and forest products industries.

Housing starts are down. In most parts of Canada the building of commercial property has virtually ceased, as has the building of industrial plants and factories. All of these fields are in a period of slow or no-growth which, of course, means more lay-offs than we have had.

What is the answer of the government to the major crisis facing it with almost 1.5 million unemployed and 40 per cent of the unemployed being young people aged 15 to 24? What is the answer of this government? Well, I will come to the answers which we did not get from the Deputy Prime Minister and Minister of Finance (Mr. MacEachen) a few nights ago, but let me first look at the comments of the Minister of Employment and Immigration (Mr. Axworthy) who introduced the bill we are now discussing. A few days ago he was reported, in an article entitled "Job-Creation Programs Will Centre On Young, Women, Handicapped" which appeared in *The Globe and Mail,* as follows:

> Employment and Immigration Minister Lloyd Axworthy says a job-creation package to be introduced in three to four weeks will contain measures to prepare high unemployment groups—women, young people, the handicapped—to meet skill shortages in the labour market.

Then the article continued:

> Mr. Axworthy refused to say whether the Liberal government would spend more on job creation than the Tory government, but suggested it would not, stressing that Liberal programs would use funds more efficiently.

I am not being critical, but if the private sector is not creating new jobs and, indeed, is reducing the jobs it provides, then there will be more unemployed. The private sector only produces when it sells its products and makes a profit. I am not critical of them; that is why they are in operation. If the private sector is not going to provide more jobs in the coming year, and the public sector is not going to put more money into job creation, then obviously we are going to have much more unemployment in the coming year than we had last year and the unemployment rate will go up substantially.

● (1750)

A few days ago we had what was really a budget speech smuggled into the throne speech debate by the Deputy Prime Minister and Minister of Finance. What did he say? We know what he did not say. We know that he ignored all the promises made by members of his party, including the Prime Minister (Mr. Trudeau), and the Minister of Industry, Trade and Commerce (Mr. Gray) when he was the financial critic for the Liberal party in opposition. He ignored all the promises they made while in opposition, and by his silence he poured cold water on the implications of all those promises they made in opposition.

Let me illustrate that my judgment of what the minister said in his speech of a few days ago is not just criticism by a politician in an opposition party, which I am. Columnists who write about what goes on in Parliament and analyze what members of government say, were unanimous in their judgment that the minister had nothing but gloom and doom for the coming year.

Wayne Cheveldayoff stated in *The Globe and Mail* of March 27, 1980, reporting on a study issued by the Conference Board:

> Because of the U.S. economic slowdown, Canada's economy will show no real growth in 1980, the board . . . says in its regular quarterly economic forecast.
>
> As a result, employment growth will slow down and unemployment will rise from the latest monthly rate of 7.4 per cent.

It will probably be more than that; probably over 8 per cent. The article continues:

> On the inflation front, the worsened U.S. trend will spill over into Canada and the year-to-year rise in the consumer price index, currently less than 9.5 per cent, will rise to 10.1 per cent by Christmas. For 1980 as a whole, inflation will be 9.7 per cent, up from 9.1 per cent last year.
>
> The board believes this forecast to be a minimum because it has assumed a $1-a-barrel rise in the wellhead price of oil later this year. If oil prices rise faster, so will the inflation rate.

I am sure, as I am sure every member in this House is, that oil prices will go up more than we have calculated.

Don McGillivray in the *Financial Times,* April 28, 1980, wrote:

> Finance Minister Allan MacEachen revealed last week that the economy is in worse shape than when the Crosbie budget came down last year—and the Liberals have even fewer clues than the Tories about what to do to improve it.

Then he goes on to write:

> It is obvious, of course, that a September budget—

He is assuming, on the basis of what the minister has already indicated, that we will not get a budget until next September. The article states:

> —a September budget will do little to change the adverse economic projections made by MacEachen. Since December, the finance department's forecast for economic growth in 1980 has been cut to a stagnation level of 0.5 per cent from 1 per cent.

That 1 per cent had been previously calculated. David Crane in the *Toronto Star* April 22, 1980, writes:

> Our economy is headed for tough times, with both inflation and unemployment getting much worse during the next few months. This was the grim message Finance Minister Allan MacEachen delivered in his surprise economic statement in the House of Commons last night.
>
> What he didn't tell the country is what he intends to do about it, or even when he plans to come up with a budget that spells out his economic strategy.

Later he writes:

> Turning to the grim state of the economy, MacEachen said there would be virtually no growth, probably just 0.5 per cent this year, while unemployment would average 8 per cent and the consumer price index would rise 10 per cent.

Then Mr. Crane goes on to state substantially what I said a few minutes ago:

> Many sectors of the economy will be weak. These include: Export industries such as lumber, mineral products and autos; residential construction, which has been dealt a solar-plexus punch by high interest rates; government spending on

goods and services; and the inventories of raw materials, parts and finished goods that industry keeps on hand to meet future demand.

That is the situation. We are staring at 11 per cent inflation, with less than 1 per cent growth in production. We will now have to contend with record post-war unemployment this year. Manufacturing is off, and is expected to remain so or get worse during most of 1980. We are going to face unemployment of 8.5 per cent, with an increase of approximately 135,000 more unemployed than we had last year.

It has been estimated by the Purchasing Management Association of Canada, which monitors manufacturing industry hiring each month, that its members began laying off employees in November for the first time in at least a year. The association noted that new orders were falling off sharply and that production declines were noted by 31 per cent of the companies surveyed, or roughly twice the percentage of those who reported increases. The association stated this was another turnaround from early 1979 experience. It also noted that industrial production in Canada, which moved ahead smartly during the third quarter of 1979 after declining over the previous three months, was back on the downgrade as of last November.

Mr. Pinard: I rise on a point of order, Mr. Speaker. I am very sorry to interrupt the hon. member, but there have been some consultations with my colleagues, the leaders of the opposition parties in the House, and I would ask for unanimous consent to revert to motions.

Some hon. Members: Agreed.

The Acting Speaker (Mr. Blaker): Is that agreed?

Some hon. Members: Agreed.

* * *

BUSINESS OF SUPPLY

CONCURRENCE IN MAIN AND SUPPLEMENTARY ESTIMATES

Hon. Yvon Pinard (President of the Privy Council): Mr. Speaker, I would ask for unanimous consent to withdraw motion No. 2 under government business, to be replaced by the following motion that I shall read.

The Acting Speaker (Mr. Blaker): Is that agreed?

Some hon. Members: Agreed.

Motion withdrawn.

Mr. Pinard: I must say, sir, that after consultation there seems to be unanimous consent that this motion be put now and agreed on. If I may do so, I would move, seconded by the Minister of Supply and Services (Mr. Blais):

That, notwithstanding any Standing Order, the Supplementary Estimates (A), 1980-1981, shall be reported or be deemed to have been reported from the several standing committees no later than May 9, 1980;

Business of Supply

That when the House reaches government orders on May 13, 1980, the Speaker shall put, forthwith and successively, without amendment or debate, every question that may be necessary to dispose of any motion relating to interim supply, the said supplementary estimates, the restoration or reinstatement of any opposed item in the said supplementary estimates and, notwithstanding the provisions of Standing Order 72, for the passage at the first and second reading stages of the bill based thereon and all of the time provided for the consideration of government orders on May 14 and May 15, 1980, shall be allotted to the consideration of the committee of the whole stage of the bill and that all questions necessary to dispose of all remaining stages of the said bill shall be put and decided without debate or amendment no later than fifteen minutes before the ordinary time of daily adjournment on May 15, 1980; and

● (1800)

That, for the year 1980, Standing Order 58 shall be amended as follows:

(i) by replacing in section (5) thereof the word "five" with the word "eighteen" and by deleting the words "Thirteen additional days shall be allotted to the business of supply in the period ending not later than June 30";

(ii) by replacing in section (9) thereof the word "two" with the word "four";

(iii) by replacing in section (14) thereof the words "March 1 of the then expiring fiscal year" with the words "April 30"; and

(iv) by replacing in section (14) thereof the words "May 31 in the then current fiscal year" with the words "November 10".

provided:

(i) that at least ten of the days allotted for the consideration of the business of supply shall be after September 1 and that, no later than fifteen minutes before the ordinary time of adjournment on the seventh last day so provided, the Speaker shall interrupt the proceedings and shall put all questions necessary to dispose of any business pursuant to a motion or motions of which notice has been given pursuant to section (4) of Standing Orer 58 and the first and second readings of any bill based on any such motion without further debate or amendment; and

(ii) that the remaining six allotted days shall be divided into three periods of two days each and that not less than twenty-four hours before the first day in each such period, members in opposition to the government shall give notice of the name of a department or agency the estimates of which are to be considered in Committee of the Whole on the aforementioned bill during the two day period; and

(iii) that on the second day of each such period the hours of sitting shall be from 2 p.m. to 12 a.m., there shall be no private members' business, the evening interruption shall not take place and proceedings pursuant to Standing Order 40 shall be suspended; and

(iv) that at the specified time of adjournment on the last allotted day the Speaker shall interrupt proceedings and put every question necessary to dispose of the aforementioned bill at all remaining stages without further debate or amendment in the same manner *mutatis mutandi* as provided in section (10) of Standing Order 58.

This is the new motion which has been put with unanimous consent and agreed to by all parties.

Hon. Walter Baker (Nepean-Carleton): Mr. Speaker, the President of the Privy Council (Mr. Pinard) the government House leader is quite right. There have been some discussions with respect to how we might do two things: satisfy the necessary problems which the President of the Privy Council faces with respect to estimates on the one hand and, on the other hand, to satisfy what we believe are the legitimate rights of the opposition, to deal with certain ministers in terms of the operations of their departments as revealed in the estimates, on the floor of the House of Commons, rather than in committees, as was mentioned by the hon. member for St. John's West (Mr. Crosbie).

I believe, as it has been described, that this motion provides a road map by which we might accomplish those two things.

There are some minuscule matters which are well known to the President of the Privy Council and to the House leader for the New Democratic Party, the hon. member for Winnipeg North Centre (Mr. Knowles), that would be subject to some discussion in order to get us along the road. For instance, there is the question of how we would deal with the situation in which a minister might have completed his examination by the House prior to the end of, let us say, the first day period or prior to the end of the second day period, and what might happen then.

This motion does provide the essence of the agreement, to establish in a different way some of the things that we would like to have established. It follows generally the spirit of the amendment that was put by the hon. member for St. John's West, except for the unlimited time clause. We are prepared to accept the motion on that basis. In paragraph 3 on page 2 there is reference to 12 a.m., and I would like to make it clear that it was never part of the discussions that we would run all night until 12 noon. The 12 a.m. refers to 12 midnight, just so there is no doubt.

We have made some progress. We accept the terms and are prepared to live with them. Of course, as we go along the road outlined by this road map, I am satisfied that any questions raised can be resolved by discussion in good faith.

Hon. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, I should like to commend my two friends, the other House leaders, on their willingness yesterday to have that day's debate adjourned so that we could have the consultations which have taken place since that time. May I, as one who watched these two gentlemen give and take—I was the innocent third party as it were—

Mr. Baker (Nepean-Carleton): Innocent!

Mr. Knowles: —commend each of them for the give and take atmosphere and for bargaining in good faith. It was a commendable exercise, and I offer my commendation to my two fellow House leaders.

We have come up with a good arrangement for this unusual situation. I believe that it meets the points which were pressed by both sides. I am also hopeful that, as an experiment, it might give us some guidance for further thought about how we handle the estimates in 1981-82, 1991-92, and so on. All told, it is a good agreement, and we are prepared to give it our support. I trust that we can now make it a House order.

[*Translation*]

Mr. Pinard: Mr. Speaker, I merely wish to point out that I am pleased that both my colleagues are satisfied with the agreement and I hope we will continue to work in a spirit of co-operation so that on one hand the proceedings of the House will be efficient and, on the other hand, the rights of the opposition will be respected.

So that is a fine example we are giving today of the agreement which can be reached when we negotiate together and in good faith, and we will continue to work, in that spirit.

[*English*]

The Acting Speaker (Mr. Blaker): As I understand it, the motion put forward by the President of the Privy Council (Mr. Pinard) yesterday has been withdrawn by unanimous consent, the order relating thereto has been discharged, a new motion has been substituted with the unanimous consent of the House, and hon. members are now prepared to give unanimous consent to making this new motion an order. Do I have agreement?

Some hon. Members: Agreed.

Motion agreed to.

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

At 6.08 p.m. the House took recess.

• (2000)

AFTER RECESS

The House resumed at 8 p.m.

EMPLOYMENT TAX CREDIT ACT

AMENDMENT RESPECTING EXTENSION OF PROGRAM PERIOD

The House resumed consideration of the motion of Mr. Axworthy, that Bill C-19, to amend the Employment Tax Credit Act, be read the second time and referred to Committee of the Whole.

Mr. David Orlikow (Winnipeg North): Mr. Speaker, in the few minutes that I spoke before the dinner time adjournment I put on record the sad state of our economy, the fact that unemployment is close to one million, according to figures published by Statistics Canada and that our rate of inflation and the cost of living in 1980 are likely to increase by 10 per cent, according to the Minister of Finance (Mr. MacEachen). We are facing both high unemployment and a sharp increase in the cost of living in 1980.

I also put on the record the assessment of a number of people who write regularly in Canadian newspapers on economic matters, of the speech made by the Minister of Finance some days ago during the throne speech debate. At that time I said the government has offered no programs, no proposals, and no solutions to the problems we face. Now I want to put on the record the criticisms which the spokesman for the official opposition before the last election, the Prime Minister (Mr. Trudeau) and the Minister of Industry, Trade and Commerce (Mr. Gray), made in the short period when the Conservative party formed the government. I shall compare what they said then with what they are saying now. The party to which I belong has often been accused of promising people things which cannot be implemented, and we have been told we can promise those things because we are not likely to form a government in the near future.

Mr. Baker (Nepean-Carleton): That is right.

Mrs. Bégin: That is very true.

Mr. Orlikow: If there is one party in this country that should know what it can do for the people of Canada, what the economy can bear, and what governments can do, Mr. Speaker, it is the Liberal party. After all, they have been the government of this country for most of the last 60 years.

Let us look at some of the things the Liberals promised the people of Canada, in Parliament, or on the campaign trail a few months ago. I shall put on the record some of the things they said, and compare them with the silence of the government, particularly that of the Minister of Finance.

An interview with the leaders of the three major parties was reported in *The Globe and Mail* on February 13, 1980, in part, as follows:

If, for instance, the private sector is not creating enough jobs to put the labor force to work, then I see no reason at all why the government shouldn't take a larger proportion of the gross national product in order to create jobs—

Mr. Speaker, obviously, the private sector is not producing the jobs, yet what do we get from the government? The Minister of Finance offers virtually nothing. The Minister of Employment and Immigration (Mr. Axworthy) has made a proposal to spend $100 million, which will reduce the rate of unemployment, at most, by .5 per cent.

The Prime Minister is further reported in the same interview as having this to say about high interest rates:

—we would keep interest rates down and we would make sure that they go lower by controlling inflation—

When the Conservatives formed the government the interest rate was 14 per cent; since the Liberals formed the government it has gone up by around 2 per cent.

An article in the *Toronto Star* of February 11, 1980, reports the Prime Minister talking about how the Liberals would manage the economy. He said:

I would want to manage the economy in such a way that interest rates would in fact come down, not because of act of government intervention, but because the economy would be administered in a sounder way.

Yet the Minister of Finance is forecasting more unemployment in the coming year and a 10 per cent rate of inflation.

The *Toronto Star* on February 13, before his party formed the government, reported the Prime Minister's address to the Advertising and Sales Club of Toronto, as follows:

We do not condemn Mr. Clark for failing to solve the problems of inflation, unemployment and high interest rates in six months. That would have been an unfair and unrealistic expectation.

We condemn him for budgeting to make our problems worse. Nowhere is that more true than in Ontario.

The Clark budget, if we had not defeated it, would have jolted Ontario with such a sharp increase in energy costs as to bring economic growth to a virtual standstill—

● (2010)

That was in February. Here we are in April. What did the Liberal Minister of Finance tell us? He told us there would be no growth at all in this coming year, no growth at all in Canada. But when you realize that in Alberta and Saskatchewan there are quite sharp increases in the GNP, it means in fact a reduction in the GNP in Ontario. That is the difference between the Liberals when they are in opposition and the Liberals when they are in office.

I want to turn now to some of the things which were said by the Minister of Employment and Immigration, whose bill we are now debating. If there is one person who is an example of the Liberal party it is the present Minister of Employment and Immigration because there is such a contrast between what he says when he is in opposition and how little he says when he is in government. I have a few of the things that he has said, in front of me. On January 10, dealing with housing, he said this:

The first requirement to respond to immediately is high interest rates.

We know what has happened to mortgage interest rates since this government took office. As reported in the *Toronto Star* for January 11, the following appeared:

Liberal housing critic, Lloyd Axworthy said yesterday "a range of alternatives" on housing were presented to the Liberal economic platform committee, with a shelter allowance scheme as one option.

Where is that shelter allowance scheme?

Mr. Deans: Where was the platform?

Mr. Orlikow: My colleague, the hon. member for Hamilton Mountain (Mr. Deans), asks where was the platform. Unfortunately the people of Canada did not really press them on that.

Let us continue to look at some more remarks made by the Minister of Employment and Immigration with regard to housing. He was noted when he was in the Manitoba legislature for the constructive things which he said about redeveloping the core of our cities, and how we ought to do things in the housing field. I have here a speech which the minister made concerning the mortgage tax credit bill. This is dated November, 1979. He is talking about the Conservative proposal for the mortgage interest tax credit plan. This is what he said:

The Minister of Finance likes to say he is prepared to take recommendations and propositions. He has just received one, put some money into first-time home owners; put some money into writing down interest rates for those who have to renegotiate their mortgages; give bridge financing so that people can get into the housing market or stay in it. The major beneficiaries of this program are not first-time home owners but existing home owners who already have large mortgages at low interest rates.

At the present time in the city of Winnipeg, a city which both the minister and I represent, there is a petition being circulated by people who are facing just the problem which the present minister was talking about. They are this year in the process of renegotiating their mortgages which they took out five years ago. And five years ago the interest rate on their mortgages was about 11 per cent. Now it is 15 per cent, 16 per cent or 17 per cent. The minister has power now, and suddenly he has lost his voice and suddenly we hear nothing from him. He was great in opposition, but now he has disappeared.

Mr. Deans: He has disappeared completely.

Mr. Orlikow: And he is not even in the House.

On October 29, 1979, we found the present minister asking the following question:

By this time, the Minister of Finance must be aware that as a consequence of the high interest rate policy of his government, thousands of Canadian families are facing the horrendous prospect of renegotiating their mortgages at a time when rates have gone up anywhere from 30 per cent to 50 per cent. To put it in other terms, where mortgage rates have gone up, carrying costs have risen as much as $1,500 a year.

Since the minister asked that question in October, 1979, interest rates have gone up 2 per cent or 3 per cent, and carrying charges on an ordinary mortgage have gone up another $1,000 a year. What is the minister going to do about it? Nothing, because the Liberal party has now achieved office and it will be in power for three or four years so it can forget the promises that it made at that time.

Here I have a quotation from *Hansard* for November 6, 1979, when the present Minister of Industry, Trade and Commerce spoke about the Conservatives. At page 1029 the following appears:

The present record level of interest rates, which is supported by Conservative policy, cuts back the ability of Canadians to buy goods and services of all kinds—cars, homes, food and clothing, everything people need. These high interest rates cut back the ability of factories and businesses generally to expand, to create more production and jobs. These high interest rates limit the ability of business, especially small business, simply to operate at basic non-inflationary levels. Therefore these high interest rates mean losses of production and jobs now and over the coming winter months.

Now that it is the government, what answer does the Liberal party give to these high interest rates which were and are driving small business to the wall? The answer is a tax credit for $100 million. It would be laughable if it were not so tragic.

The same Minister of Industry, Trade and Commerce further on in his speech said this:

These high interest rates are also bringing the housing and construction industry to a halt, with a potential loss of thousands of jobs in that sector alone.

Of course it was doing that then. It is even worse now that the interest rates are up 2 to 2½ per cent more than they were when the Conservatives were the government. I could go on and on. This is the record of that Liberal government.

Mr. Rae: Don't stop.

Mr. Orlikow: I would have to make speeches as long as the former member from Nickel Belt made a couple of years ago; I would have to go on for days and days.

An hon. Member: Where is he now?

Mr. Orlikow: Hon. members on the Liberal side are asking where he is now.

Mr. Deans: Where is the minister of trade?

Mr. Orlikow: I can assure these hon. members that if they do not mend their ways, and if they continue implementing what were essentially Conservative policies, as they are doing in this session, and as they are doing with this phony budget which the Minister of Finance smuggled in here a week or so ago, many of them will not be back here after the next election.

Those of us who have had experience with the Liberal party over the years are not surprised at some of the things which I have quoted today. That is the record of the Liberal party going back as far as any of us can remember. Back in the 1940s—I know that my friend, the hon. member for Winnipeg North Centre (Mr. Knowles), is the only member of Parliament here now who was in this Parliament during the war—the then Liberal government tabled a white paper in which it set, as the objective of that government and of this country, a full employment policy. Mr. Howe was certainly not in the left wing of the Liberal party. Mr. Howe promised that the Liberal government would ensure that governments would carry out policies which would ensure full employment, not the kind of phony full employment of some of the well paid economists in this country who work for governments, teach at universities, and some of them are in this Parliament, or work for some of these foundations which are funded mostly by the big business corporations of this country.

● (2020)

These economists are doing very well for themselves, thank you. They have now evolved a new theory. It does not apply to them. It applies to other people. The theory is that full employment in this country is about 7 per cent or 8 per cent unemployed. Full employment is a situation where we have 7 or 8 per cent of the people in this country unemployed. That represents about a million people. Then they give us lectures about the fact that our generous unemployment insurance and welfare schemes are disincentives for people to go to work.

They want people to go to work. They do not want skilled workers such as electricians, plumbers, and machinists who are used to making $8, $9 or $10 an hour unemployed. They are angry and critical when these skilled people are unemployed. Many of them still have confidence that Liberal and Conservative governments will manage the economy so that these people will get their jobs back in the not too distant future.

Some economists and some politicians think it is terrible when these workers who have worked and earned enough money so that they can live well, be comfortable, buy a house and own a car, do not run out and get a job at the minimum wage. They find that scandalous. They think workers should do that.

For a long time it has been the basic fundamental principle in our party that this country has the manpower training, skills, education and resources, everything we require so that every person in this country who wants to, can do useful and productive work. We were not alone in that. We were ignorant enough to believe for a long time that this in fact was a principle which had been accepted by most people in this country, and by all the major political parties. We found out that is not true.

I talked about what the Liberal party said back in 1942 in 1943 when it published its white paper. Let's look at what it did not so long ago. About 17 years ago the Liberal government, headed by Mr. Pearson, established the Economic Coun-

cil of Canada. They set out five objectives of economic policy for that council.

What were those objectives? The five objectives were full employment, a high rate of economic growth, reasonable stability of prices, a viable balance of payments, and an equitable distribution of rising income. Let us look at how closely we have come to achieving those objectives as set out by a Liberal government not so many years ago.

When the present Prime Minister took office in 1968, there were 360,000 unemployed, 4.6 per cent of the labour force. That was fairly close to what full employment in this country really means. If we make allowances for those who are changing jobs, moving and so on, full employment is something between 3 per cent and 4 per cent unemployed. As I said, in 1968 there were 360,000 unemployed, 4.6 per cent of the labour force. Today, under the same Prime Minister, there are 969,000 unemployed, over 8 per cent of the labour force. This government has failed in its objective set for the Economic Council of full employment.

The second objective was a high rate of economic growth. The Conference Board has predicted that there will be no economic growth at all. What that means is between 8 and 9 per cent unemployed, instead of 7½ per cent unemployed. It means a loss in production of $5 billion worth of goods and services which would have brought to governments in Canada—federal, provincial, and municipal—$2 billion in tax revenue. We have had no economic growth instead of a high rate of economic growth.

Third, reasonable stability of prices. What can I say? When the present Prime Minister instituted wage and price controls in 1975, he was going to wrestle inflation to the ground. Prices were rising, and I am speaking from memory, at about 11 per cent per year. We are now in the year 1980. Not only has the Prime Minister not wrestled inflation to the ground, but in 1980 prices are going to go up by 10 per cent.

The fourth objective was a viable balance of payments. The only reason we have anything like that is because the governor of the Bank of Canada believes that, to achieve that aim, we have to keep the value of the dollar up. In doing that, he has sacrificed all the other objectives which the government set for itself when it established the Economic Council.

If the governor of the Bank of Canada was not supporting the dollar with his highly deflationary policy, a policy of keeping the dollar up, the dollar would have gone down. Of course we would have had a good deal more economic growth, but the governor of the Bank of Canada, sitting in his glass tower and getting a very large salary, is quite prepared to put the people of Canada through the wringer. He, of course, does not suffer as a result of that.

The last objective was an equitable distribution of rising income. I do not intend to talk about that today. No one has documented what has happened in the last 25 or 30 years better than the Minister of National Health and Welfare (Miss Bégin). She has placed on the record of Parliament and outside Parliament how completely we have failed in terms of achieving a more equitable distribution of incomes in this country.

What has happened in the last 30 years, most of which time the Liberal party formed the government, is that the share of the gross national product which goes to the lowest one-fifth of the income earners in this country has declined, and the share which goes to the top 20 per cent of the income earners has gone up.

I say to the Minister of National Health and Welfare that if I believed, as she did, that we ought to have a more equitable distribution of the wealth of this country, and I belonged to a government that did the exact reverse, I would give serious thought to resigning from that government.

An hon. Member: If you had principles.

Mr. Orlikow: Somebody said if I had principles. I will leave that to the conscience of the Minister of National Health and Welfare. I am one who thinks that she is one of the really progressive Liberals in that party. This is where we are at the present time.

I say to the Minister of Employment and Immigration that he has laboured tremendously and, instead of a mountain, he has produced a mouse. I say to him that I did not expect more from him. I do not expect more from his party and his government. I wish I could have made an entirely different speech. I wish that he would have surprised me. I wish I had to make a speech in which I congratulated him and the government for the progressive things they were proposing, for the important steps they were attempting to take in order to meet the real needs of this country.

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

● (2030)

Mr. F. Oberle (Prince George-Peace River): Mr. Speaker, it is always a pleasure to follow one of those great orators from the New Democratic Party. I do not think he would have been capable of making an entirely different speech. I will take pleasure a little later in making reference to some of the things hon. members of the NDP have said tonight, because I take a different view of the problems which are besetting our economy.

Before beginning my speech I want to take this opportunity, since it is the first time I am participating in debate in the Thirty-second Parliament, to extend my sincere congratulations to you, Mr. Speaker, and your colleagues in the chair, and through you to Madam Speaker, on your election to the distinguished positions you now hold. I know you will discharge your duties in an excellent manner.

What we are discussing tonight is, of course, just another of those stopgap measures to which we have become accustomed over many years of Liberal rule. Yesterday we were discussing the Small Businesses Loans Act; today we are debating an employment tax credit. I see myself here in the House of

Commons as a member of a team running around a very large pipe which is beginning to leak, sticking a finger in here and a finger in there, and I see no sign of any preparations being made to rebuild the crumbling foundations of the system over which those people on the other side have assumed management once again.

We are inserting ourselves at every point in this vicious circle in which we are involved, a circle which creates an inflationary mentality, a vicious circle which creates apathy and indifference on the part of so many people toward the political process, a vicious circle which destroys the confidence people once had in our ability to be one of the great nations of the world. In the bill before us we are inserting ourselves at a point at which we hope to subsidize, so to speak, the small and large businessman in his attempt to attract workers to work in his plant. There are other forms of subsidy. We can subsidize business and hope the price will stay down; we can subsidize labour and hope that its demands on the economy are less; we can subsidize consumers. It is a vicious circle, and here we are inserting ourselves once again into this whole scheme of things.

When we look around the world we wonder how we got ourselves into this mess. If I make reference to economies in other parts of the world I do so because that has become a favourite pastime among those on whom we rely to provide us with answers concerning these problems. It has become a favourite pastime to blame others for the problems we are facing. After all, they say, inflation has been imported—for instance, from the United States which has managed incredibly poorly lately—their inflation rate is higher than ours, they have an employment problem as well, and even their interest rates are higher. So, obviously, they are pushing their poor economic performance on us.

Yet I wonder why it is that other countries with whom we compete, such as West Germany, Switzerland, and Sweden, can manage a 4 per cent inflation rate, can manage without unemployment, can manage a 6 per cent interest rate. I wonder about these things because when one compares the situation of those countries with the incredible natural advantages we have here, it is mind-boggling how anyone could manage a country which is the second largest in the world so badly. Those fellows over there have managed to run our economy into the ground.

We cannot forever blame others. We have some very distinct advantages, for example, our natural resources and our well-educated manpower force—I want to talk about this later; the main theme of my speech has to do with manpower training. The capital resources of this country are almost unbelievable, but the party across the way has been preoccupied in all the years it has been in power with the distribution of wealth where there was really no wealth to distribute. Now it is hoping to create wealth out of thin air. I will take the liberty of quoting a very modern economist who lives in our country today. This is the first time he has been quoted in the House, but I am sure it will not be the last. He is a friend of mine—

An hon. Member: Who is he?

Mr. Oberle: I am quoting his definition of capital. He says this:

> Capital may be defined as subsisting in material goods, in the mental disciplines of workers, including professionals, manufacturing and commercial plants in place and functioning; goods and inventories available for markets; natural resources and the capacity to harvest and refine them; commercial, financial, political and social institutions in place and functioning.

His name is Larry Lewin and he lives in a little place called Crescent, British Columbia, where he is spending a lot of time writing down some of his ideas. He, too, has joined some of the leaders around the world in discussing some very fundamental aspects of the economies of the world, especially the need for new orders in the economies of the world respecting the new dimensions which have been added and with which we have been unable to cope over the last few years—the commodity groups, the cartels, the multi-national companies, the bigness of government, labour and corporations which are exerting such a great influence. All these things call for fundamental new ideas, and some reform of the system. But that is not what I want to talk about tonight except to the extent that it sets the stage for what I am about to say.

I was glad that one of the members of the New Democratic Party is also related in some way to the wood-converting industry. He calls himself a mill worker or a wood worker, or a logger, or whatever, from British Columbia. I welcome him to the House. Obviously he knows a lot about the industry, although one would not think so by reading his speech. I want to say a few words about the forest industry because it is an industry which is particularly hard hit by high interest rates, the decline of the construction industry, the decline in the housing market, the situation in the United States. I am talking about an industry which employs one out of every ten Canadians directly or indirectly, about an industry which produces more foreign dollars than mining, agriculture, oil and fossil fuels and fisheries combined. It is an industry known to some as the goose which has laid the golden egg.

The forest industry is in dire straits today regardless of what the hon. member from the New Democratic Party has said. The reason the industry is on the rocks is that its basic 60 per cent of income goes into some form of taxes, licences, and fees, and that it is on the receiving end every time the government has mismanaged the economy, as the governments of the United States and the governments of Canada have done over the last few years.

● (2040)

Housing starts are at an all time low and nobody has the money or the confidence in what we are doing to wish to build a new house, to build a new future, and to build generally. The wood converting industry in Canada, in comparison with the industry in the United States, has suffered badly, not just in the last few months but over the last 20 years because of incredible mismanagement by this government. The lumber industry once had 31 per cent of the world market. That position has declined to 19 per cent over the last 20 years. The United States were heavy importers of lumber from our coun-

try. They held 9 per cent of the world market 20 years ago. They have now increased to 12 per cent.

The reason for all this is that we have paid no attention whatever in this country to the renewal of our forests. We have allowed our loggers to cut, from coast to coast and every year, the equivalent of a one-mile ribbon, without anybody spending any time, providing any ideas or money to ensure that new trees are planted and that the sustained yield is ensured for future generations to continue to harvest this incredible resource which is known sometimes as the green gold. We have spent no time whatever on research and development; we have spent no time and effort on training a manpower force and training professionals to help our industry to be productive and improve our techniques in forest culture, to upgrade our techniques in improving the species on which we rely to satisfy our foreign markets.

There is an incredible job out there of thinning overpopulated forests in every province of our country. There are thousands of acres of forests that are totally unproductive because they are overpopulated. What is required is a manpower force, some machines to go in there and take out four out of every five trees, thus giving the fifth tree a chance to become a convertible item in economic terms. There is an incredible job out there to replenish and restock 60 million acres of unproductive forest land which has accumulated over the last ten years, and yet here we are talking about an unemployment crisis, talking about the wood industry laying off 6,000 people in the province of British Columbia alone.

It is for that reason that I asked, under Standing Order 43, that the minister sit down with his counterpart and talk about a partnership with the companies and the provinces and work out a deal whereby people who are now suffering, because the machines and the mills have to be shut down for a while because of being overstocked with inventory, there being nobody out there to buy it, are given an opportunity to get out into the forests to plant trees, to do some fertilizing and thin out some of our forests. This is what we should so instead of plugging the dike with this investment tax credit, and instead of paying out unemployment insurance to the tune of $130 to $150 a week.

You should tell the company that this money is available; they should keep their people working and let them do something that will be noticeable and that will be an investment in the future. But, as you know, that is too practical an idea and really does not fit into the context. After all, these people are entitled to unemployment insurance, so why should we worry about it? After all they have paid into it, we have paid into it, and the companies have paid into it, so there is nothing to worry about. In the meantime, our forests will continue to decay, they will continue to grow in abundance without us having any use from them. All this really does not make sense.

If you wanted to compare again what we are spending in our country to foster and maintain this incredible resource for future generations, let me point out that in British Columbia, a province which has probably the most advanced forest management techniques, roughly $45 are spent on an acre in our most productive forest land. Sweden, on the other hand, spends $300 an acre to do the same thing. That is why we are facing a crisis in the forest industry today. That is the crisis about which my hon. friend, who claims to know something about the forest industry, should say something. The companies no longer have the money to work with. The interest rates they are paying, and from which they are suffering because no one builds houses, affect them in other ways as well.

It is precisely at this time of the year that most companies in the country have mountains of raw materials in their yards because many of them can only log in the wintertime. Even a small company will have $2.5 million to $3 million worth of lumber sitting in the yard. Our banks have been very reluctant to lend, as you know. If a small forest company in British Columbia tried to borrow money in a chartered bank, that would have to be a trick and a half. Most of them borrow in the United States, and have to do so. I know something about that because I have been in the business for some time. Money comes from the United States, the interest rate is high, and companies have to pay interest on inventory that will not be bought for a year, so they are in dire straits; they are done for.

If it were not for the integration of these companies which have pulp, paper and other refined products, as well as plywood to some extent, to keep their logging and mill operations going, we would have very serious problems, problems so serious, in fact, that we would be debating here tonight, and probably some other nights, whether we should be bailing out the lumber industry as we are attempting to bail out the car manufacturers at present.

I cannot help but make a few comments on what has been said by my NDP friends who have a solution for all the problems. Half of them are economists, and their average age must be under 30. I think it was George Bernard Shaw who said that if you have not been a socialist by the time you are 30, you have not got a heart, but if you are a socialist after you are 30, you have not got a head.

Some hon. Members: Hear, hear!

Mr. Oberle: I could not help but think about that the other night when I saw the Leader of the NDP (Mr. Broadbent) on television. He said he is not concerned about the deficit because he relates that to a percentage of the gross national product. So the $14 billion, $16 billion, $17 billion that the government needs to borrow every year does not concern him at all. He did not mention the percentage, but it is "a very small percentage of the GNP". Let me talk a little about this deficit. How does a government raise money, and when it has finished raising money and is still short, when the cheques begin to bounce at the end of the month, the unemployment insurance cheque, the welfare cheque, the pension cheque, what does the government do? Of course it can raise taxes, but you can wear out your welcome quite quickly. Good God, Canadians know all about that. Then you can go and borrow from the citizens of the country. That is done by Canada Savings Bonds. Also you can borrow from pension funds into which the citizens of the country have paid. You can use all

these techniques to borrow. But this government has worn out even that welcome. There is no other place from which to borrow.

Canadians will not buy this fraud called Canada Savings Bonds any more. They are wise to this idea, they are wise to this fraud. They are not buying them any more and the government is broke. So what do they do? There is only one thing left to do—you go to the source of money. The closest place for us from which to borrow money is right across the border in New York. We are going down there hat in hand to borrow another $2.5 billion to do what should have been done, namely, pay our bills when it comes to our gasoline prices and heating oil prices.

Some hon. Members: Hear, hear!

Mr. Oberle: They are going to New York to borrow yet another $2.5 billion to keep floating. I wonder about these fellows in the NDP.

Mr. Forrestall: They are laughing.

Mr. Oberle: I wonder why these fellows should feel so much more comfortable owing their soul to a New York banker than owing it to the president of Exxon or the president of Shell. I would like them to tell me what the difference is.

• (2050)

When municipal leaders, provincial leaders, finance ministers and federal financial people go to New York to see a banker, they are asked all the same kinds of questions as the bankers in local communities would ask. He says, "What are you going to do to get yourself out of this fix?" By saying that, he will tell you how to run your country. Then he will say, "What do you have for collateral?" When we go down there as Canadians, we tell them we have gas, oil, lead, zinc and lumber. Of course we do. That is why we have a triple A rating. But he charges us interest as do the bankers at home. That has crippled our economy more than anything else and keeps us out of competition with nations which run a house on a balanced budget.

When we talk about constitutional reforms, I could mention some nations which have in their constitutions a provision that a government cannot overspend.

An hon. Member: Which nation?

Mr. Oberle: West Germany. When you have exhausted the taxpayers' welcome and when you have exhausted the borrowing power of the sources I have mentioned, you are finished; you are no longer bringing in any new programs. Incidentally, it is the nations which have the best social services in the world that treat their citizens best. Do you know why? It is because they do not take 30 per cent of the gross national product and pay it out in interest. They put it where it belongs. They pay it in pensions to senior citizens and they give it to native people if they have any. What will this bill do to solve some of the problems of our native people in the country, 95 per cent of whom are unemployed in some regions? I was over at the Holiday Inn just before I came here this evening. Unfortunately I could not hear what the Prime Minister was telling them, but I am quite sure they will be impressed.

I would like the fellows in the NDP to explain sometimes how this whole scheme works which they have worked out. There is another saying about a socialist: a socialist is someone who has nothing and wants to share it with everybody. They have a lot of friends over on that side of the House; that is where they are all sitting. This nation has nothing left and we are going to share it with everybody.

Many Canadians are affording themselves the time to go back and dig out the budget that was defeated on December 13. When one does that, one finds some very serious and very profound differences from how we are being treated here. We had made a commitment toward a balanced budget and to bring our situation under control within a five-year period, to the extent where at least we could finance the deficit from domestic sources so that we would not have to go begging, pad in hand, to other countries such as Switzerland, Germany, and bankers in New York, asking them to bail us out. We have all this expensive oil on the east coast, and it is politically too risky to impose an 18-cent excise tax, so they would rather run our economy into the hole by another $2.5 billion. Apparently that will get us over the hump.

When one talks about intellectual dishonesty, these are the masters of it. Incidentally this term has been used here during the last couple of weeks quite regularly. It had been used mainly in the context of what is happening in the province of Quebec right now. They are saying that René Lévesque is intellectually dishonest in posing an innocuous question about how the future of our country should be rearranged. Well, these guys are the inventors and the architects of intellectual dishonesty, because René Lévesque—

The Acting Speaker (Mr. Blaker): Order. I want to advise the hon. member that the last several days, as he and many other hon. members will know, have been my initiation into the chair. The question has been whether or not certain kinds of language are unparliamentary. I do not know the answer to that. I will do some research on the subject, but I think possibly the hon. member might want to consider whether or not accusing certain members opposite, or even a group of members in the House, of intellectual dishonesty is unparliamentary language. It is not my intention to come to some conclusion on that subject, but it has been raised four or five times when I have been in the chair in the last few days. I would ask the hon. member if he would, for the moment, give some consideration to the words he uses. In due course I will undertake to do a little research to find out what may or may not be acceptable to all members of the House.

Some hon. Members: Hear, hear!

Mr. Oberle: Mr. Speaker, I appreciate your intervention.

An hon. Member: Did you hear it?

Mr. Oberle: Yes, I did. Mr. Speaker underlined what I have said. I know this particular language could be offensive to some people. It did not originate on this side of the House. It originated on the other side of the House in the context of the Quebec referendum and the Parti Québécois. Mr. Lévesque was accused of being intellectually dishonest. What I was saying was that he is no more intellectually dishonest than these fellows, because I look at the Quebec referendum in this way: there is a fellow whose term and mandate as a premier are running out. He knows that he cannot ask the real question, Yes or No. He knows, as everyone in the House knows, that it would fail because only 18 per cent in the province of Quebec, and some of those who are on the lunatic fringe, would want to leave this country. He cannot ask the question, Yes or No. But he promised that there would be a referendum, and he must fulfil this promise if he wants to be elected once more. So, he is buying time with this sovereignty-association consultation business. These fellows have accused him of intellectual dishonesty.

I want to take us back to December when they defeated the government. They said that interest rates must go down. That is what the finance critic over there said. He said it three or four times—interest rates must go down.

Mr. Collenette: They are going down.

Mr. Oberle: He would slump over in his chair and say that they must go down, that there were all these things that had to be done right away. In British Columbia the other day I had a fellow ask me, "Do you know why we are in such tough shape in the country? It is the backlash of the Conservative government." Can you imagine? If one wanted to apply the term of intellectual dishonesty, that would have to be it.

These fellows had to get back into power, so they promised low interest rates, housing, cheaper energy, and everything one would want. Now they are back in power, and what do we get? We get a bill called the employment tax credit. It is a bill that has been in effect since 1978. We are adding to it a little bit now. We are extending it a bit. We are raising the ante a bit. Then there was the Small Businesses Loans Act. We raised that from $75,000 to $100,000. That does not catch up with inflation, but we are doing things.

The Minister of State for Mines (Mrs. Erola) was telling us how this particular measure has helped small business in the country. Well, it is really laughable. I want to tell Mr. Speaker that there are Canadians throughout the land who are looking at the budget of December 13, and they are looking at it very closely. I can assure the House that it is our intention to remind them as often as we can of what our intention was, what we would have done with the economy in the first five-year period and over the longer term. We would have restored the confidence the people once had in our ability to produce and in our ability to do things.

Going back to forestry, in that short six-month period we got together for the first time with the provinces and once again worked out a national forest policy. Let me quote from the policy a little bit, and let me in fairness say something nice about the minister. I see him in the House tonight, the minister of the environment who has part-time responsibility for forestry. He was asked recently by the Pulp and Paper Association, which had its convention in Montreal, to make a luncheon speech. I must congratulate him on the contribution he made in respect of policy and to the discussions that took place.

• (2100)

The minister responsible for forestry when our party was in power, and the resource ministers of the provinces, entered into a commitment which the minister underlined and to which he paid tribute. He committed himself pretty well to following the trend that had been worked out and established, and I compliment him for that.

When I asked the minister in the House a couple of weeks ago whether he would take the important step of appointing an assistant deputy minister, he said that would happen within days. Some days have expired and he is nodding his head, so I assume he will probably do that tomorrow morning at eight o'clock. When he does, he will have my support. He and his department will continue to have my input and suggestions.

Let me review some of that policy, sir. The new federal policy was based on the concept that the forest sector is of vital importance to our country's economic, social and environmental well-being. Our rich endowment of natural resources has supported our rise as an industrial power and, to a major degree, it still supports our continued economic prosperity.

The forest policy also recognizes, of course, the right to ownership of the resources by the provinces. That is an important factor the minister will have to address himself to, because some of his colleagues do not share that view when it comes to oil and some other natural resources. The policy we have worked out very much respected the ownership of the resources in the right of the provinces and their right to manage them initially. The federal policy must, therefore, be based on the advice of provincial resource ministers.

It was the intention of the policy to provide continued support for the Canadian Council of Resource and Environment Ministers as the key to the evolution of a well co-ordinated and cohesive national forest policy. I am sure the minister will carry out that commitment and that it will provide no problems.

The Conservative government was committed to producing taxation schemes which would provide a climate for greater private sector and provincial government investment in intensive forest management.

In that context, sir, may I say that there is one company in the United States, namely, the Weyerhauser Company, which spends more money on research and development and forest renewal than is spent by the entire Canadian forest service. Can you imagine that? That is mind boggling, but it is the fact. In fact the expenditures in the Canadian forest service in real dollars today are only 50 per cent of what they were ten years ago. It is time for rethinking on that side on how we can

groom and keep this goose that lays the golden egg for the future.

The federal government intended to find ways and means to improve graduate training in forestry in our universities, and means of improving manpower planning with particular reference to woods labour in order to improve labour force availability and productivity.

I want to go into that because I think that is one of the crucial issues we are facing today. It was intended to find ways to improve transportation policies to accommodate the special needs of the forest sector. There would have been much greater co-ordination of the various federal departments which have some jurisdiction in the area of forestry, and for that purpose we would have seen the formation of a federal forestry sector strategy committee. I understand that committee has been formed, and again I thank the minister for that. It would have included representatives from the departments of the environment, finance, industry, trade and commerce, regional economic development, agriculture, transport and others. I understand that committee is to report to the new minister. It is my intention to continue to remind the minister to share the information contained in those reports with all members of the House.

All these efforts were intended to achieve the following key objectives: to provide scientific and technical leadership through research and development; provide and analyse national and international information and statistics as a basis for forest policy; aid in developing and certifying codes and standards for product performance; protect Canada's forests from foreign insects and pests; foster and negotiate improved access to foreign markets; and foster the potential use of the forest resource for energy. That has to be the most exciting prospect for the future. There is a commitment to write a new Canada Forestry Act to embrace the functions I have mentioned, and many others.

The council of resource ministers has, as I said earlier, committed itself to increasing the total timber production in our country by 50 per cent, from 140 million to 210 million cubic meters by the year 2000.

The problems of our forest industry should not be looked at in a doom and gloom manner. There are a lot of exciting new opportunities of which we should take advantage. There are some very fundamental things that need to be done before we can cash in and capitalize on some of these opportunities.

One of the real problems that is facing our forest industry, as with any other industry that is highly technical, is the lack of a skilled manpower base. I go back to what was said by Mr. Larry Lewin, that trained and disciplined manpower is a part of a nation's capital. Indeed, I would look at the human resource as the most important part of the machine. We have just done an incredibly poor job of ensuring that our young people who graduate from schools and colleges are adequately prepared to cope with this highly technical and industrial world into which they are about to embark.

I was speaking with a young group of graduate foresters the other day in British Columbia and it was underlined that there is an incredible shortage of skilled workers in this country. This goes back to the war years when, in the immediate post-war period, we relied almost entirely on immigrants from other parts of the world, particularly from central Europe, to come here and run these new machines we were building on the North American continent. When the economies of those countries in central Europe improved and they were beginning to rebuild their economies, Canada was no longer as attractive a place to emigrate to as it once was, and we had to bring immigrants from other parts of the world, particularly from Third World countries. We brought in professional and highly skilled and trained people from these Third World countries. We received a lot of criticism from other countries in the world because we were supposed to be generous and compassionate in relation to the problems faced by these Third World countries, yet we were stealing their most valuable human resource, their highly trained manpower with technical and professional skills.

What we did, instead, was to bring in unskilled workers from these Third World countries. That ended this influx of skilled workers, and we had to begin to train our own people, as well as some of the immigrants. Today we do not have any institution in place to cope with this problem. We spend a lot of money on colleges, through manpower, to train and retrain people, but, as my friend Lewin has said, there is just no way the commercial, financial, political and social institutions, as they now exist, are capable of producing the manpower resource with the training and skills we need in the 1980s in order to keep our industries in competition with those of other parts of the world.

Our productivity in the forest industry is fully 15 per cent less than that of the United States, and that is one of the reasons for that. Another reason, of course, can be related to the antiquated machinery that we work with, particularly in eastern Canada.

• (2110)

The unskilled manpower resource is the main problem why our productivity is 15 per cent less than that of the United States. Again I must say that it will require very fundamental reform of our process of educating and training people. We should look to other countries and observe what they have done in this situation. For example, in West Germany people who feel motivated toward a particular industrial skill are allowed, and even encouraged, to leave school at a much earlier age, at the ages of 15 or 16. These people are absorbed by the industry, and through the efforts of government, industry and labour unions, are put through a training period in the plant for as much as five years, depending on the skill which they are acquiring.

This training is carried on in a school atmosphere. The young person works in the plant for three weeks of the month and then goes to college for the other week. When the individual is finished, he or she is considered a professional.

The one distinct difference is that while this individual undergoes this training period he or she does not receive $8.30 for the first hour which he works. The individual receives a small stipend of 50 cents or a dollar an hour. Of course my friends in the NDP would scream child labour and child abuse, but that party is representative of labour in this country.

Adam Smith, one of the earlier economists, talked about the invisible hand that regulates the free market system and free enterprise. A modern economist—and it was not my friend Larry Lewin—talked about another invisible hand. He referred to it as the invisible handshake. It is the handshake that is passed between big business, big labour and big government. It is that handshake which is responsible when members of that party get up in defence of large multinational corporations such as Chrysler.

An hon. Member: Time.

Mr. Oberle: That party would like the government to bail out Chrysler. Regardless of what Chrysler has done to their fellow workers in Britain, they want to bail out that company because there is an elite group of workers which may be affected. If Imperial Oil were in the same straits, they would do the same thing.

The Acting Speaker (Mr. Blaker): Order. I tried to indicate to the hon. gentleman that he might be coming to the expiry of his time. Because I interrupted the hon. member earlier on a matter of language, I will give him a brief period to finish, something like one minute.

Mr. Oberle: Thank you, Mr. Speaker. I will not abuse the patience of the House. I have said what I wanted to say. I think that hon. members who are here tonight know what I know, what you know, and what every Canadian knows, that we can no longer put a band-aid here and a band-aid there. We must talk about fundamental reform of our economic and fiscal approach, our approach to our human resource, manpower training and our job-creation programs. We must talk about very fundamental reform of our political and institutional framework. Of course that process has begun and will accelerate after May 20, but I do not wish to get into that tonight.

Mr. Paul E. McRae (Thunder Bay-Atikokan): Mr. Speaker, I respect your admonition of a few moments ago about the parliamentary use of the term "intellectual dishonesty" as being inappropriate in a parliamentary sense. It is also inappropriate in a substantial sense. As I sit here on the government side and hear both parties in opposition say the things which they say about us, I would rather use the term "naive simplicity". It is naive, because it really does not deal very much with the world which we are in, and it is simplistic in the sense that it takes only one side and sees one answer as the only answer.

I listened to the hon. member who spoke before me and other Tories before him, for the last seven or eight years saying that the government is involved in too many things, that the government is growing too big, that we were into things that we should not be into, all kinds of things which were more appropriate to the private sector. Or, if it was not appropriate for the private sector, they wanted to hand it all back to the provinces. This has been one side of the issue.

I have heard this same argument used with regard to the ratio of the net national debt to the GNP. This argument is constantly used by the parties opposite. I would ask the hon. member, when he uses that argument and with regard to his lumber business, if the line of credit that one would achieve would not be proportional to the size of the business operation. It seems to me that when one talks about debt, whether it is net national debt or another form of debt, one must put that line of credit against the size of the operation.

I do not see that anyone can relate the net national debt in an intelligent way unless one relates it to GNP. It is very interesting that under the government of the late John G. Diefenbaker, I believe it was 1962, that the net national debt as a function of the gross national product was something like 32 per cent, whereas now it is down to something like 20 per cent. I am not saying that in his time this was a bad situation. I am just not as sure that it is such a dangerous thing as the hon. member would seem to indicate.

On the other hand, the NDP has the simplistic notion that government can do anything and that there are no limits to what can be spent.

Mr. Rae: Careful, Paul, you are treading on your childhood.

Mr. McRae: I have a great deal of difficulty dealing with that philosophy. When one sits on this side of the House, one begins to think that we must be doing a few things right since we are being condemned by one group for doing too much and by the other group for doing too little. Somewhere along the line we have probably achieved a balance which most Canadians accept, and that is probably why we are here.

The employment tax credit bill can be criticized if it is looked upon as all that the government is doing in the area of employment. Of course, this is not the only measure that the government is taking. It is a limited type of bill which, for instance, is not designed for the kind of operation one might find in smaller communities, rural areas or large ridings. It is basically a bill which is perhaps more appropriate for larger cities, and that is why it is being introduced.

The bill is not being introduced to solve all the employment problems, and it is not the only piece of legislation which the government is putting into play. The bill supports certain groups of Canadians more than others, particularly young people who are trying to get on the labour market. The bill has a little more permanence, although it is not entirely permanent, than perhaps some programs such as the Canada Works program. To criticize this bill from the standpoint that the government is bereft of any other ideas, is nonsense. It is a limited bill introduced in the attempt to accomplish a certain things at a certain cost. It will achieve the kinds of results expected of it.

There is a whole series of other programs initiated by the previous government and this government which comes into play. Some are Canada Works programs and Canada works-type of programs which will probably be initiated in the future. There is also the manpower retraining program. It has been calculated—and I believe that the figure is correct—that the summation of all the programs in the Department of Employment and Immigration would open something like 230,000 jobs. This is a substantial gap when one speaks of unemployment in this country. To get around some of this simplicity one has to look at employment in perspective. It is true that we have one of the highest employment rates of all industrial nations; it is also true that we have the highest growth in our labour force of all industrial nations.

● (2120)

When I spoke in this House two or three years ago on this subject I used a chart which dealt with the summit group of countries. It showed that between 1966 and 1976 there were 146 people on the labour market in Canada for every previous 10 years; in the United States there were 128; West Germany had one or two less, but for most members of the summit group the figure was between 100 and 106. The growth in the labour force for the balance of the summit group, not including Canada, was 109 for every previous ten years; for Canada it was 146. That is a tremendous growth in our labour force.

On the one side there is high unemployment, and on the other side there is a record growth in employment among all the OECD countries, running between 350,000 and 400,000 new jobs per year. This is an accomplishment, Mr. Speaker. It is nonsense to say that we do not do anything, and it is nonsense to say that we do too much. There is a mean to be achieved and I think over the years this government has achieved it. To say that all the things we have done are wrong and that we have led the country into a mess is nonsense. We are living in a very difficult world, one that does not follow naive, simplistic suggestions. It is not true to say that if employment can be increased the economy will be better. It does not work that way and has not worked that way for many years.

There are many economists who believe that the Keynesian theories do not obtain today as they did years ago, perhaps because we are not as willing to try them as we used to be. In the early 1960s we used to talk of throwing a couple of billion dollars into the demand side to create a tremendous amount of employment and generate a lot of activity in the country. At that time the GNP was about $40 billion to $50 billion. Today it is $250 billion, six times as great, and we are talking about the same $2 billion—as if something less than one per cent would turn the economy around! This kind of thinking disturbs me a great deal, Mr. Speaker. Some of these things are counterproductive. Where there is high unemployment and high inflation running side by side, whichever way you turn you are going to create problems and not solve anything. I think we have to move piecemeal, though structural changes may be required.

One of the things that we have done in the area of unemployment that appeals to me is what I call the decentralization of policy. I support the notion of the federal government decentralizing its activities by moving the Precambrian Institute to Thunder Bay. If this country is to remain strong and have a strong federal government, the various parts of the government must be decentralized.

Decentralization of policy is not understood as well as it should be. There has been, however, more progress in the area of employment under the various ministers than in any other department. A very important advance was made when it was decided to bring the country into a series of regions and districts when studying unemployment and UIC, particularly the latter. This is very important in my area because of its location. In effect, what was done was to acknowledge that there could be a different situation in Newfoundland than, say, in Toronto, and a different situation in northern Ontario than, say, in Calgary, and that the various regions required policy differences which would come into play if the unemployment rate reached a certain level. I think this step was taken with a great deal of difficulty because of bureaucratic resistance.

Many backbenchers on this side of the House fought very hard for this change, and I would urge the minister to see if more can be done to differentiate between regions, not just regarding unemployment insurance benefits but in the whole area of manpower. I am sure the minister will look favourably upon allowing each region to set its own standards for manpower.

I should like to illustrate a problem that has not been solved by decentralization of policy, by speaking about a community in my constituency which is facing some very difficult times. Atikokan is a community of a little over 5,000 people. It had two operating mines, both of which closed down within the last year and one half. In fact the last one closed last week. In all, about 1,200 people were laid off by the closings. Under normal circumstances, if 1,200 people were laid off in a district where there were a lot of communities nearby, the people would merely commute to jobs in those other communities. If the lay-offs in the district were high enough to reach a certain percentage, then the UIC benefits would come into play.

Such is not the case with Atikokan, and I am sure there are other communities in the country in the same position. Atikokan is 140 miles from Thunder Bay and roughly 80 miles from Fort Francis. There are no communities of any size in between. To the south there is the U.S. border and north there is just nothing, so the community is on its own. The unemployment rate is as high as 50 per cent or 60 per cent. It is not a community where people can commute daily to other places to work. They have to find jobs within the community.

I should say, Mr. Speaker, that Atikokan is a community with a good future. There is another mine in the area which should open within the next three or four years. There are also other prospects for the community, and I hope that there will be full employment again in Atikokan within three or four years. It also has a very fine infrastructure. It is not the kind of

community that can be picked up and moved someplace else in short order.

Given the distances, the inability to commute, and the very high unemployment rate, I think it is important that the government consider a special designation for the community since it does not fit into the district designation. Even the 1,200 extra jobs does not push that northwestern Ontario district into a high unemployment designation. Since that is the case, I think the solution is to consider the community of Atikokan by itself. There will be, and have been, other communities in Canada in the same situation through no fault of their own, so I think we should give them a special designation and try to work out some solutions in terms of UIC, manpower thrust, DREE and particularly with CMHC.

• (2130)

I am very disturbed—and I brought this point up in the throne speech—about the attitude of CMHC to the community. This is a community with a lot of good homes and good infrastructure. The CMHC attitude is, to quote the local manager who, I believe used the phrase, "I would sooner board the places up than do something with renegotiating mortgages." Communities like this, there are others in Canada I emphasize that, I am not taking the view from this side or from that side, but those of us from the larger ridings will have those kinds of communities, and in my opinion we should take a look at them.

I would like to conclude my remarks by re-emphasizing the fact that all in all we have done a very commendable job employment-wise. We have had something like 500 per cent greater growth in the labour force than the average members of the summit group. We have created jobs at a faster rate by far than any other country in the OECD, or any of the industrial countries, and we still have these massive problems with us. The answers are not simplistic, they are not a lot more government, they are not government turning everything over to the private sector. The answer is a combination of a whole series of things which this government has sustained over the last 15 or 20 years.

Mr. Bill Yurko (Edmonton East): Mr. Speaker, since this is my first opportunity to rise and speak in this Thirty-second Parliament, I would like to congratulate you for being appointed Deputy Speaker. I would particularly like to congratulate Madam Speaker for being elected to her high position.

I am pleased to rise in my place and participate in second reading on the principle of Bill C-19, the employment tax credit act. In my estimation Bill C-19 is a budgetary measure dealing primarily with employment in all its ramifications. Let me say first that the national Government of Canada is supposed to lead and guide this nation in economic direction, in economic diversity, in economic growth and development and, to a large degree, provide considerable guidance in the generation of jobs.

The over-all policies and philosophical basis of government are generally provided in the traditional budget brought down by the Minister of Finance. The budget speech to this assembly, and the nation, provides a national economic and fiscal perspective and fabric for the nation, for business, for the banking community, for labour, for provincial governments, for international institutions and in fact other nations. They all subsequently tailor their planning to this perspective. The same applies for any minister in the various portfolios of government. Each of them is responsible for the administration of vast sums of money, and their over-all basis for economic policy formulation is important for the nation to know and understand.

The present Minister of Finance (Mr. MacEachen) has brought down no budget of his own. But he has done something; he has resurrected a mangled version of "Honest John Crosbie's" budget. Let me review briefly the budget events of the last four to four and a half months. So much has happened in the last four to four and a half months! A saga has unfolded in this House that literally dazzles the imagination and almost boggles the mind. I think that only the likes of Shakespeare could put in writing the drama that has unfolded in these last four and a half months in this place.

An hon. Member: How about Walt Disney?

Mr. Yurko: It is only Shakespeare who could catch in print, if you like, the intrigue, the intellectual dishonesty, and hypocrisy that took place in this House.

Mr. Rae: Love's Labour's Lost.

Mr. Yurko: That is understating it.

Just a fortnight before Christmas last year, the modern day prophets, Joseph and John, descended from the mountain of inspiration—which is somewhere near Jasper—and brought forth a budget that contained what I call the commandments of the new age, the eighties, that is, the decade of the eighties. After being duly inspired, the doctrine of that budget was as follows: free my people from economic bondage of big government and its wanton spending, and the new slogan, a very apt slogan, was "short-term pain for long-term gain".

I have indicated, and I hope to indicate to the assembly, the new economic commandments of that budget. I want to go through them very briefly. The first said thou shalt pay thy debts. The second said thou shalt live within thy means. The third said thou shalt save and therefore prosper. The fourth said thou shalt invest and multiply and become self-sufficient. The fifth said thou shalt be rewarded for owning thine own house.

Mr. Rae: Thou shalt raise interest rates.

Mr. Yurko: And now, what was the sixth? The boys are getting excited over there. The sixth said thou shalt pay more for thine iniquities, boozing, smoking, and driving.

Mr. Rae: Thou shalt break thy promises.

Mr. Yurko: The seventh said the poor shall be relieved from the burden of higher petrol costs. The eighth said thou shalt

not be a slave to thy government. The ninth said thy government shalt pay its bills. The tenth said our government shall not be our master and our lord.

Some hon. Members: Hear, hear!

Mr. Yurko: Two days after that budget came down with the new slogan to this place, which is the House of the Commons where, I understand, we have a lot of nobodies and some somebodies, a lot of the people on this side of the House—at that time they were the nobodies of that side—jumped up and said, "Kill it, kill it, before it takes root and spreads."

This new doctrine and new direction of paying one's bills and controlling the size of government and its deficit were too much to swallow. This was just too much for the nobodies on this side of the House. As you know, Mr. Speaker, the nobodies outnumbered the somebodies on the other side of the House, and the government fell. The government went to the people and the people rejected the budget of the prophets Joseph and John. But the saga does not end there—

Mr. Rae: Tell us about St. Sinclair.

Mr. Yurko: —because something else happened. A government sitting over there fought an election that can only be described in one word, and that word is deception. It is deception, deception, and more deception. One can say that out of this misty swamp of deception two new prophets came, only these new prophets were Joseph and Pierre. Joseph likes to be called Allan, but indeed his name is Joseph. They brought forth a new slogan. No budget, but a new slogan. What was the slogan? The slogan is "short-term drain for long-term pain". May I say that again because it is something that they should print in great big letters, tie to a sign and put around every member on the other side. A budget supposedly with a deficit of $14 billion piled on top of an impossible deficit now, "short-term drain for long-term pain".

● (2140)

I could not possibly think of a more appropriate slogan for the behaviour of this government in connection with its budgetary proposals. If one wanted to indicate a new doctrine, if you wish, one would have to call it economic bondage equalized for all.

My, how they changed the commandments. If you will bear with me, I would like to indicate what they have done. The first one now has become, thou shalt pay thy debts with the help of the government. The second one says thou shalt live within thy means and government handouts. The thirds says thou shalt save and thereby prosper and pay half of it to the government. The fourth says thou shalt invest and multiply and become self-sufficient for government's sake. The fifth says thou shalt be rewarded for owning thy own house with higher interest payments.

The sixth they agreed with, that is thou shalt pay more for thine iniquities, boozing and smoking, but not driving. The seventh said the poor shall be relieved from the burden of higher petrol costs. No, sir, Mr. Speaker, now this government say they are going to pay every cent that everybody else is going to pay, because gasoline is going to go up every bit as much as the 18 cents proposed by the last government, only they are going to hide the tax. They are going to put it in the form of a refinery tax on a barrel of oil. Deception again of the highest degree.

What did they do with the next commandment? Thou shalt not be the slave to thine government. Well, they removed the "not" and made it thou shalt be the slave to thine government. The last one, thy government shall pay its bill by borrowing more. The government shall pay its bill by borrowing more and more and more, indeed bankrupting future generations of this country, a country with riches beyond all imagination.

As an engineer I have had occasion to travel fairly extensively around the world. I worked in the United States for over six years. At one point I attempted to put down on paper the endowments per capita enjoyed in Canada. It literally cannot be compared with any other country on this globe. Indeed, what is prevalent today is that parents and grandparents anywhere in this world would give their eye teeth to emigrate to Canada, not necessarily for their own well-being but for the well-being of their children and children's children. There is no greater desire among any of the populations in the world that understand the advantages of Canada than to emigrate to Canada so that their children and children's children will have a future.

I am just going to touch on the Quebec referendum at this point because I hope to speak again on this matter. One of the things that baffles me is that nationhood, or the idea of nationalism, has been used traditionally in history to guard and safeguard—

[*Translation*]

Mr. Dawson: I rise on a point of order, Mr. Speaker. I understand quite well that it is the maiden speech of the hon. member in the House, but I wonder if he might be called to order because he has not even referred to the bill since the beginning of his speech, as several other speakers before him failed to do as well. I think this is an extremely important bill and I would ask members opposite to co-operate so that we can pass it. If they want to make speeches, they will have to wait for the debate on the budget or on the referendum. I do not think that it is timely, Mr. Speaker, to deal with that matter. We now have a bill to consider and I would like to have it debated.

[*English*]

The Acting Speaker (Mr. Ethier): The remarks of the hon. member are well taken. However, in the past the Chair has always been very lenient during the maiden speech of an hon. member. I think tonight he overdid that. I would ask the hon. member to address his remarks to the bill.

Mr. Yurko: Mr. Speaker, I appreciate very much the guidance you have given me. I would, however, suggest that I began my remarks tonight by indicating that this is a budgetary matter before us. It is a bill dealing with appropriation,

with supply. Therefore it is my intention, as I said at the beginning, to deal with the whole gamut of supply, to deal with the whole question of the economy of Canada as it relates to unemployment. Indeed, the referendum in Quebec bears a very specific reference and relationship to the well-being and economic nature of Canada, as well as employment, not only in Quebec, but with respect to the whole nation. I just want to make some brief comments on the referendum in respect of an economic matter. If you will permit me, Mr. Speaker, I will do so.

What I intended to say was that nationhood has two dimensions, one the cultural, linguistic and other aspects of it, and the other economic. Traditionally throughout history nationhood has been used to guard cultural aspects, linguistic aspects, the traditional roots of the people. With the advent of technology, the growth of the economy of the world and the economy of nations, a new dimension has been added to nationhood which is very profound. It is the dimension of economics, economic well-being.

Because technology, and I am an instrument of the world of technology, has interrelated the world economically and has interrelated all parts of Canada economically to such a degree, in order to enjoy economic well-being a new form of nationhood has evolved in the modern world through civilization. It is called a federation of parts, a federation of parts in which the cultural and linguistic character of a part can be safeguarded and maintained in all its aspects. At the same time, the guarding of those cultural and linguistic roots of a people can be integrated through a federation in an economic well-being of a larger whole, a larger nation, and this is Canada.

Canada is one of the oldest federations in the world. In fact, I think it is the third oldest. It has bound itself together with peoples in such a way that it enjoys one of the highest standards of living in the world. Its future economic well-being is related to maintaining a federation that needs some change admittedly at this time, desperately needs some change to recognize regional aspirations and regional needs, but it is the creation of mankind, and it is a modern creation which indeed ties together the ability to sustain a culture and a language and the ability to sustain all these aspects with economic well-being.

• (2150)

Let me come back to budgetary matters. Let me go back to what this government has brought before this House, the guidance it has provided us in the last several weeks and the guidance it will provide us in the coming months.

The Acting Speaker (Mr. Ethier): Order, please. The hon. member says he wants to talk about budgetary matters. I would remind him that the bill before us is very narrow in its scope and I invite the hon. member to address his remarks to the subject which we are considering, the employment tax credit act.

Mr. Yurko: Again, I want to indicate to you, Mr. Speaker, that the principle behind this bill is job creation. The employment tax credit act provides incentive for job creation all across the land and is very broad in its scope. The bill before us brings in amendments to an act which deals broadly with the economic well-being of the nation and the creation of jobs in different parts of the country, a bill which has relevance to the budget and relevance to every provincial act in terms of employment creation. I would beg of you, Mr. Speaker, to allow the latitude you have given so far to hon. members taking part in this debate.

I should like to say again I am waiting for economic guidance from the other side as to the principles which should be established to deal with the unemployment problem. Where are the principles in the amendments this bill puts forward? Where is this budget which we have been promised? Let me suggest to you, Mr. Speaker, that there are people in this nation who are providing leadership, people who are providing economic guidance for the country as a whole even though it is not being provided from the other side of the House.

A most remarkable conference took place in western Canada during the last several weeks in the course of which four leaders of western Canada recognized that this government needed help in the field of economic policy. They recognized it needed help in terms of policies for the creation of jobs. So they got together, four premiers, in Lethbridge, Alberta, and put forward certain suggestions to assist the government. What did they say after reviewing the problems of the nation—not only of western Canada but of the entire nation? Here is what they said:

> High interest rates are causing hardship for many Canadians and represent a serious economic problem for the country.

How can one create jobs and provide subsidies for job creation when interest rates are moving entirely against this type of action? The premiers are deeply concerned about the unacceptable and unfair impact of high interest rates on home owners, small business, farmers, forest workers, and the development potential of the west. Acknowledging the responsibility of the federal government for interest rate policy, the western premiers regretted that there had been little progress in meeting the mutually-agreed commitments made at the first ministers' conference on the economy on November 19, 1978, by this government.

An hon. Member: One of them concerned employment.

Mr. Yurko: One of them was employment. They were disappointed that the governor of the Bank of Canada was unable to attend the western premiers' conference to discuss monetary policy and the policy options open to Canada, matters directly related to employment and the measures necessary for creating it. The western premiers pointed out that current high interest rates are symptoms of much more serious structural problems in the Canadian economy, namely, the balance of payments deficits and the federal budgetary deficit. To address these deeply-rooted structural problems they suggested a number of proposals which could form a major part of a national economic policy strategy to avoid automatic track-

ing of Canadian-made interest rates with those of the United States.

What could be more relevant to this amendment, Mr. Speaker?

Some hon. Members: Oh, oh!

Mr. Yurko: The premiers agreed that a realistic energy-pricing policy is the key to energy self-sufficiency and the creation of jobs. Canadian energy prices must rise to reduce the disparity between domestic and international prices, they said, in order to create jobs. They agreed that the increased revenue generated by such price increases should be recycled into investment in Canada to reduce our reliance on outside capital and foreign energy sources. To create jobs, Mr. Speaker—a massive number of jobs which would result from self-sufficiency in energy, and we have the potential to do it in this nation.

What has the minister done? The Minister of Energy, Mines and Resources (Mr. Lalonde) has thrown punches in every direction even before the negotiations on pricing have begun. Indeed, he came out with a report by officials called "Analysis of the Impact on Oil Prices of the December 11 Budget Proposals"—I want to deal with that document later on and indicate the intellectual dishonesty of that report. That minister exercised the *force majeure* clause in a Syncrude agreement which put into jeopardy the Imperial Oil heavy oil plant at Cold Lake. If there ever was a project which would create jobs, that was it—jobs across the nation from one end to the other; machinery is going to be fabricated in Toronto and Montreal, across the nation for that project to create jobs for native people and Canadians in all areas. What bothered me about that decision was its timing. The timing was terrible.

This heavy oil project is the first of this kind. The Syncrude plant was the second of its kind. The Great Canadian Oil Sands plant, or Suncor, was the first. It proved the technology. Syncrude was the second. The Alsands plant is going to be the third. Then we are going to have a fourth, a fifth, and a sixth, and so on. But the Imperial heavy oil plant at Cold Lake Alberta was the first of a kind, the initial commercialization of an in situ extraction of heavy oil from 2,000 feet and lower in the ground. It was vital for this nation that that project go ahead, and no impediment of any kind by any government should have been put in place to delay it or bring it into question. Indeed, the fate of this nation in terms of energy self-sufficiency is dependent on that process for the extraction of heavy oil.

So we have a minister on that side of the House, just about the time it was necessary to approve that plant, throwing punches before he had even begun to negotiate pricing policy. Mr. Speaker, I have a lot more to say and I have a few more minutes left, but I would like to call it ten o'clock, and I therefore adjourn the debate on Bill C-19.

• (2200)

BUSINESS OF THE HOUSE

Mr. Kempling: On a point of order, Mr. Speaker, I wonder if the Parliamentary Secretary to the President of the Privy Council (Mr. Collenette) could advise us on the business for tomorrow.

Mr. Collenette: Mr. Speaker, since the debate on this bill seems to be winding down, we plan to continue with it tomorrow.

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

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

ENERGY—OIL PRICING PACKAGE—DISCUSSION WITH PROVINCES

Hon. Ray Hnatyshyn (Saskatoon West): Mr. Speaker, I rise at this time in relation to a question which I posed earlier today to the Minister of Energy, Mines and Resources (Mr. Lalonde) with respect to the proposal he put forward, together with the Prime Minister (Mr. Trudeau), during the course of the election campaign, on the so-called blended oil price. Many of us and many Canadians have been trying very hard over the last few months, especially during the time after this particular concept was first announced, to get an idea of exactly what this blended oil price was all about. It was very difficult to find out, because almost any Liberal spokesman one approached on this formula had a different idea.

After we had an opportunity of considering what this meant and what exactly it would cost us, we put a question to the Prime Minister and the Minister of Energy, Mines and Resources on what it would mean, in terms of dollars and cents, to the average Canadian. The Prime Minister, the Minister of Energy, Mines and Resources, and Liberal candidates in the course of the last election campaign went across the country saying that, in any event the Liberal government was going to assure the Canadian people of an oil supply at a lower price than that proposed by the Conservative government in its budget which was brought down by my colleague, the hon. member for St. John's West (Mr. Crosbie) last December.

We listened with great interest to find out exactly what the price would be, and again, depending on which Liberal candidate was approached, we got a different figure. It was certainly not going to be over $4 this year and it would not exceed $4.50 for the next three years, because that, of course, would

be more than the Conservative government had proposed in its budget.

Then, a few days ago, we heard the statement of the Minister of Finance (Mr. MacEachen) in a speech made in the debate on the Speech from the Throne in which he finally indicated what the figure might be, in which he gave us an inkling, when he indicated finally that, lo and behold, the price for foreign oil, the oil import compensation payments, would be rolled on to the backs of the consumer, thus resulting in a saving of over $1 billion. Still we could not get an answer from the Prime Minister, from the Minister of Energy, Mines and Resources or from the Minister of Finance as to exactly what that meant.

What I am trying to do today is put this into perspective, because if there is going to be a roll over this year, according to the projection of the Minister of Finance, of $1 billion on to the backs of the consumers, I would like to know how this might be accomplished. Will it be in the form of a tax or a levy by which oil import compensation payments would be added to the price of oil for consumers? I specifically asked of the minister whether or not this was in the arsenal that he would take with him to his discussions with the provinces. Of course he refused to answer, because I suspect the answer would be one that he would dare not give at this point in time, and that is that any proposal in order to bring about a blended price will mean to the average consumer a very substantial increase in the cost of oil and petroleum products in this country.

● (2205)

The fact of the matter is that I should title my speech, "Canadians Watch Out". We are being set up by the Liberal government to have a really large increase in oil prices in this country. The simple fact of the matter is that if they are going to roll the prices we pay for international oil or offshore oil on to the backs of the consumers, this will mean that they will have to raise the prices very much more substantially than anything put forward in our budget brought down last December. The fact is that we have no assurance from the minister. He has not denied, in the course of his responses to me, that the increase in price will surpass $4 this year. He has not denied that it will surpass $4.50 over the course of the next three years.

Canadians will now be faced by this new blended oil price policy with the most substantial price increases that they have ever experienced, and far in excess of anything proposed in the budget of the hon. member for St. John's West.

I want an assurance and commitment from the parliamentary secretary tonight that the increase in prices will not exceed an increase of $4 this year and $4.50 over the course of each year during the next three years. I want his assurance that there will be some protection with respect to the consumers of home heating fuel and non-transportation products in Canada, that they will not be burdened with this additional cost of the oil import compensation payment.

I want an assurance from the parliamentary secretary that the commitments made by the Prime Minister and the Minister of Energy, Mines and Resources, on behalf of his party and the government for whom he now answers, will in fact be kept, so that Canadians can say with assurance—and get a commitment from the parliamentary secretary—that they were not deluded, they were not misled, and that in fact they will experience increases to a lesser extent than those set forth in the budget of the hon. member for St. John's West.

Mr. Roy MacLaren (Parliamentary Secretary to Minister of Energy, Mines and Resources): Mr. Speaker, I am grateful that the hon. member for Saskatoon West (Mr. Hnatyshyn) has provided me with this opportunity to set forth the government's position on the important question of oil pricing in Canada.

One method of compensating for costly oil imports is to place a levy on all oil used in Canada. Such a procedure would be in line with the principle that the consumer must pay for the energy used. As pledged, however, we shall implement a pricing system that will provide energy to Canadians at a lower price than would have been the case under the proposal of the previous government. Let me elaborate for a moment.

In its ill-fated budget of last December, the Conservative government proposed changes in oil-pricing and in excise taxes on oil. Under those proposals the average annual rate of oil price increase, as measured in Toronto, would have been $4.48 without the additional to international prices specified in the budget. If the budget's link to international price is taken into account, the average annual increase would have risen to $4.98, accepting the December, 1979, projected international prices. Under a low-case projection, that would have been $7.21 per year. Under a high-case projection, it would have been $10.24.

It should be noted that all these figures exclude the effects of the budget's excise tax. Taking into account both the effect of the gas excise tax and the link to the international price, the Conservative government would have increased the average annual oil price at Toronto to as high as $11.07 per barrel in 1984.

● (2210)

In contrast, this government's pricing proposals will ensure that price increases are below those that would have resulted from the proposals of the previous government. Specifically, the 1980 price will remain below the $4 to $4.50 increase. Subsequent increases will continue to remain below what the previous government would have forced upon consumers.

In the near future the Minister of Energy, Mines and Resources (Mr. Lalonde) will release a statement outlining various options and explaining the application of the blended price in equitably distributing the cost arising from eastern Canada's dependence on imported oil.

Naturally it would be inappropriate to make any such announcement before discussing this matter fully with provincial governments to obtain their views on this matter of utmost national importance. These discussions will proceed as quickly as possible. I am sure that all members of the House will join

in endorsing our approach which avoids hasty pronouncements on oil pricing before the views of provinces have been solicited.

Some hon. Members: Hear, hear!

EXTERNAL AFFAIRS—BOYCOTTING OF MOSCOW OLYMPICS—GOVERNMENT POSITION ON OTHER SPORTS ACTIVITIES WITH SOVIETS

Mr. Otto Jelinek (Halton): Yesterday, Mr. Speaker, I asked the Prime Minister (Mr. Trudeau) to justify the inconsistency and hypocrisy of his government in respect of the Olympic boycott on the one hand and the government's refusal to ban other artistic and sporting events between the Soviet Union and Canada on the other, specifically the forthcoming Canada Cup hockey series in which the Soviets are scheduled to play. Twice the Prime Minister did not justify his position, but instead reiterated his hypocritical stance by saying:

> Our condemnation is of games to be held in Moscow. That is the total aspect of it. We are not condemning sporting events, amateur or professional, held in other fora.

That is unfair, unjust, hypocritical and inconsistent. The Prime Minister condemns the Olympic Games, but that is not the question. The question is, do he and his government condemn the dastardly act of military invasion of Afghanistan by the Soviet Union? Is he condemning that country completely, or is the Prime Minister and his government condemning the Soviet Union partially for that act? If it is full and complete condemnation, then I suggest that all artistic, economic and sporting ties should be broken, whether that means disallowing the Soviet hockey team to participate in the Canada Cup series, or, for that matter, whether it means disallowing the continuation of Soviet-built Lada cars to be sold in Canada, particularly at this time when there are proposed massive lay-offs within the automotive industry in this country.

If the government is partially condemning the Soviet Union for its invasion of Afghanistan, then it is partially condoning the invasion as well. I do not think Canadians accept that fact, as I do not. This is as though you, sir, would not allow one of your daughters to marry a murderer, which would be proper, but then allowed your second daughter to marry the same man. That would not be fair and it would not be consistent. That is precisely the position of this government.

As a former Olympian and world athlete I know that the Soviet Union prides itself in sports events and uses them as the number one propaganda tool. How can the Prime Minister sit there and allow Soviet hockey players and Soviet athletes to come and play games here, while disallowing our athletes to go over there? I would like to hear that explanation. This is a half-position.

There is no leadership by the Prime Minister in this case. We all know he did not want to boycott the Olympic Games in the first place, but public and international pressure forced him to back down. We all know where his personal philosophies lie and who his friends are, and they certainly are not our traditional allies in the free world. It is time the Prime Minister put his personal philosophies aside in matters of this nature and began to assume the leadership role Canada should have in events involving human rights.

• (2215)

This deals with human rights because there are murderers from the Soviet Union invading countries, whether it be Hungary, Czechoslovakia, and now Afghanistan. We as Canadians, because of this government, are partially condoning those dastardly acts by allowing the Soviet Union to play games, sell their cars, and through their games to make hundreds of thousands of dollars to take back to the Soviet Union.

I am, of course, delighted with the response, the ground swell of support, which has taken place since last Thursday when I made my first statement. This support has come from NHL hockey players, arena managers and owners, athletes, much of the media, the public and other groups. I know that the answer which I will receive tonight will be a farce, as is usually the case. The answer will not be on my specific question; do we condemn the Soviet Union fully or do we condemn it partially? I know that it will be a farce. However, that is not the point. The point is that I would like to urge tonight all Canadians, in the name of human rights and world peace, to get on that bandwagon and demand of this bleeding heart, hypocritical government that it bar all further artistic, economic and sporting ties with the Soviet Union until all Soviet troops have left Afghanistan and it complies with the Helsinki agreement, and the Human Rights agreement which they signed and to which Canada is a signatory. I plead with Canada to get on the bandwagon.

I have pleaded with the Prime Minister in the past in matters of this nature but to no avail. The matter is left to public opinion and world international pressure to get the Prime Minister to back down, as he did with the Olympic boycott, on other ties with the Soviet Union, until it complies with the principles of human rights.

[*Translation*]

Mr. Louis Duclos (Parliamentary Secretary to Secretary of State for External Affairs): Mr. Speaker, as the Prime Minister said yesterday in answer to questions from the hon. member for Halton (Mr. Jelinek), the Government of Canada is not opposed to Canadians taking part in multilateral sporting events in which the Soviet Union might also participate. However, the Olympics represent an exceptional case in that the games are held in Moscow and we cannot give the government of the Soviet Union an opportunity to have the Russian people believe that the invasion of Afghanistan is leaving the western world indifferent.

However, the government does not intend to intervene in the organization of the Canada Cup this fall or in the organization of any other multilateral competition. But should professional hockey players decide, as some stars of the National League just indicated, to associate themselves with the amateur athletes who are now bearing the cost of a government decision,

which could not have been different in the present international context, Canadians in general could only be grateful to them.

It is out of the question for the Government of Canada to out-Herod Herod, that is for the Government of Canada to go further with respect to the Soviet Union than the United States did when they allowed the Soviet athletes to enter their country for the games that were held at Lake Placid last February. Mr. Speaker, if one were to follow the reasoning of the hon. member for Halton, one would have to conclude that President Carter himself is following a hypocritical and inconsistent policy.

The Acting Speaker (Mr. Blaker): No one having risen to speak, I declare the motion to adjourn the House is now deemed to have been adopted. Accordingly, this House stands adjourned until tomorrow at 2 p.m.

Motion agreed to and the House adjourned at 10.19 p.m.

HOUSE OF COMMONS

Wednesday, April 30, 1980

The House met at 2 p.m.

● (1405)

ROUTINE PROCEEDINGS

[*English*]

TOURISM

FUNDING OF CONVENTION CENTRES—MOTION UNDER S.O. 43

Mr. Gordon Gilchrist (Scarborough East): Madam Speaker, I rise on a matter of urgent and pressing necessity under the provisions of Standing Order 43.

Inasmuch as the Conservative Government of Canada, after careful and protracted consideration, had announced a clear policy for granting funds to convention centres in the amount of as much as 25 per cent, and inasmuch as a specific offer was made to the Toronto convention centre, and in view of statements made in this House and outside by the Minister of State for Small Businesses (Mr. Lapointe) which have caused much uncertainty on the Toronto project as well as possible loss of convention bookings, such as a 7,000-person convention on which a decision must be made within the next three weeks, I move, seconded by the hon. member for Etobicoke Centre (Mr. Wilson):

That the former government policy and the specific offer to Toronto be reaffirmed immediately.

Madam Speaker: Such a motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

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AGRICULTURE

MEASURES TO IMPROVE FINANCIAL SITUATION OF FARMERS—MOTION UNDER S.O. 43

Hon. John Wise (Elgin): Madam Speaker, I rise, under the provisions of Standing Order 43, on a matter of urgent and pressing necessity.

In view of the financial crisis facing farmers today, of high and uncertain interest rates that make long-term planning impossible, I move, seconded by my colleague, the hon. member for Vegreville (Mr. Mazankowski):

That this government, especially the Minister of Agriculture, show some leadership in this crisis by establishing a loan guarantee program, by providing more money to the Farm Credit Corporation, by taking the required steps to prevent foreclosures on all farm mortgages, and by calling together representatives of the farm community, the Farm Credit Corporation and the private lending institutions for the purpose of establishing a plan of action to meet this crisis.

Madam Speaker: Such a motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

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OLD AGE SECURITY ACT

AMENDMENT TO PROVIDE EQUIVALENT OF SPOUSE'S ALLOWANCE TO SINGLE PERSONS AGED 60 TO 65—MOTION UNDER S.O. 43

Hon. Stanley Knowles (Winnipeg North Centre): Madam Speaker, under the provisions of Standing Order 43, and seconded by the hon. member for Vancouver East (Mrs. Mitchell), I move:

That this House urges the government to introduce, without delay, an amendment to the Old Age Security Act to end the discrimination therein against persons of single status between the ages of 60 and 65 by providing for the equivalent of the spouse's allowance to be available to all persons between the ages of 60 and 65, regardless of marital status, provided they are out of the labour market.

Madam Speaker: Such a motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

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NORTHERN PIPELINES

REQUEST CONSTRUCTION DELAYED UNTIL AGREEMENT IN PRINCIPLE ON ABORIGINAL CLAIMS—MOTION UNDER S.O. 43

Hon. Warren Allmand (Notre-Dame-de-Grâce): Madam Speaker, I rise to present a motion, under Standing Order 43, on a question of urgent and pressing necessity.

Whereas there is a proposal before the National Energy Board and the Department of Indian Affairs and Northern Development by Interprovincial Pipe Line to build an oil pipeline along the Mackenzie River corridor from Norman Wells, Northwest Territories, to Zama, Alberta; whereas four

years ago the Berger commission examined a similar proposal and recommended against it on social, political and environmental grounds; whereas in 1977, following the Berger commission report, the National Energy Board and the Government of Canada decided against the Mackenzie Valley gas pipeline; therefore I move, seconded by the hon. member for Cowichan-Malahat-The Islands (Mr. Manly):

That the Government of Canada continue to respect the recommendations of the Berger commission, and that the proposed Norman Wells pipeline be delayed until aboriginal rights in that area are protected and, in particular, until agreements in principle have been concluded with the native people of the Mackenzie district of the Northwest Territories respecting their aboriginal claims.

Madam Speaker: Such a motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

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AGRICULTURE

MEASURES TO IMPROVE FINANCIAL SITUATION OF FARMERS—MOTION UNDER S.O. 43

Mr. Mel Gass (Malpeque): Madam Speaker, I, too, rise on a matter of urgent and pressing necessity under the provisions of Standing Order 43.

In view of the fact that farmers finance between 50 per cent and 60 per cent of their operating costs with borrowed money, and some farmers have had to drop their low-interest Farm Credit Corporation mortgages for high-interest bank mortgages because the Farm Credit Corporation no longer has sufficient funds, and that in some regions there has been a five-fold increase in farms put up for sale, I move, seconded by the hon. member for Carleton-Charlotte (Mr. McCain):

● (1410)

That this House condemn the government's do-nothing approach to the financial crisis facing farmers today, that the federal government immediately offer more money to the Farm Credit Corporation, and that the Minister of Agriculture immediately introduce the proposal put forth by the previous PC government which would allow the Farm Credit Corporation to borrow supplemental funding from the private marketplace.

Madam Speaker: Such a motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

[*Translation*]

REQUEST FOR FINANCIAL AID FOR HOG PRODUCERS—MOTION UNDER S.O. 43

Hon. Roch La Salle (Joliette): Madam Speaker, under the provisions of Standing Order 43, I request the unanimous consent of the House to present a motion dealing with an important and urgent matter.

Because of the dramatic situation in which hog producers have found themselves for the last four months already; because some of them will very soon have to face bankruptcy, if they have not already done so, I move, seconded by the hon. member for Wetaskiwin (Mr. Schellenberger)

That this House unanimously invite the Minister of Agriculture to act immediately through either a compensation formula or enough financial assistance to avoid the worst.

Madam Speaker: The House has heard the motion of the hon. member. Under the terms of Standing Order 43, the motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

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[*English*]

FINANCE

CALL FOR RESCINDING OF NEW TAXES IMPOSED ON DOMESTIC WINES—MOTION UNDER S.O. 43

Mr. Girve Fretz (Erie): Madam Speaker, I rise on a matter of urgent and pressing necessity under the provisions of Standing Order 43.

Given the fact that the now famous infamous mini-budget of April 21 imposed additional increases in excise tax and federal sales tax on wines, given the fact that the Canadian wine industry situated in the Niagara Peninsula and in the Okanagan Valley is being unfairly and grievously hindered in its attempts to compete with foreign wine by this measure, and given, further, that these increases will create surpluses of grapes and increase unemployment, I move, seconded by the hon. member for Okanagan-Similkameen (Mr. King):

That this government reconsider the action taken, and rescind the new taxes imposed on the Canadian wine industry.

Madam Speaker: Such a motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

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HOUSE OF COMMONS

FREE COLLECTIVE BARGAINING RIGHTS FOR EMPLOYEES—MOTION UNDER S.O. 43

Mr. Svend J. Robinson (Burnaby): Madam Speaker, I rise on a matter of urgent and pressing necessity pursuant to the provisions of Standing Order 43.

In view of the fact that employees of the House of Commons are denied the basic right to free collective bargaining which is accorded all other workers in Canada, and in view of the fact that Canada has acceded to the conventions of the ILO according free collective bargaining to all workers, I move, seconded by the hon. member for Vancouver-Kingsway (Mr. Waddell):

That this House call upon the Minister of Labour to immediately bring forth legislation according full collective bargaining rights to all employees of the House of Commons.

Madam Speaker: Such a motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

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TRANSPORT

OFF-LINE ELEVATORS TO SPEED UP MOVEMENT OF GRAIN—MOTION UNDER S.O. 43

Mr. Albert Cooper (Peace River): Madam Speaker, I rise, under the provisions of Standing Order 43, on a matter of urgent and pressing necessity.

Producers in La Crete and Valleyview, Alberta, must haul their grain a maximum of 100 miles. Rail lines in this area were not scheduled for abandonment, and thus do not fall under the previous government's recommendations for an experimental off-line elevator concept. In light of the throne speech's commitment regarding transportation as a national priority, I move, seconded by the hon. member for Wetaskiwin (Mr. Schellenberger):

That the Minister of Transport give serious and immediate consideration to including the participation of La Crete and Valleyview, Alberta, in the experimental off-line elevator concept as recommended by the previous government for rail line abandonment stemming from the recommendations of the Hall commission.

Madam Speaker: Such a motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

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AIRPORTS

MINISTER'S POSITION ON IMPROVING FACILITIES AT HAMILTON, ONT.—MOTION UNDER S.O. 43

Mr. Geoff Scott (Hamilton-Wentworth): Madam Speaker, under the provisions of Standing Order 43 I rise on what I know the people of the greater Hamilton area consider to be a matter of urgent and pressing necessity.

In view of the totally confusing answers given in this House on Monday by the Minister of Transport regarding the future

size and use of Hamilton civic airport, including the possibility that Mount Hope might need to accommodate spillover traffic from the congested Toronto international airport, I move, seconded by the hon. member for Burlington (Mr. Kempling):

● (1415)

That this House requests the Minister of Transport to make a full statement clarifying his department's stand on this matter of very real importance to southern Ontario.

Madam Speaker: Such a motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

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ENVIRONMENTAL AFFAIRS

MOVEMENT OF OIL BY TANKER—GOVERNMENT REPRESENTATIONS AT U.S. HEARINGS—MOTION UNDER S.O. 43

Mr. Donald W. Munro (Esquimalt-Saanich): Madam Speaker, I rise under the provisions of Standing Order 43 and hope that I will get the unanimous consent of the House.

In view of the devastating effects on Canada's maritime resources that would occur should there be an oil spill off the B.C. coast, and particularly in the Strait of Juan de Fuca, and because of the failure of this government as far back as 1971 to encourage the overland route for Prudhoe Bay oil to the United States market, and with hearings now in progress in Olympia, Washington, to hear representations from interested parties on the Northern Tier route approved by the President of the United States, I move, seconded by the hon. member for Hillsborough (Mr. McMillan):

That this House require the Canadian government not only to be present at those hearings which are now being covered on an on and off basis from the Canadian consulate in Seattle, but also to make representations expressing the concerns of Canada and Canadians—

Some hon. Members: Order.

Mr. Munro (Esquimalt-Saanich):

—because more tankers mean greater chances of oil spills, and indicating that in any event a pollution compensation bonding scheme—

An hon. Member: Speech.

Mr. Munro (Esquimalt-Saanich):

—for all vessels entering the Strait might be instituted—

Madam Speaker: Order, please. Would the hon. member move his motion very rapidly.

Mr. Munro (Esquimalt-Saanich): Yes, Madam Speaker:

—without delay.

Madam Speaker: Such a motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Munro (Esquimalt-Saanich): Who said "No"?

Madam Speaker: Order, please. Oral questions. The hon. member for Elgin (Mr. Wise).

Mr. Anguish: A point of privilege, Madam Speaker.

Madam Speaker: Order, please. Questions of privilege are usually heard at the end of the question period. I shall be delighted to hear the hon. member then.

Mr. Anguish: A point of order, Madam Speaker.

Some hon. Members: Oh, oh!

An hon. Member: That is the same thing.

Mr. Anguish: A point of order.

Some hon. Members: Oh, oh!

Madam Speaker: Would the hon. member please resume his seat.

Some hon. Members: Sit down.

Madam Speaker: The hon. member will understand that the same ruling applies also to points of order. I shall hear him with pleasure after the question period.

Mr. Baker (Nepean-Carleton): We won't hear him with pleasure.

Madam Speaker: The hon. member for Elgin.

ORAL QUESTION PERIOD

[*English*]

AGRICULTURE

REQUEST ACTION BE TAKEN TO IMPROVE FINANCIAL SITUATION OF FARMERS

Hon. John Wise (Elgin): Madam Speaker, my question is directed to my hon. friend, the Minister of Agriculture. It relates to the subject I raised earlier in my motion under Standing Order 43 regarding high interest rates and its effect on farmers, particularly young farmers.

In the face of declining farm commodity prices—pork, beef and potatoes, to mention a few—and in view of the statement of the Minister of Finance that no new programs will be put into motion without increased government revenues, does this mean that no new programs and no new help, either directly to the producers or in co-operation with the provinces, will be given to help farmers cope with the very serious problem of high interest rates at this time of year?

Hon. E. F. Whelan (Minister of Agriculture): Madam Speaker, we have met with all the provincial ministers of agriculture: my counterparts and myself finished those meetings on the weekend. The suggestions we received from some of them were encouraging, but none of them are rushing ahead with any kind of program other than those we already have. I am sure the hon. member knows, from his past experience, that many provinces have programs of low interest rates for farm start programs, such as that in Saskatchewan at 8 per cent and that in Nova Scotia which is a low interest program.

As the hon. member is well aware, we initiated programs to provide interest-free loans to farmers. For instance, soybean producers have been provided $15 million in interest-free money from last fall, and it will run until next July. Apple growers have received the same kind of program; rutabaga growers have received the same kind of assistance, and many other producers have as well.

The hon. member mentioned programs for beef producers, pork producers, etc. I met with the Canadian Bankers' Association last night. They told me that there seems to be no lessening of borrowing by these people. Bankruptcies are not what some people are stating; they are not above normal. I have been in constant touch with the minister of agriculture of the province of Ontario, and he has not come forward with any programs similar to what other provinces have for their producers.

● (1420)

Mr. Wise: Madam Speaker, having known the minister for the last seven years, I interpret that answer as being "No".

Some hon. Members: Oh, oh!

Mr. Wise: During the campaign, the minister made a very clear commitment to give additional funding to the Farm Credit Corporation. Does he intend to keep that commitment, or does he intend to break that commitment? Also, during the campaign he gave a clear commitment to grant additional money for agricultural research. Is that commitment going to be kept, or is it going to be broken?

Mr. Whelan: Madam Speaker, the former minister of agriculture realizes, I am sure, that the commitment to research is not being lessened. There are this year 59 extra man-years for research and several more million dollars. The hon. member also knows full well that when I say we are going to do something, we generally do it unless there are certain circumstances beyond my control. But we are just putting together all the recommendations of provincial ministers of agriculture that have been made to me in the last three weeks for those kinds of programs.

I have asked the farm organizations, also, to tell me how many farmers are in a state of bankruptcy, are not going to plant, etc. A week ago last Tuesday I made that request of the National Farmers' Union. I made the same request of the executive of the Federation of Agriculture, and I have not yet received one reply.

Mr. Wise: Madam Speaker, I suggest to the minister that about 10 per cent, or 25,000, farmers are in very serious difficulty. I think it is a foregone conclusion that there will be some help for the home owners of this country, and I certainly support that. I think it is a foregone conclusion that the minister's position is in support of aid for Chrysler.

When can we expect the Minister of Agriculture to show some tangible evidence of his concern for a sector of the population for whom he, as Minister of Agriculture, has direct responsibility?

Mr. Whelan: Madam Speaker, perhaps the former minister in his short term of office did not have the opportunity to do the great things he is suggesting that I do at the present time. We did some of those things with Chrysler, and some small business people and others would like to have them. We are working on this because we represent all people. We know that if Chrysler's workers do not have money, they cannot buy food, and so on. So we work very closely together.

But I can say that farm credit, at 13 per cent interest today, is a very envied interest rate. That is being subsidized by the government at the present time because that rate is less than the government is paying.

[*Translation*]

REQUEST FOR FINANCIAL AID FOR HOG PRODUCERS

Hon. Roch La Salle (Joliette): I should like to put a supplementary, Madam Speaker. I have listened carefully to the answer given by the Minister of Agriculture. According to him the financial condition of farmers would seem to be fine. Now, could the minister tell us about the condition of a very special group, the hog producers? According to our information, during the past four months they have been incurring a deficit of millions of dollars per week. Is the minister aware of the situation? If so, does he intend to announce a special program to help hog producers?

[*English*]

Hon. E. F. Whelan (Minister of Agriculture): Madam Speaker, I am sure the hon. member also knows that hogs are a named commodity under the Agricultural Stabilization Act. That fiscal year just finished, at the end of March, and we will be announcing, I hope in the very near future, a stabilization program for hog producers. But to be fair, they geared their production to an unlimited market, and overproduced. They are suffering the consequences of not managing the supply of pork needed for the market; that is why they are now in dire need of assistance. They have said in the past, "Mr. Minister, keep your cotton pickin' fingers off our industry." Now they are saying, "Mr. Minister, please save our industry." If they had managed things a little better, they would not be in the economic position they are right now.

Mr. Nielsen: This sounds like hogwash.

[*Translation*]

Mr. La Salle: Madam Speaker. I accept the comments which the minister has just made on production control. In that context, is the minister trying to convince producers to join a national board? In any event, considering the present situation of hog producers, and I think he finds the situation dramatic, before the creation of a national board could the minister try to devise a formula for financial assistance now essential for the survival of hog producers?

● (1425)

[*English*]

Mr. Whelan: Madam Speaker, we know that hundreds of hog producers, especially young people, who entered the production field in the last year or two are now in the greatest financial difficulty. Regarding having a better kind of marketing system, there seems to be that kind of desire by many of them. The same is true of the potato industry, which the former questioner mentioned. It is in a state of chaos. However, the four provinces have agreed to go ahead with it—Nova Scotia, New Brunswick, Prince Edward Island and Ontario. I firmly believe that the Quebec producers want to go ahead with it, but I believe Mr. Garon does not want to because it would appear he was favouring the federal system so that they could market together; therefore, he does not want to go ahead with that kind of program at this time.

I think the same thing applies to a hog marketing board, because we know Mr. Garon wants that kind of thing for his provincial producers, but at the same time he is saying the hog industry is in fairly healthy condition. That is not what the producers are telling me. In meetings I held with Quebec producers last week—two different groups—they both pointed out the dire need of assistance that they have mainly because of overproduction and a very poor market for their product.

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ENERGY

GASOLINE—PROPOSED PRICE INCREASE

Mr. Edward Broadbent (Oshawa): Madam Speaker, I have a question for the Prime Minister on the important subject of gasoline prices. In a speech in Toronto on February 12, the Prime Minister said, and I quote from his text:

> The Liberal price hike will be less than half what the Tories plan to inflict on you.

In the same text he said:

> For the consumer that means a gasoline price increase which will not rise by 32 cents a gallon this year as it would with a Clark government.

I would like to ask the Prime Minister, does his government today stand by that commitment which he made less than a week before the election?

Right Hon P. E. Trudeau (Prime Minister): Madam Speaker, I would want to re-do the mathematics of it, but in my memory—

Some hon. Members: Oh, oh!

Mr. Trudeau: I concede to the hon. member for Northumberland that that was a bad start, Madam Speaker. My recollection of the calculation I made to reach this statement about "less than half" was that the Tory budget proposed an increase of $4 for the year 1980—a $4 increase per barrel in the price of petroleum at the wellhead—and that the 18-cent a gallon excise tax was the equivalent of $5, I believe.

An hon. Member: Six.

Mr. Trudeau: Closer to $6 I am told, so if you add half—

An hon. Member: Half?

Mr. Trudeau: Yes, half. If you add five and four, you arrive at nine.

Some hon. Members: Oh, oh!

Some hon. Members: Hear, hear!

Mr. Trudeau: The Leader of the New Democratic Party can now tell me what is half of nine.

Some hon. Members: Hear, hear!

Mr. Trudeau: I will tell him, Madam Speaker. It is 4½. Our price, I made quite clear—and that has been the position of this party all along—would be less than $4. Therefore, it is less than half of nine.

Some hon. Members: Hear, hear!

Mr. Broadbent: Madam Speaker, the Prime Minister has just proved that he can do grade one arithmetic—but that does not take us very far. On a serious commitment, he said the price rise will be less than 32 cents per gallon. That is what the Prime Minister promised. Now he is clearly abandoning that commitment.

• (1430)

On the second question, also in terms of an election promise, the Prime Minister said many times in the campaign that if elected there would be no increase in the excise tax on gasoline. Specifically, on January 3 in this city, he said and I quote:

> We will not raise the gas tax and will implement fairer ways to deal with increased energy costs.

Outside the House yesterday, the Minister of Energy, Mines and Resources said:

> The Liberals have never said there will be no increase in the excise tax.

Some hon. Members: Oh, oh!

Mr. Broadbent: He indicated, indeed, that the government is now considering an excise tax increase. Would the Prime Minister tell us whether, at least, he is going to keep his commitment on excise tax?

Mr. Trudeau: As to the first part of the question, I would remind the hon. member that his question was that I had said "less than half". Am I departing from that? I have just demonstrated to him that my "less than half" was a commitment we have kept and are intending to keep.

I do not know what the exact price will be yet, but it is not going to be $9; it will be less than half of $9. So I am repeating that to him. As to what the price will be in the future, it will depend, of course, on the negotiations conducted by the minister with the various—

Some hon. Members: Excise tax.

Mr. Trudeau: On the excise tax, it was pointed out to me during the campaign by several interviewers that we already had an excise tax. I said, "Yes, of course we have an excise tax; we brought it in to pay the transfer payments to the five eastern provinces". So we are not against an excise tax, and I made this quite clear during the campaign. What we are against is the 18-cent excise tax that this budget was bringing in.

Some hon. Members: Oh, oh!

Mr. Broadbent: Madam Speaker, the Prime Minister is factually wrong on both counts. I quoted where he said there would be no increase in the excise tax.

Mr. Trudeau: And that is what the Speech from the Throne said.

Mr. Broadbent: Yet the minister, outside the House yesterday, said they are considering an increase in the excise tax.

Mr. Lalonde: Not this year.

Mr. Broadbent: In reply to the first question the Prime Minister was referring to a price per gallon increase. He said it would be less than 32 cents per gallon—which he has just taken back.

Mr. Trudeau: No.

Mr. Broadbent: It is going to be less then 32 cents a gallon? All right. The last question I have for the Prime Minister is this: During the campaign he complained about the oil companies getting too much of the revenue coming in for our oil and gas resources. Considering that the profit figures released on the weekend show an average increase for the Big Six of 102 per cent in the first quarter, I should like to ask whether he will at least live up to that commitment to do something about excessive profits in the oil industry and force these companies to treat the consumer in Canada with a little more respect.

Some hon. Members: Hear, hear!

Mr. Trudeau: Once again, on the first part of the hon. member's question, I made a commitment during the campaign which is repeated in the Speech from the Throne: "My ministers do not intend to impose an 18-cent increase in the excise tax on transportation fuels."

Some hon. Members: This year.

Mr. Trudeau: That is what we said during the campaign, and that is what we said in the Speech from the Throne; and that is what will happen in this Parliament.

An hon. Member: Do I hear 17 cents?

Mr. Trudeau: I haven't changed what I said on the 32 cents, either, because if the hon. member calculated it he would find that an increase of $9 a barrel, when translated into a gallon of gasoline, is 32 cents. That is why, when I made a demonstration for $9, half of which is $4.50, it was a demonstration which was equally good for the 32 cents. Thirty-two cents is composed of 18 cents, being the excise tax, and 16 cents, being the increase at the wellhead.

Some hon. Members: Oh, oh!

Mr. Broadbent: Where is your arithmetic?

Madam Speaker: Order please.

An hon. Member: It is 34.

EXCISE TAX ON FUELS

Right Hon. Joe Clark (Leader of the Opposition): The Minister of Energy has been shouting from his seat that the undertaking of the Liberal party during the election campaign not to increase the excise tax was an undertaking which would apply to this year only.

Can the Prime Minister confirm that when he made his firm commitment to the people of Canada during the election campaign, he really intended to say there would not be an excise tax increase in 1980 but there would be one later on? Did he simply forget to tell the people that he intended to sock an excise tax increase to Canadians after the calendar year 1980?

Right Hon. P. E. Trudeau (Prime Minister): I did not forget to tell the people, as the Leader of the Opposition puts it. The decision was that we would not reintroduce the Tory budget with the 18-cent excise tax, and that is the commitment which the Speech from the Throne will deliver.

Mr. Clark: Is it the intention of the government—I pose this question to either the Prime Minister or the Minister of Energy—to propose an increase in the excise tax next year or in subsequent years?

Mr. Trudeau: No, Madam Speaker, that has never been our intention. What we will do next year or the year after will depend on many things.

Some hon. Members: Oh!

Mr. Trudeau: Since it depends on many things we cannot formulate any intention in that regard. It will depend on the price we negotiate with the producing provinces; it will depend on the budget which in that year the Minister of Finance wants to bring down.

Some hon. Members: Hear, hear!

Mr. Clark: My last question, Madam Speaker, is directed to the Minister of Energy. Why was he shouting across the floor of the House, trying to prompt his leader that the commitment which was given applied only to this year? Why did he shout across the floor of the House "Not this year"?

Hon. Marc Lalonde (Minister of Energy, Mines and Resources): Madam Speaker, unlike the Leader of the Opposition, my leader does not need any prompting.

Some hon. Members: Oh, oh!

Mr. Lalonde: It seems that members on the other side still want to prompt their leader further, Madam Speaker. As to the question raised by the right hon. member, I would remind him that during the last campaign the Prime Minister was asked repeatedly by the press and other people about the principle of the excise tax, and he indicated repeatedly that we would not reintroduce the odious 18-cent excise tax which the Conservatives had put in their budget. That was a clear statement of commitment. Moreover, questions were specifically put to him at the time about the principle of an excise tax. He indicated that we had introduced a 7-cent excise tax, so the principle of an excise tax is not one which this government had refused.

I see the Leader of the New Democratic Party losing his cool again. I suggest he wait for the answer. He will have his opportunity. The Prime Minister, during the last election campaign, stated that as far as the future was concerned this was a matter which would have to be looked into at that time. But the principle of an excise tax was already in the books and it was a matter which would be decided eventually in the future.

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AGRICULTURE

DISCUSSION OF PROGRAMS WITH PROVINCIAL MINISTERS

Mr. Stan Schellenberger (Wetaskiwin): Madam Speaker, my question is for the Minister of Agriculture. Because few provinces are putting in top loading programs in the livestock industry, and in order that we may show the leadership he speaks at great length about, would the hon. gentleman call together all the ministers of agriculture and discuss with them the provincial programs and give some federal direction in this area?

Hon. E. F. Whelan (Minister of Agriculture): Madam Speaker, I am sure the hon. member did not want to create the impression that all provincial ministers of agriculture are in favour of top loading. Some of them are definitely against it. I am sure he is aware of my feelings against it. I do not believe in it because it creates inequity in the agricultural industry for

producers who are producing for the domestic market as well as those producing for the international market.

I am sure the hon. member realizes that even in his own province interest rates are subsidized by the Alberta government through some loan programs which offer a fixed rate of interest of 9 per cent. For instance, we have nothing like that for the producers in the province of Ontario, and that creates inequity also. I hope the hon. member has made that kind of representation to his provincial minister of agriculture in Alberta. Some provinces have greater resources to do these kinds of things than other provinces. I am sure the hon. member realizes that his province probably has the greatest resources, but his minister does not believe in that form of top loading that he talks about.

● (1440)

We have a deputy ministers' meeting being held first, I believe next week or the following week, to discuss some of these very things. Under no stabilization program in which I am involved will there be payments to those producers who are already being fully subsidized in some form or another by their own provincial governments.

Mr. Schellenberger: Madam Speaker, I believe, then, that the minister is not prepared to call together the ministers of agriculture from all the provinces. Would he, then, make an interim stabilization payment under the stabilization plan in order to help livestock producers who are in trouble; or would he discuss with the provinces which are top loading, the elimination of feed freight assistance so that there might be some justice in this area?

Mr. Whelan: Madam Speaker, the province which gets the most feed freight assistance is British Columbia. The next is one of the maritime provinces. I am not suggesting the hon. member is insinuating that we should disband the feed freight assistance in those provinces, but feed freight assistance is being phased out in practically all of Ontario and all of western Quebec.

However, when the hon. member says I have not suggested to the provincial ministers that we would meet, and should meet, that is not so, because the deputy ministers will be meeting first. If they come to the conclusion that we can forge ahead with some program, we will be calling a meeting immediately after that. But I am sure that the hon. member is aware, for instance, that the minister from Alberta is in favour of an orderly federal marketing system.

The minister of agriculture for Saskatchewan wants me to impose a national marketing system on hog and beef producers. I do not know if the hon. member is suggesting that. The minister of agriculture of Manitoba is suggesting that he should give Ottawa all of his stabilization programs and we should absorb them federally. That kind of suggestion is what we are getting and we are trying to put them together to make a federal program that is workable. They recognize that their provincial programs are just not workable for a federal production entity called agriculture.

HEALTH AND WELFARE

NATIVE HEALTH CARE—IMPLEMENTATION OF RECOMMENDATIONS IN BERGER REPORT—STRUCTURE OF INDIAN BANDS' GOVERNMENT

Mr. Jim Manly (Cowichan-Malahat-The Islands): Madam Speaker, my question is for the Minister of National Health and Welfare. For several weeks now the minister has had Mr. Justice Berger's report on Indian and Inuit health consultation.

Considering the report's findings on the deplorable state of Indian health and the need for greater Indian control over their health care delivery system, can the minister inform the House whether she will be implementing the four recommendations of the report, and what timetable we can expect?

Hon. Monique Bégin (Minister of National Health and Welfare): Madam Speaker, I met with the National Indian Brotherhood at the beginning of April. I am sorry, but I do not remember the exact date. The hon. member seems to have learned about the Berger report only today. I informed the National Indian Brotherhood at that time that I agree in principle with all the recommendations, and we have started a follow-up process and, of course, a consultation process to implement each of the recommendations; in particular, the one which would lead to a national conference on Indian health, with the Indian community in July of this year.

Mr. Manly: Madam Speaker, this morning, at the first nations constitutional conference, the minister heard complaints from Indian people that members of the medical service branch in her department lack understanding of the role of band councils and of other aspects of Indian life.

Would the minister undertake to provide a program to acquaint her staff with the cultural, social and economic background of the Indian people and of the varied structures of Indian government?

Mrs. Bégin: Madam Speaker, the fact is that one participant this morning mentioned to me that the concept of band councils might not be judged at its proper value by some of my staff in some parts of Canada.

The hon. member may not be aware that within the medical services branch there are meetings of all the staff from all over Canada at different times of the year. The last such meeting was in Cornwall. I attended part of it, again earlier in April. The idea, of course, is always to better the understanding and to bridge the communities as best we can, and that starts with a knowledge of the organizational structures of the Indian communities.

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LABOUR CONDITIONS

HEALTH AND SAFETY MEASURES TO PROTECT URANIUM MINERS

Mr. Maurice Foster (Algoma): Madam Speaker, my question is to the Minister of Labour. In view of the very great concern expressed by uranium miners working under federal

jurisdiction that they have less health and safety protection than those working under provincial jurisdiction, when does the minister plan to take action to implement the provisions of Ontario's Bill 70 as a regulation to federal health and safety legislation, as was done for Saskatchewan uranium miners?

Hon. Gerald Regan (Minister of Labour): Madam Speaker, in answering this question—which is the first question related to my labour portfolio—I want to take advantage of the occasion to pay tribute to my predecessor, who is not in the House this afternoon but who is slated in two or three months to leave the House, the hon. member for Hamilton West. I would like pay tribute to the work he did during his time in the Department of Labour. In dealing with these problems I am able to benefit from his work.

Some hon. Members: Hear, hear!

Mr. Regan: The problem the hon. member speaks about arises from the fact that in 1978 it was determined by the Department of Justice that part IV of the Canada Labour Code applies to conventional mine safety in uranium mines. Prior to that time we depended upon provincial legislation in relation to mine safety.

When that discovery, or finding, was made, it was necessary for the federal government either to develop regulations and laws in relation to conventional mine safety in uranium mines or adopt, by reference, the provincial laws. What was done is that by reference the federal government at that time adopted the rules of the province of Saskatchewan and those of the province of Ontario, and those are the ones that are in effect at the present time. However, subsequently—

An hon. Member: Order.

Mr. Regan: It is an involved question, but I will try to make my answer very short.

Madam Speaker: Order, please. Would the minister try to give us an answer that is not too involved?

Mr. Clark: Read every second line.

Mr. Regan: What it amounts to is that the province of Ontario subsequently changed its law after the referencing had occurred, and during the past few months, at the request of the United Steelworkers' Union, the department has been working with them in the developing of a new set of federal regulations. Our target for them to be in effect is late May, and we are hoping to keep to that target.

ENERGY

PROTECTION OF LOWER-INCOME GROUPS FROM SEVERE PRICE INCREASES

Hon. J. Robert Howie (York-Sunbury): Madam Speaker, my question is for the Minister of Energy, Mines and Resources. The minister has indicated that negotiations for a significant increase in oil prices are under way. To offset the impact of such increases, the previous government proposed a system of grants and tax credits which would have been especially beneficial in the Atlantic provinces.

What plans does the minister have to shelter Canadians in Atlantic Canada and in the lower and middle-income groups from the severity of such increases?

Hon. Marc Lalonde (Minister of Energy, Mines and Resources): Madam Speaker, I do not know whether the hon. member was present in the House at the beginning of the question period, but the Prime Minister indicated that the increase for this year, for instance, will be less than half that foreseen by the Tory budget of last December.

As far as the other points raised by the hon. member are concerned, I am beginning discussions with my provincial colleagues, starting this week. I will be meeting with my colleagues from the Atlantic provinces in the course of the next few days.

I will have an opportunity to exchange with them various views about the future of oil pricing in this country and what measures should be taken. I will be very happy to inform the hon. member about developments later on.

• (1450)

Mr. Howie: I thank the minister very much for his answer, whatever it was, and I ask him what plans he has to breathe life into renewable energy research and development in Atlantic Canada, to expedite Fundy tidal development and the Maritime Energy Corporation by investing financially in renewable energy projects in the Atlantic provinces where high energy costs aggravate the problems of regional disparity.

Mr. Lalonde: No doubt this is something that will be discussed with my colleagues in the next few days. However, the hon. member knows, I believe, that additional funding has been provided for those projects over the last few years.

In addition, one of the serious problems, I regret to say, has been the inability of the maritime provinces, in some cases, to agree among themselves on how they wanted to proceed with some of the projects. As the hon. member knows, there were some agreements and there were some disagreements. I would hope the three maritime provinces, in particular, will be able to work very closely together and to co-operate fully with regard to these projects, because they are indeed very important for the future of energy in the maritimes.

AGRICULTURE

PROVISIONS OF MEAT IMPORT LEGISLATION

Mr. Bert Hargrave (Medicine Hat): Madam Speaker, I have a question for the Minister of Agriculture. I am sure the minister is aware and pleased at the response of Canada's

cattle industry to his reference in the throne speech that a meat import act will be introduced to protect both consumers and producers.

Can the minister inform the House and our Canadian cattle industry whether his intended meat import act contains essentially the same types of provisions as the beef import proposals we had drafted in the Thirty-first Parliament?

Hon. E. F. Whelan (Minister of Agriculture): Madam Speaker, I am sure the hon. member knows that the one which was drafted in the Thirty-first Parliament was practically the same as the one drafted in the Thirtieth Parliament but was never presented to Parliament. I can say that it will be essentially the same. There may be a few modifications which I think will make it even better, because I am sure the hon. member felt that his party made a few modifications in the Thirty-first Parliament which made the proposals better, as we did in the Thirtieth Parliament.

Mr. Hargrave: As the minister himself admitted, of course, his proposals never got to the floor of the House of Commons. I should like to ask the minister whether he can indicate what other meat commodities, if any, he is proposing to include in his meat import act, and when can we expect this very important legislation?

Mr. Whelan: At the present time, Madam Speaker, we have to look at all the rules of GATT and we have to abide by them with our trading partners. That may have some effect on whether we can add any other products to the act. But I would say we should be able to bring the legislation to Parliament soon.

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BROADCASTING

MINISTER'S SPEECH ON NEW BROADCASTING SYSTEM

Mr. Mark Rose (Mission-Port Moody): Madam Speaker, my question is for the Minister of Communications. My question concerns a speech given by him in Calgary yesterday, in which he outlined a novel vision of a new broadcasting system for Canada, the key feature of which is that private broadcasters will be free to concentrate on the lucrative business of airing more cheap U.S. programs dumped into Canada, while the public sector will concentrate on the very expensive business of producing and airing Canadian programs. The reaction to the statement from one private broadcaster, at least, was the following:

It would be in my interest if he did say that . . . but I don't believe that's what he meant.

In view of this, I wonder if the minister would clarify his statement for the benefit of the delighted private broadcasters and the horrified Canadian public.

Hon. Francis Fox (Secretary of State and Minister of Communications): Madam Speaker, I think the best suggestion I can make to the hon. member is to take the time and trouble to read my speech, instead of relying on press reports.

Some hon. Members: Hear, hear!

Mr. Rose: Back in office! I should like to tell the minister that I took the time—and it was a great deal of trouble—to read the minister's remarks. In his paper he hinted not only to what I alluded earlier but to the abandonment of the single system, which is a policy retreat of mammoth proportions.

I wonder if I could ask, as a supplementary, what the minister's plans are, or if he has any, for improving and stimulating our creative production industry. Also, when does he intend to let the rest of the country in on these plans, because apparently it is the position right now that Canadian programs are going to be reduced, not enhanced?

Mr. Fox: I think the last part of the hon. member's statement does not take into account the speech I made in Calgary yesterday. The thrust of the speech was that, while people in general have spoken about a single system in Canada, with the technological development one could raise the question as to whether this is still reality, or fiction, at a time when we have satellites in the sky broadcasting directly to people in their homes. It is my intention to promote Canadian content in television.

An hon. Member: How?

Mr. Fox: I think a number of Canadian cultural agencies have been set up and funded over the years by the government which are producing high-quality Canadian content which has not been used sufficiently by public or private broadcasters in this country.

I think in particular of such organizations as the National Film Board, widely acclaimed across the world, which does now produce a number of programs of high quality which I would personally like to see used to a far greater extent on both the public and the private broadcasting systems in Canada.

Some hon. Members: Hear, hear!

* * *

AGRICULTURE

EXCISE TAX ON DOMESTIC WINES—DETRIMENTAL EFFECT ON GRAPE AND WINE INDUSTRY

Mr. Joe Reid (St. Catharines): My question is directed to the Minister of Agriculture. Since the Minister of Finance in his mini-budget adopted holus-bolus the provisions of the Crosbie budget relating to the excise tax on tobacco and alcohol, but failed to maintain the traditional difference between distilled spirits and wines, and since this is undoubtedly a regressive tax on wines, resulting in a surplus of grapes, a reduction in sales and more unemployment, will the minister—as did the former minister of finance, following representations made to him by the grape and wine industry—agree to implement a more equitable tax on the wine industry?

Hon. E. F. Whelan (Minister of Agriculture): Madam Speaker, I am surprised to hear an hon. member on the other side say that anything in the budget presented by the former minister of finance was regressive and suggest that we should adopt anything that is regressive.

All I can say is that I am sure the hon. member is aware of the representations made by the grape growers and the wine industry. Those representations are being reviewed at present.

* * *

FINANCE

EXCISE TAX—RELATIONSHIP BETWEEN DISTILLED SPIRITS AND DOMESTIC WINES

Mr. Joe Reid (St. Catharines): Madam Speaker, my question this time is directed to the Minister of Finance. In view of the fact that his budget distorts the traditional difference in the tax relationship between distilled spirits and wines, and results in an average percentage increase of 6 per cent on spirits, 29 per cent on beer and 185 per cent on Canadian wines, how does the minister justify this unconscionable increase in tax on Canadian wines?

Hon. Allan J. MacEachen (Deputy Prime Minister and Minister of Finance): Madam Speaker, I join the Minister of Agriculture in deploring such strong language as the hon. member directed against the former minister of finance. I gather he is asking his question today because the former minister is not in his place.

Some hon. Members: Oh, oh!

Mr. MacEachen: I would remind the hon. member that one purpose of the proposal was to remove what was regarded as a real distortion between the impact of taxes upon spirits and wines. If the hon. member would examine the alcoholic content of these various beverages, he would understand that we have moved to a more equitable, relative treatment of these beverages. Nonetheless, other hon. members—including the hon. member for Lincoln—have been making vigorous representations in the interest of wine growers. I have undertaken to look again at these proposals to see whether the complaints are justified and, if so, whether any action is then justified.

[*Translation*]

AGRICULTURE

REQUEST FOR ASSISTANCE FOR POTATO PRODUCERS

Mr. Eymard Corbin (Madawaska-Victoria): Madam Speaker, my question is directed to the Minister of Agriculture. Of course I do not have to remind the Minister of Agriculture of the serious condition of the potato industry in eastern Canada. However, in the medium term, could the minister advise the House whether he has obtained a consensus from his colleages the provincial ministers of agriculture with a view to setting up a potato marketing board in eastern Canada and, in the short term, does the minister intend to announce soon an assistance program for the industry which this year is experiencing the lowest prices in history?

• (1500)

[*English*]

Hon. E. F. Whelan (Minister of Agriculture): Madam Speaker, as I said earlier today in this House, the eastern regions of Canada—Ontario, Quebec and the maritime provinces—have held provincial ministers' meetings. New Brunswick has taken some action.

The minister of agriculture for New Brunswick has imposed a marketing agency upon the producers there in respect of potatoes. I have the same assurance from the minister of agriculture for Prince Edward Island, that they hope to do the same thing. Representatives of the province of Ontario have said yes, they are willing to go along with the National Farm Products Marketing Council holding hearings to decide what they should do. The producers in Quebec—at least, the ones I have heard from—have said yes, they want that. The members of Parliament from Quebec who have made representations to me have said that also.

I would repeat, again, as a result of a meeting with the minister of agriculture for Quebec in his office in Quebec City I got the feeling that he wanted to go along with this program also. I got the impression that he did not want to make that decision now because he might be looked upon as favouring the federal system, and he did not want to be in that position at this time.

* * *

FINANCE

CAPITAL GAINS TAX—POLICY ON APPLICATION TO FARMERS

Mr. Gordon Taylor (Bow River): Madam Speaker, my question is for the Deputy Prime Minister and Minister of Finance. Has the minister had time to consider the once-in-a-lifetime exemption for qualifying farmers with regard to capital gains taxes?

Hon. Allan J. MacEachen (Deputy Prime Minister and Minister of Finance): Yes, Madam Speaker, I did consider that and, as the hon. member knows, I propose to release a discussion paper covering the whole question of capital gains, and within that general understanding it will be possible for the hon. member and for me to take a more comprehensive look at such particular concerns as the one he has expressed.

Mr. Taylor: Madam Speaker, has the Deputy Prime Minister and Minister of Finance received representations from the Minister of Agriculture in line with his election promise to change the valuation day from December 31, 1971, to December 31, 1974; and, if so, is this going to be done?

Mr. MacEachen: Madam Speaker, I am aware of the history of that particular proposal because, as the hon. member may recall, I was chairman of the platform committee for this party prior to the last election. I am aware of the nature of the discussions that took place during the campaign and I will have this before me, obviously, if and when I make any further tax changes.

* * *

PRIVILEGE

MR. DOMM—PARKS CANADA—PROPOSED RELOCATION OF REGIONAL OFFICE FROM CORNWALL TO PETERBOROUGH

Mr. Bill Domm (Peterborough): Madam Speaker, I rise on a question of privilege which I feel involves a gross abuse in this House and an insult to every member here. Earlier in the week I asked a question of the Minister of State for Science and Technology and Minister of the Environment (Mr. Roberts) dealing with the relocation of the Parks Canada regional office from Cornwall to Peterborough. At that time I asked the minister two questions: Was the move proceeding as planned; and why did he require more than the 14 days he had assured various people it would take for him to make an announcement?

The minister responded, as reported in *Hansard* for April 28 at page 453, that he had not given the assurance of 14 days. He also responded by saying that he had made a decision in his own mind and was reviewing it with his colleagues.

My question of privilege is this. Rather than honouring the responsibilities of a minister of the Crown in answering members of Parliament who ask questions on behalf of their constituents, the minister responsible for the move of Parks Canada's regional office from Cornwall to Peterborough chose to discuss it with his colleagues, who in turn gave information to the media the day after, rather than to this House. The hon. member for Stormont-Dundas (Mr. Lumley) advised the media the day after that he and the minister thought the same. We all know how the hon. member for Stormont-Dundas feels.

My question of privilege is this, Madam Speaker. If ministers of the Government of Canada opposite refuse to answer questions in this House, asked responsibly, by hon. members in the interests of their constituents, trying to find out what are the problems that create all this indecision, then I maintain that Parliament will lose its credibility with the people of Canada and ministers opposite deserve to be reprimanded.

I appeal to you, Madam Speaker, to intercede in this matter. My reasons in support of my position can be found in statements by the minister, first of all in March to the acting mayor of the city of Peterborough, the warden of the 18 municipalities of Peterborough county, that he would make that decision prior to the opening of Parliament, and that he would then announce his intention.

Following that, as reported in the Peterborough *Examiner* of April 12:

> The minister promised the employees he would make a decision in a week or ten days—

He gave those employees of Parks Canada the assurance of a decision in that time frame.

In addition, as reported in the Cornwall *Standard-Freeholder* of April 16 we find the report that Harley Starks, vice president of the local of the Public Service Alliance of Canada, said that the minister had also promised them that if the issue does go to cabinet he will announce a decision before Parliament sits.

The minister has said there were two deadlines. First he mentioned 14 days before Parliament reconvened. Let me refer to *The Globe and Mail* of April 25, where it is reported:

> Employees say that Mr. Roberts, at a meeting on March 12, promised a decision in two weeks or before the opening of Parliament at the latest. Parliament opened on April 14.

My question of privilege is further substantiated in this morning's paper.

I directed the question to the minister on Monday of this week. The minister said he had made up his mind that he would not respond to a member of Parliament. On what authority does a minister of the Crown take it upon himself to circumvent parliamentary procedure? The purpose of the question period is for members of Parliament to learn what are the programs intended by the ministerial people on the other side of the House. The minister has said he has made up his mind that he will not tell the member of Parliament for Peterborough, but he will tell his colleagues; and then his colleague the hon. member for Stormont-Dundas, when interviewed by a reporter of a local paper here, advised that the minister does support that hon. member. We all know what that hon. member's feelings are.

As a result of that interview we find an article in today's paper under the heading "Parks Canada move vetoed—". This reminds me of the Eldorado affair which was also vetoed. It is vetoed regardless of cost and without accountability by government. It is done without any answers to members in the opposition.

I would remind you, Madam Speaker, that it is our job as members of the opposition to represent our constituents. We cannot represent our constituents when we have ministers on the other side of the House who completely disregard the parliamentary process.

I appeal to you, Madam Speaker, to intercede on my behalf, on behalf of every member of the opposition, and on behalf of every backbencher on the government side of the House, to hold these ministers responsible, and to require them to account for their actions in running the Government of Canada. This is what Parliament is all about. As a recent member of this House I am appalled by this situation, and I am sure the Speaker of this House will intercede on my behalf, making these ministers accountable to members of the opposition in the proper fashion. Thank you, Madam Speaker.

● (1510)

Hon. John Roberts (Minister of State for Science and Technology and Minister of the Environment): Madam Speaker, on the same question of privilege, I believe that the hon. member's point is unfounded. I can understand why he would wish to stand up and present his point so vociferously, because it is in the interest of his constituents. I am sure that that is an obligation to the hon. member and that he finds it an attractive position to take.

Nevertheless, to the best of my belief, the answers which I have given to the hon. member in the House are accurate answers to the questions which he raised. Whenever I have met with the various people concerned, I have indicated that I did wish to take a decision very quickly and that I hoped to do so within ten days or two weeks. Always I emphasized that I could not give an absolute guarantee on the time. I was also careful to point out that I would take my decision quickly, but that that decision might very well necessitate consultation with my colleagues.

It is true that I took my decision rather quickly, and that the matter is one on which I am in consultation with my colleagues at the present time. There are various options which I have put forward for consideration and discussion, and the rumours and newspaper headlines to which the hon. member has referred are unfounded. The decision has not yet been finally taken.

The hon. member may prefer to believe the rumours which he reads in the newspapers, and I cannot prevent him from doing so, but I will tell him honestly that the final decision to which he has referred has not yet been taken. As I have told the hon. member, consultation is in process and I believe that the decision will be taken in a very few days.

Hon. John A. Fraser (Vancouver South): Madam Speaker, I have listened with considerable interest to the comments of the hon. member for Peterborough (Mr. Domm) and to the thoroughly inadequate reply of the Minister of the Environment (Mr. Roberts). As the minister well knows, the former Liberal government had made extensive studies of the appropriateness of the move of Parks Canada from Cornwall to Peterborough and, in fact, was only waiting for the conclusion of the 1979 election to announce their decision.

When the government of which I was a member took power, I was minister of the environment and I accepted, after careful consideration, the information which was available to the former Liberal government. On the basis of that information given to me by my officials, I made a decision last summer that the move should proceed. That decision was clear, unequivocal and was made because we could not—nor was it right—allow the public servants in the department and the people of both Cornwall and Peterborough to go on not knowing the intentions of the government.

To listen to the minister, one would think that no decision had ever been made. He is now dithering around for 14 days, then ten days and then another 14 days and then going to his colleagues before making up his mind about something on which there was a clear decision made by a government of Canada, and it was made last summer. The conduct of the minister is absolutely disgraceful, because what the minister is doing is going back on a decision which was made many months ago on the basis of the information, the accounting and the propriety of such a move, all of which was instituted by the former Liberal government prior to the election of 1979.

The hon. member for Peterborough has brought this matter to you, Madam Speaker, as a question of privilege, which it is most clearly. If members in this House cannot receive a better answer from a minister than the ones which we have just had to listen to, then there is no use having question period. This minister is still misleading the House because it is quite clear that the hon. member from Cornwall has gone public and stated that in his view—and it is well known—Parks Canada should not move, and his view is the same now as that of the minister's.

Without actually giving their decision in the House and coming clean with the media, this government, in effect, has in a circuitous way not only made a decision but communicated that decision. They have completely circumvented the right of the hon. member for Peterborough to raise that matter in this House on behalf of his constituents and receive an honest answer from a government which, in this case, is not only acting dishonestly, but shabbily.

Mr. Roberts: Madam Speaker—

Madam Speaker: The hon. member for Vancouver South (Mr. Fraser) has not brought up a new matter, therefore I will not allow the hon. minister to reply.

I have listened to the arguments presented very carefully, and I do not really see a question of privilege in the question raised by the hon. member for Peterborough (Mr. Domm) nor in the argument raised by the hon. member for Vancouver South. It is very much a matter of one member not being satisfied with the answer which he received during the question period. Beauchesne very clearly states that such a situation does not constitute a question of privilege.

Therefore, I would assume that both members are satisfied with the arguments brought forward by the minister. If not, there is ample occasion to ask other questions and to go into debate at some other time.

MR. ANGUISH—EJECTION OF GUESTS FROM MEMBERS' GALLERY

Mr. Doug Anguish (The Battlefords-Meadow Lake): Madam Speaker, I rise on a question of privilege. A little more than an hour ago some guests of mine who had been given signed passes by myself were ejected from the members' gallery.

An hon. Member: Sit down.

Mr. Blais: Madam Speaker, a question of privilege.

Madam Speaker: I am already listening to one question of privilege, and I cannot entertain a second one at the moment. I

will entertain the second privilege later on, but not at the moment.

Mr. Anguish: Madam Speaker, these guests of mine who were ejected from the gallery are all treaty Indians. They came from the reserves of Dillon, Ministikwan, Joseph Bighead, Waterhen Lake, LaLoche, Fond du Lac, Flying Dust, Onion Lake, Thunderchild, Salteaux Reserve, Moosomin Reserve, Mudie Lake Reserve, Patuanak or the English River Band and Loon Lake. People from these bands were affected or will be affected within the next couple of days. The reason they were ejected from the gallery is because they were not wearing ties. I submit that ties are not—

Madam Speaker: I must interrupt the hon. member. The matter of the galleries in this House is one of my responsibilities. The hon. member may come to my chambers and discuss any grievance he has concerning the matter.

I would like to say, though, that yesterday when these people asked to be admitted to my gallery, I had already begun the parade to come into the House of Commons and, therefore, I was not consulted on the matter, and someone applied the rule very strictly and decided that they could not admit these people to that particular gallery because they were not wearing ties. We do admit to the gallery people of other nationalities who do not wear ties. Had I been aware of the matter when it occurred, I would have allowed these people to come into my gallery. I do apologize profusely for what happened.

Some hon. Members: Hear, hear!

Mr. Anguish: Madam Speaker, I understand that these people were ejected from your gallery. I think that it should also be the decision of this House that an apology be extended to these people.

Mr. Blais: She just did.

Mr. Anguish: If these people are still in the gallery, they should be allowed to come in to the members' gallery now.

Madam Speaker: Order, please. Will the hon. member please come to my chambers later on to discuss this matter.

• (1520)

MR. ROBERTS—REQUEST FOR WITHDRAWAL OF LANGUAGE USED BY HON. MEMBER FOR VANCOUVER SOUTH

Hon. John Roberts (Minister of State for Science and Technology and Minister of the Environment): Madam Speaker—

Mr. Waddell: A point of order, Madam Speaker.

Mr. Roberts: I regret any explanation received—

Mr. Waddell: A point of order, Madam Speaker.

Madam Speaker: Order, please. Would the hon. member please resume his seat. I shall now recognize the hon. Minister of State for Science and Technology and Minister of the Environment (Mr. Roberts) providing he is not speaking on the question of privilege on which I have just ruled.

Mr. Roberts: No, Madam Speaker, I believe I am not. I am referring not to the question of privilege which was raised by the hon. member for Peterborough (Mr. Domm), but I believe that in his comments the hon. member for Vancouver South (Mr. Fraser) did say that I had misled the House; and I believe he said—although I would have to check—that my comments were dishonest and shabby, which would, I think, constitute a question of privilege for me. It is on that point that I rise. I believe that is unparliamentary language which should be withdrawn.

The hon. member said that he had taken a decision in this matter and that I was pretending to take a new stance. I have never denied the decision was taken. I have made it clear to the House and I have made it clear outside the House that the previous decision was under review, so my comments in the House on that point have not been misleading.

The hon. member also commented on the length of time taken for me to review this matter. I think the record will bear out my following statement, and that is that it took him longer to take that decision when the matter was brought to his attention than it has taken for me to deal with it up to this point.

I think the language the hon. member used is unparliamentary and I would wish to see it withdrawn.

Madam Speaker: Order, please. I have not heard anything in the intervention made by the hon. member that I felt was unparliamentary. However, since the minister has raised the matter, I shall check *Hansard* and act accordingly.

MR. WADDELL—PARLIAMENT BUILDINGS—IMPROVED FACILITIES FOR HANDICAPPED

Mr. Ian Waddell (Vancouver-Kingsway): Madam Speaker, I have another question of privilege but before I raise it I may say, with great respect, that Your Honour referred to other people getting into the gallery without ties as people of other nationalities. May I remind Your Honour that these people are Canadians, native Canadians, important Canadians—

Some hon. Members: Oh, oh!

Mr. Waddell: —and we should not let that go on the record.

I might say with respect to that point, Madam Speaker, that I too had a delegation of high school students from Kelowna. The girls were allowed in the gallery because they do not wear ties, whereas the boys had to go into the ladies' gallery because they did not have ties. I shall not pursue the matter, but perhaps we can pursue it privately and clean up our gallery act in the House of Commons to be in tune with the modern world.

I rise now on a question of privilege that is much more pleasant, Madam Speaker. On November 26, 1979, I moved in

the House, seconded by the hon. member for Vancouver East (Mrs. Mitchell), as follows:

That this House notes the difficulties handicapped people face inside the Parliament buildings and urges the appropriate authorities to investigate these facilities with a view to suggestion for correction.

The motion was passed by this House. In my prelude to the motion I said, as reported at page 1676 of *Hansard:*

Mr. Speaker, today I invited to the House of Commons a group of handicapped people from British Columbia. They came in their wheelchairs and were at first unable to get into the building. Eventually they got in through a side door which had to be unlocked. For a while they were unable to enter the parliamentary dining room: we had to carry them down the stairs.

Finally, not all of them were able to get into the House of Commons, though there were only about seven or eight of them in wheelchairs. The marble staircases pose a danger when one has to carry people in, and the situation is really shocking.

Then I put the motion. I now have in my possession a report from Mr. R. A. Hill, property manager for Public Works Canada dated December 7, 1979, concerning facilities for the handicapped in the parliamentary complex. I am very pleased to have this report and to tell the House that many things that the House objected to have been remedied, and specifically in four respects.

By May 31, 1980, it will be possible for a new or at least a renovated entrance to be built to the main building under the Peace Tower; the entrance to the restaurant is going to be changed in the summer recess of 1980; there is already a new entrance to the West Block which was completed last December. As a matter of fact, Madam Speaker, the night the House fell, I too fell over that entrance so I realize that the Thirty-first Parliament had achieved something. Finally, there is a procedure under way to change the entrance to the House of Commons.

I raise this as a question of privilege because I wanted to bring to Your Honour's attention and to that of the House the excellent work done by the people responsible in response to the resolution of this House. I know, Madam Speaker, that you are particularly aware of and interested in the progress of this matter, and although I cannot officially do so, I should like to indicate that you could perhaps follow up the matter, being the person responsible for the environs of this House and the excellent work progress that is being made. We hope it will be completed by the end of the summer.

Some hon. Members: Hear, hear!

Madam Speaker: The remarks made by the hon. member are, of course, well noted and the program to which he refers is under way. I have not had time since assuming this function to see whether it is proceeding at a pace sufficient to accommodate everyone who wants to come to the House of Commons or to the Parliament buildings.

I certainly agree with the hon. member that this place and this building should be as accessible as possible to everyone. I am glad to have the support of the hon. member in order to implement that program as soon as possible.

ROUTINE PROCEEDINGS

[*Translation*]

MAIN ESTIMATES, 1980-81

REFERENCE TO STANDING COMMITTEES

Hon. Yvon Pinard (President of the Privy Council): Madam Speaker, pursuant to Standing Order 59, I move:

That the estimates of sums required for the year ending March 31, 1981, be referred to the several standing committees of the House, as follows:

Shall I dispense from reading this very long motion?

Some hon. Members: Agreed.

Madam Speaker: It is moved by the President of the Privy Council (Mr. Pinard) that the estimates for the year ended March 31, 1981, tabled on Tuesday April 22, 1980, be referred to the several standing committees of the House as follows: Shall I dispense?

Some hon. Members: Agreed.

[*Editor's note:* Motion above referred to as follows:]

To the Standing Committee on Agriculture

Agriculture Votes 1, 5, 10, 15, 20, 25, 30, 35, 40, 45 and 50

To the Standing Committee on Communications and Culture

Communications Votes 1, 5, 10 and 15

Secretary of State Votes 1, 5, 10, 15, 20, L25, 30, 35, 40, 45, 50, 55, 65, 70, 80, 85, 90, 95, 100, 105, 110, 120 and 125

To the Standing Committee on External Affairs and National Defence

External Affairs Votes 1, 5, 10, 15, 20, 25, L30, L35, L40, L45, L50, 55 and 60

National Defence Votes 1, 5, 10 and 15

To the Standing Committee on Finance, Trade and Economic Affairs

Economic Development Vote 1

Finance Votes 1, 5, 10, 15, 25 and 30

Industry, Trade and Commerce Votes 1, 5, 10, 15, 20, 25, L30, L35, L40, L45, 50, 55, 60, 65, 70, 75 and 80

National Revenue Votes 1 and 5

Privy Council Vote 20

To the Standing Committee on Fisheries and Forestry

Environment Votes 1, 5, 10, 15, 20, 25 and 30

Fisheries and Oceans Votes 1 and 5

To the Standing Committee on Health, Welfare and Social Affairs

Consumer and Corporate Affairs Votes 1 and 5

National Health and Welfare Votes 1, 5, 10, 15, 20, 25, 30, 35 and 40

Social Development Vote 1

To the Standing Committee on Indian Affairs and Northern Development

Indian Affairs and Northern Development Votes 1, 5, 10, 15, 20, 25, 30, L35, L40, 45, L50, L55, 60 and L65.

To the Standing Committee on Justice and Legal Affairs

Justice Votes 1, 5, 10, 15, 20, 25, 30, 35, 40 and 45

Solicitor General Votes 1, 5, 10, 15, 20 and 25

To the Standing Committee on Labour, Manpower and Immigration

Employment and Immigration Votes 1, 5, 10, 15, 20, 25, 30 and 35

Labour Votes 1, 5, 10 and 15

Secretary of State Votes 60 and 130

Order Paper Questions

To the Standing Committee on Management and Members' Services

Parliament Vote 5

To the Standing Committee on Miscellaneous Estimates

Finance Vote 20

Governor General Vote 1

Parliament Votes 1 and 10

Post Office Votes 1 and 5

Privy Council Votes 1, 5, 15 and 30

Science and Technology Votes 1, 5, 10, 15, 20, 25, 30 and 35

Secretary of State Vote 115

Supply and Services Votes 1 and 5

Treasury Board Votes 1, 5, 10, 15, 20, 25, 30 and 35

To the Standing Committee on National Resources and Public Works

Energy, Mines and Resources Votes 1, 5, 10, 15, 20, 25, 30, L35, L45, 50, 55, 60, 65, 70, L75, L80, L85, L90, L95 and 100

Public Works Votes 1, 5, 10, 15, 20, 25, 30, 35, 40, 45, 50 and L55

To the Standing Committee on Northern Pipelines

Privy Council Vote 25

To the Standing Committee on Privileges and Elections

Privy Council Vote 10

To the Standing Committee on Regional Development

Regional Economic Development Votes 1, 5, 10, L15, L20, 25, 30, L35, L40, 45, 50, 55 and L60

To the Standing Committee on Transport

Transport Votes 1, 5, 10, 15, 20, 25, 30, 35, L40, L45, L50, 55, 60, 65, 70, 75, 80, 85, 90, L95, 100, 105 and 110

To the Standing Committee of Veterans Affairs

Veterans Affairs Votes 1, 5, 10, 15, 20, 25 and 30

Madam Speaker: Is it the pleasure of the House to adopt the motion?

Some hon. Members: Agreed.

Motion agreed to.

* * *

[*English*]

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. D. M. Collenette (Parliamentary Secretary to President of the Privy Council): Madam Speaker, the following questions will be answered today: Nos. 77 and 325.

[*Text*]

AIR CANADA—ISSUANCE OF PASSES

Question No. 77—**Mr. Cossitt:**

1. In the past four years, did Air Canada issue passes to persons who have no government connection and, if so (a) what are their names, addresses, the names of the firms or organizations for which each worked and their position (b) in each case, for what reason was the pass issued?

2. Which of the firms or organizations was a (a) private enterprise (b) non-profit or charitable organization?

Hon. Jean-Luc Pepin (Minister of Transport): The management of Air Canada advises as follows:

1 and 2. The issuance of free and reduced rate transportation by all Canadian airlines is governed by the air transport committee of the Canadian Transport Commission under the Aeronautics Act. Air Canada's practice in the application of these passes is similar to other Canadian carriers and the airline regards details of its promotional pass issuance as proprietary.

NORTHERN TRANSPORTATION COMPANY LIMITED—NUMBER OF EMPLOYEES

Question No. 325—**Mr. Herbert:**

How many (a) permanent (b) other employees were on the payroll of the Northern Transportation Company Limited and its subsidiaries as at March 31, 1979?

Hon. Jean-Luc Pepin (Minister of Transport): Northern Transportation Company Limited (a) 92; (b) 39;

Grimshaw Trucking and Distributing Limited (a) 190; (b) 19.

Yellowknife Transportation Company Limited, also a wholly-owned subsidiary, is presently inactive. There are no employees.

* * *

[*English*]

QUESTION PASSED AS ORDER FOR RETURN

Mr. D. M. Collenette (Parliamentary Secretary to President of the Privy Council): Madam Speaker, question No. 539 could be made an order for return, this return will be tabled immediately.

[*Text*]

DEPARTMENT OF TRANSPORT—CONTRACTS FOR PROFESSIONAL SERVICES

Question No. 539—**Mr. Orlikow:**

1. For the fiscal year 1978-79, what contracts for professional services were let for studies, surveys and analyses into (a) present or future policies, programmes or information analysis and their efficiency and effectiveness (b) the examination of the administration or internal operation of the Department of Transport?

2. How much was committed on each contract and to whom?

Return tabled.

[*English*]

STARRED QUESTION

Mr. D. M. Collenette (Parliamentary Secretary to President of the Privy Council): Madam Speaker, I would ask that you call starred question No. 106.

[*Text*]

*CANADIAN AVIATION ELECTRONICS—WINNIPEG INTERNATIONAL AIRPORT

Question No. 106—**Mr. McKenzie:**

Did Canadian Aviation Electronics purchase hangars at the Winnipeg International Airport formerly owned by Air Canada and, if so (a) how many (b) at what cost in each case (c) did the Company pay the total agreed purchase price in each case (d) does the Company own the hangars fully, completely and outright (e) does the purchase agreement allow the Company to resell any of the hangars?

[*English*]

Mr. Robert Bockstael (Parliamentary Secretary to Minister of Transport): Madam Speaker, the reply to question 106 is as follows:

The management of Air Canada advises: Hangars and other buildings formerly owned by Air Canada and situated on Crown land at Winnipeg International Airport were sold to CAE Aircraft Ltd., pursuant to an agreement dated September 1, 1969, under the terms of which CAE Industries Ltd. acted as guarantor. (a) Six; (b) Air Canada considers this cost information proprietary; (c) and (d) The purchase price was fully paid and thus, CAE acquired title to the six buildings; (e) Following full payment, CAE Aircraft Ltd. was free to sell or otherwise dispose of any building, or buildings, acquired under the agreement.

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

Madam Speaker: Shall the remaining questions be allowed to stand?

Some hon. Members: Agreed.

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MOTIONS FOR PAPERS

Mr. D. M. Collenette (Parliamentary Secretary to President of Privy Council): Madam Speaker, I ask that all notices of motions for the production of papers be allowed to stand.

Some hon. Members: Agreed.

● (1530)

BUSINESS OF THE HOUSE

Mr. Baker (Nepean-Carleton): Madam Speaker, it has come to my attention that the government may be considering calling the Bank Act as an order of the day for tomorrow. I know this is not the usual day to ask a House business question, but it would be very helpful if the government House leader could confirm that that is the case now.

Mr. Pinard: Madam Speaker, I would be glad to do so if my colleague would confirm to me that we will end debate on Bill C-19 today. It would help us to make up our minds. However, we will let my colleague know later on today, depending on the progress of Bill C-19.

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PRIVILEGE

MR. HNATYSHYN—JAMMING OF BROADCASTS OF HOUSE PROCEEDINGS—DOCUMENT TABLED

Mr. D. M. Collenette (Parliamentary Secretary to President of Privy Council): Madam Speaker, if there is unanimous consent, I would ask the House's indulgence to revert to tabling of documents so that my colleague, the hon. member for Spadina (Mr. Stollery), could table a document on behalf of the Minister of Communications (Mr. Fox).

Madam Speaker: Does the House agree that we return to tabling of documents?

Some hon. Members: Agreed.

Mr. Peter Stollery (Parliamentary Secretary to Secretary of State and Minister of Communications): Madam Speaker, I am tabling a document as a result of an exchange on a question of privilege that occurred on Friday between the hon. member for Saskatoon-West (Mr. Hnatyshyn) and the Minister of Communications (Mr. Fox). I would ask leave to table a document that was requested by the hon. member for Saskatoon West.

GOVERNMENT ORDERS

[*English*]

EMPLOYMENT TAX CREDIT ACT

AMENDMENT RESPECTING EXTENSION OF PROGRAM PERIOD

The House resumed from Tuesday, April 29, consideration of the motion of Mr. Axworthy that Bill C-19, to amend the Employment Tax Credit Act, be read the second time and referred to Committee of the Whole.

Mr. Bill Yurko (Edmonton East): Madam Speaker, it is my pleasure to rise again and continue debate on Bill C-19, to amend the Employment Tax Credit Act.

As you will note from the beginning of my remarks, this is a bill with regard to budgetary matters and the widest possible discussion on the budgetary program of this government was permitted. I would like to continue where I left off. I believe I have about 12 minutes left and I will review very quickly the matter of energy pricing as provided by the leaders of the four western premiers found in their statement arising from the conference in Lethbridge.

I mentioned that the Minister of Energy, Mines and Resources (Mr. Lalonde) was preparing fully for his journey out west to negotiate a price for oil, and subsequently the

relationship of natural gas to oil. In preparing himself, the minister found it appropriate to start tossing punches left and right by in effect bringing forth a report that was intellectually dishonest. This was done by exercising the *force majeure* clause in the Syncrude contract and by recently publicly speculating on the possibility of a refinery tax on crude oil. I also understand that the Minister of Finance (Mr. MacEachen), that great wizard of economics or perhaps the great wizard of ooze or economic ooze, is planning another punch against western Canada, in particular Alberta, with regard to some possible changes to the Public Utilities Transfer Act. What a climate for negotiating an energy price agreement with western Canada!

As I said yesterday in talking about the economic leadership that is provided to the nation, I had referred to the filling of this vacuum which now exists on the other side, because the government of the day is not grappling with the real economic problems of this nation. I had stated that this gap was now being filled by some of the leaders of the provincial governments across this nation.

It was particularly profound that the four premiers of western Canada got together to attempt to lay a foundation of economic policy for this nation and refer it to the federal government. What was the second point that the premiers dwelt on? They stated that action is required to reduce Canada's reliance on foreign capital. Among steps required are a variety of tax measures which influence both the outflow of Canadian savings and the inflow of foreign savings. The federal government should examine such measures to increase the availability and effective mobilization of domestic savings for investment in Canada.

Indeed, they went on to say that incentives should be put in place to encourage Canadians and Canadian companies to buy equities in companies doing business in Canada and so ensure that the dividends and investments of these companies stay within Canada. The previous government of the Thirty-first Parliament was moving in that direction, a needed step.

Furthermore, the premiers went on to say that federal and provincial governments should give consideration to ongoing co-ordination of essential borrowing by governments and Crown corporations in international markets.

The last time that I looked at the extent of provincial borrowings outside the nation, which was several years ago, it exceeded $7 billion. Some of us proposed, and I was among them, that some of the accumulation of funds if kept in Alberta in a fund called the heritage savings trust fund might be lent to the provinces, if they so requested, to pay off some of this debt. Since that time interest rates have skyrocketed.

What was said is that federal and provincial ministers of finance could, for example, meet annually to plan and co-ordinate foreign borrowing in the light of current economic circumstances and the need to reduce Canada's reliance on foreign capital. This is suggested leadership in dealing with the economic, financial and fiscal climate of this nation.

The premiers also noted that the recent major natural gas discoveries in Alberta and British Columbia could provide a means to increase Canada's exports, thereby improving the balance of payments and strengthening the dollar. Subject to firm assurances by the National Energy Board that long-term Canadian natural gas needs are protected, the premiers urged the federal government to consider approval of further natural gas exports. Such exports should be tied, if practical, to a commitment to build the Alaska natural gas pipeline.

Recently in this House we moved a motion under the provisions of Standing Order 43 to direct the National Energy Board to consider the gasification of coal as long-term reserves following behind the existing natural gas reserves of western Canada. Not only is that essential, it is practical, and it should be done because the natural hydrocarbon reserves of western Canada are indeed very large. The minister indicated that he was not going to consider the gasification of coal as a backup source of natural gas to the vast fields of natural gas now existing in western Canada.

The western premiers recognized that an essential part of developing a national economic strategy requires the federal government to reduce the size of its budgetary deficit, and ultimately to balance its budget over the economic cycle. What has the government done? The government has skyrocketed the deficit to $14 billion in the current year. The premiers noted that it was important to distinguish between government spending on programs and services and government investment on capital projects which will enhance Canada's economic position, for example such things as port facilities, railway upgrading, hydroelectric and other energy projects.

● (1540)

They went to say that while a reduction in the federal deficit would likely have some adverse short-term effects, they could be offset by undertaking certain large, viable capital projects. These projects would have the desired effect of increasing employment, which this bill is all about, in a period of slower economic growth and at the same time providing productive assets which will strengthen the Canadian economy in the 1980s.

The premiers also noted that an important step in resolving Canada's balance of payments problem is to be able to identify the source of the difficulty. In 1979, for example, there was a $4.4 billion financial drain from Canada, the source and nature of which is not known, entered in the balance of payments tabulation as errors and omissions.

Mr. Deputy Speaker: Order, please. I have listened with a great deal of interest to the hon. member, but the bill before us relates to an employment tax credit. With all due respect, I think the hon. member has strayed a bit from the central point of the bill. Can he return to the subject?

Mr. Yurko: Perhaps I will, Mr. Speaker. Perhaps I will come to the point of incentives for continued expansion of the housing stock, which is vitally important in western Canada

where the population is growing significantly. There is a shift from central Canada and eastern Canada to western Canada.

There are some people in this nation who forget about the economic contributions of Ontario to confederation in terms of providing employment for the graduates of the rest of Canada. For 25 years or more the economic activity in this nation has been primarily in Ontario. It was there for very specific reasons. Ontario had some economic advantages in confederation. It has subsidies which reversed and provided the opportunity for growth in Ontario. It was located strategically in terms of the vast population in the United States. It was a manufacturing centre. It was the research centre of Canada.

Ontario provided jobs for graduate boys and girls from all over Canada when there were no jobs anywhere else. I can vouch for that because in 1950, as a fresh graduate from Alberta, as one of 64 chemical engineers, literally 62 of us had to find employment in Ontario. Ontario provided the employment sustenance for youngsters from all over Canada. Ontario to a large degree sustained this nation in economic activity, research and development for a large number of years when there was no activity in many parts of the nation. I know all about it. I have repeatedly gone through the advantages that Ontario has enjoyed in confederation.

Just as in the United States, this situation in Canada has changed. As in the United States, capital and labour flows where there is opportunity. Indeed, if there is anything we have in this nation, it is that we have too large a deterrent effect on the flow of capital and labour to where the opportunity is. Just as in the United States where economic opportunities moved from the east coast to the central United States, then to the west coast and on to Texas, a similar situation is happening in Canada. It is a good situation. I have no difficulty with the fact that Ontario enjoyed its time in confederation as the most prominent and fastest growing area in confederation, but the situation has changed.

Mr. Deputy Speaker: Order, please. I regret to interrupt the hon. member but the time allotted to him has expired. He may continue only with the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Mr. Deputy Speaker: The hon. member may continue. Again I call to his attention the subject matter of the bill.

Mr. Yurko: Mr. Speaker, I will not intrude upon the privileges of hon. members for very long, perhaps 30 or 40 seconds. I simply want to make the point that with regard to providing employment, Ontario played a vital role in this area in past years. The economic climate in the nation is shifting. Some of it is shifting eastward because of the resources in the Newfoundland area. Some of it is shifting westward. Indeed, some is shifting northward in a massive way to some areas of the Yukon.

I want to make the point that in a federated country, one federated of different parts, regions and potentials, this is a good thing. This is a wonderful thing that all of us as Canadians enjoy because Canadians can move anywhere in this vast land, this vast country of riches, and accept opportunity. In most cases that can be done without sacrifice and without need to give up on your culture, your language and your roots.

Mr. Jack Shields (Athabasca): Mr. Speaker, I would first like to congratulate the Minister of Employment and Immigration (Mr. Axworthy); he has a very difficult job and I wish him well. I would also like to congratulate Madam Speaker on her appointment and all those who sit in the chair.

The Minister of Employment and Immigration has made a very simple request. I wish to quote from his statement when submitting the amendment:

> The bill is very simple in its purpose. It is simply to extend for one further year the application of the employment tax credit program, a program which was brought in 1978 to provide a range of tax credits to private employers for creating additional or incremental employment.

I wish to quote another remark:

> In the last year the tax credit program has provided close to 50,000 additional jobs, according to the best figures that we have, at a cost of approximately $100 million.

I then go to the next phrase, which hits me between the eyes:

> Our estimates and evaluations show that about 60 per cent of those under the program were young people.

Good so far, but then he goes on to say:

> The tax credit program seems to have provided a degree of benefit, particularly in the manufacturing industry, and it has had a fair degree of regional application.

The emphasis is mine. I have only two brief comments to make to the minister. If I can have his attention for no more than four minutes, I will make those comments and then sit down.

I wish to point out that as a small businessman I have had occasion to come across this program at the receiving end, and I feel that the total legislation is really open to abuse. The evidence that I have and which I would like to pass on is, to borrow a phrase, that it has had a fair degree of abuse.

I know of a number of occasions where small businessmen have applied to the local Manpower office for someone to fill an appointment or job with the result that an employee from the Manpower office journeyed to and solicited the employer to sign up for this program saying that he qualified for this program because it is a new job. I submit to the minister that this is not what the legislation was intended for in the first place, but it is happening. Estimates seem to point to 30 per cent or 40 per cent abuse. It is being abused in this way and employment tax credit is being applied under the program although these people would have been hired in any case. If the amendment is passed, as I am sure it will be, I hope the minister will undertake an honest evaluation of the program as far as that aspect is concerned.

● (1550)

In conclusion, I should like to pass on a little information to the minister and ask him possibly to intercede with his col-

league the Minister of Energy, Mines and Resources (Mr. Lalonde) in connection with a matter which is very closely linked to employment and job incentive programs in northern Alberta. I should like to draw to the minister's attention that 16,000 jobs were created during the construction phase of Syncrude. Ten thousand of these were in Alberta and six thousand in the rest of Canada. Now a word about the cost-benefits. The cost of construction was over $2 billion, and of that sum more than $300 million was spent in central Canada just to purchase goods used in construction. Virtually every province received orders in connection with this gigantic plant. In addition, Syncrude created 3,200 permanent jobs, since increased to 3,800. With the Cold Lake plant ready to go at 2.3 times this size, agreement on oil pricing with Alberta which would allow this work to go ahead is of the highest importance since it would create many more jobs than would the legislation before us.

Mr. Doug Anguish (The Battlefords-Meadow Lake): Madam Speaker, I should like to take part in this debate, but before I speak to the bill I should like to make a couple of comments. I should like to congratulate the Minister of Employment and Immigration (Mr. Axworthy) on his appointment to the cabinet. I should like to say to him that a good many people from western Canada are putting a lot of faith in him that he will give a strong voice and accept representations from western Canada.

I should also like to say, in regard to some references made prior to the opening of this Parliament about NDP members being something like eunuchs in harems, that I have taken a sample survey of the caucus and in each case when I asked the members if they were eunuchs they said no. We have been far too busy with our parliamentary duties to be seeking out any harem and I hope other members can say the same.

This debate has gone on before. The minister himself refers to the program as a temporary measure designed to ensure that an effective job-creation program continues while the details of an employment program to be introduced as soon as possible are finalized. The word that catches my eye here is the word "temporary." Temporary programs have to stop. Band-aid measures have gone on for far too long and they have helped to create the problem instead of lessening it.

I do not think the government has stopped to evaluate the benefits of the band-aid programs which have gone on for so long. For almost 113 years Conservatives and Liberals have been responsible for the administration and they have put us into the devastating economic times in which we find ourselves today. We are living in a country today which is told in the Speech from the Throne it must look to the future and accept the restraints which are to be put upon us, that we must live within our means. The throne speech also says we shall have to make sacrifices to accept the challenges of the 1980s.

I see no need for Canadians to sacrifice to the extent they are sacrificing today in a country where we have so much, a high level of technology, a high standard of living and resources unparalleled anywhere in the world. At this time we find people leaving their homes and losing their jobs. Bill C-19 does nothing in the long term to reduce the level of unemployment to an acceptable one. The minister should be aware that as a band-aid measure this program extending employment tax credits will do nothing but complicate matters instead of lessening the unemployment burden in the long term. I am sure the hon. gentleman was intellectually inspired by the remarks of the hon. member for Prince George-Peace River (Mr. Oberle), who made a very stimulating speech the other day on the bill before us.

I should also like to tell the minister that we are happy the government was defeated in the last election. I say this because Brezhnev would not have been much different from Clark. Things in the country which Brezhnev controls are controlled by the government; every facet of the people's lives is controlled by the government with little regard for democratic procedure. In the country I am referring to, that is done through a dictatorial type of government and the government is the one that is reflected upon. You see, Mr. Speaker, in the case of this government, if we had continued without that election the people would have suffered hardships almost identical, not at the hands of this government but at the hands of the Conservatives and the multinational corporations to which they would have handed over control totally. To me, such a situation is unacceptable. I am glad the election came along and that the Conservative government was defeated.

Mr. Kempling: Another socialist sucker!

Mr. Anguish: As I said, the Liberals and the Tories have created this problem over the last 113 years. It has become a permanent one. Unemployment can no longer be treated as a temporary problem which will go away one day if we keep hanging on to band-aid measures of the kind we are now being asked to extend. It is a permanent problem and we shall have to adopt permanent solutions if we wish to overcome it.

According to official figures almost one million are unemployed. In real figures the total is more like a million and a half. They are tired of temporary measures too. Although a few hundred people may be made happy with temporary employment, enticing them to buy homes with heavy mortgages and to obtain easy access to credit from banks which gobble up their hard-earned cash and savings, what actually happens? They are left without their jobs, the temporary measures are over, the unemployment problem is still there and they have nothing to rely on; they have no savings, no economic strategy to which to look forward in hard and pressing times.

I should like now to talk for a few moments about some of the programs the government started and which I thought were good steps toward bringing unemployment in this country under control, programs which go back as far as the late 1960s and the early 1970s. One program I was very happy to see brought out in the late sixties was a program called New Starts. The concept of some of the New Starts programs was to look at ways of training adults to enable them to participate more fully in the work force. In Saskatchewan they started a program that I was very familiar with. Many methods of

training adults were created there. Life skills programs improved not just the level of technical training but also the way people cope with the things happening in everyday life. There were many other programs—right down to the basic literacy level—which were introduced to Saskatchewan New Starts and which were quite acceptable to Canadians who required the services which New Starts could provide.

● (1600)

They were given a five-year mandate to develop these programs of unique ways of training adults, and there was an extension given to the program in the early seventies; but upon completion of the program most of the work done was put on microfilm or microfish and shipped back to Ottawa, and now the people across this country do not know what happened to the program developed by Saskatchewan New Starts and the other New Starts such as those in Alberta and in the maritimes, to which people were receptive and warmed to and which provided much benefit. Now these programs have been shelved to a large extent. They are not moved out to where they can do the most good. I thought that those progrms were a good link in the chain of problem solving and doing some kind of planning where there was a problem—and obviously the government here identified it as unemployment—and then some training was carried out. However, then they should be moved to a work force which has an industrial strategy and long-term economic planning that can ensure some kind of security in this country.

There is another program I can think of and on which I would like to compliment the government for its input. Incidentally, the New Starts program was funded federally and administered through the provincial government, which I think is a very good approach. The Saskatchewan training opportunity program was funded federally and administered by the provincial government.

Some of the programs took the approach of training people to take over industries within their areas where there was some interest. I think of the Saskatchewan training opportunity program at the Loon Lake reserve within the area I represent. The operation was a tourist operation. It had been leased out to a private operator for many years at a very low rate, and the band was not receiving much of a return from that operation. The training program was funded by the federal government and, again, I commend the government for that. The program was to train the people of that area to operate their own resort and to train them in areas of basic education, life skills, management skills and the technical skills which are required to run an economically viable operation.

What happened? It turned out that that program was actually a band-aid measure. At the end of the period of time during which the government had offered funding, it cut it off completely without any evaluation whether that program had succeeded or not. I say that Bill C-19 does much the same thing. There will be very little evaluation and very little done to overcome the permanent problem which has come upon us, that of unemployment.

I think what Bill C-19 does is continue to give subsidies to large companies. If they are manufacturing a product which people in Canada today are not in a position to buy, when the program is over people are laid off and the company is in bad shape because of large inventories they cannot move on the market because economic times are so bad. Small businesses cannot really take advantage of the program either because small businesses are not in an economic position to take on new staff, and the very few which are do so to clean up things which would not normally stimulate long-term jobs within their companies. Small businesses take short-term measures to clean up their own in-house operations.

When I was in business just prior to being elected a member of Parliament, I could not take advantage of the employment tax credit program. It was of no benefit to my company. My company did not qualify under the program, and I did not have extra capital to use this program to full advantage, as do large corporations.

I see the program is not benefiting other areas of the country. The hon. member for Kootenay West (Mr. Kristiansen), when speaking about this bill the other day, said that many people are being laid off right now who will not benefit from the employment tax credit program. He referred largely to the lumber industry in British Columbia and in his own riding. In Saskatchewan alone this month three mills have closed down, and one plywood plant has closed down because of the bad economic times we are facing.

I submit that employment is not really the big problem in this country today. The big problem is that we do not have any long-term economic or industrial strategy to keep this country moving and our people in the standard of living to which they have grown accustomed. We let them down with band-aid measures such as the one we are being asked here today to extend. I think we should sit down and evaluate what has happened. We should take a look at this country and, looking back as far as we want to, we will find that those permanent problems are here and will plague us for a long time into the future.

My riding has a largely agricultural background. The agriculture industry has likely been the number one industry for quite a number of years now, although it is over-shadowed now by some resource development such as heavy oil development, some potash development to the south, mineral development in the north, mining development in the north and a timber industry which was thriving until we hit these bad economic times. Now lumber companies cannot afford to carry their inventories and they are laying off large staffs. I submit that the people in The Battlefords-Meadow Lake constituency will not benefit at all if Bill C-19 is passed. There is nothing in it that I can think of that would benefit them.

I would like to hear from the minister what industries or small businesses would be employing people in Canada who are being laid off now. What short-term jobs can they go into? People are being laid off in the wood industry, the lumber industry and the auto industry across this country. Those people have a hard time finding jobs. They are some of the

hard core unemployed. How is this program going to help them? I submit that it will help not at all. I reiterate that it will help large companies and no one else in this society of ours. In fact, in the long term it will not even help large companies because they will have been helped by a band-aid measure, and if they cannot see through this very devious program of spending $100 million of taxpayers' dollars, then they are not running a very efficient shop either.

Communities like Meadow Lake, The Battlefords, La Loche, Patuanak and many others have very little manufacturing and very few large businesses. What help is this program going to be to the people in those places? I think of young people who are suffering the largest amount of unemployment or the brunt of unemployment in places like Loon Lake, Hafford, Turtleford and Frenchman Butte. What will this program do for them?

The other day I looked at the youth employment program that is being offered by the federal government. Five applications came in from two communities in my constituency. The deadline has passed, but I do not think the government had any commitment to telling the people about the availability of that program. I am sure many young people throughout this country want to work, but when I know that only five applications came from the riding I represent and that they came from just two communities, there has to be something wrong with the way the government has put this program out. The people do not have access to information about the program until after the deadline cuts it off.

On becoming a member of Parliament and moving into my seat in the House of Commons, I received a press release about the youth employment program the federal government had introduced, and by the time I got information about the program it was only a couple of days before the deadline. How can people have access even to these band-aid programs, with which, incidentally, I disagree, if they do not know about them? The government does not pass out information. There is no good, clear line of communication.

I say that Bill C-19 must be repealed. We should not extend a program which helps worsen the economic times of this couontry by spending taxpayers' dollars with no clear direction. There is no clear commitment to the Canadian people. We should be more concerned about addressing ourselves to high interest rates and the lack of economic policy and industrial strategy which I mentioned before.

● (1610)

I think this government, instead of bringing in such temporary measures as the employment tax credit program, should be looking at problem solving, the first step of which is to raise an awareness of the problem among members of the government. I think all members of the House and also the Canadian people realize that we are in troubled times now and that we face problems in this country.

The second step is to define the problem. I believe a gross error has been committed by the Conservative government which was just defeated as well as the Liberal government which is in office now because the problem to which this bill is addressed is defined as the problem of unemployment. That is wrong. The problem is not unemployment, the problem is that we have no economic policy to guide this country and no industrial strategy.

The NDP has been calling for an economic policy and an industrial strategy for some time now. These policies are set by the Canadian people through our conventions on the basis of thorough research which has been done by those people as well as by our research people. They have developed programs which I believe the government should study seriously so as to guide us with some kind of economic strategy.

The next step in the problem solving method is to establish some criteria on which this House would be willing to work so that we could have rules to follow. It is obvious that members of the House do not always wish to follow the rules that are set down for them. On the basis of those criteria we should look at all possible solutions instead of keeping a closed mind and pushing through all the measures possible because there is a majority government opposite. What we should do is to provide solutions following consultation, as was promised in the throne speech, with all members of Parliament, and members of Parliament should seek out solutions and ideas from their constituents.

It is amazing to see the large amount of information which can be gathered from one's constituents, whether one travels by car, by train or by aeroplane. The ideas of the Canadian people are very important and are often overlooked. I think we should gather together all the solutions at our disposal to implement an economic policy and an industrial strategy. Once we have all these solutions in hand, we should look at the criteria.

Implementation is the next step in the problem solving process, and it should be carried out jointly instead of trying to push through a band-aid program, as the Conservatives did and the Liberals are doing now, asking for the extension of a program which does nothing but compound the problems in this country by spending money which should not be spent and, in the long term, creating more unemployment. It appears that in the short term this legislation would actually reduce unemployment, but in fact it does not.

After implementation, I should like to convey to the minister, through you, sir, that some kind of evaluation of all the programs we have had for many years should be made. Part of that evaluation should take into consideration the recommendations contained in the Auditor General's report, the 15 or so studies that were implemented during the six-year term of office of the Auditor General to improve the efficiency and accountability of the government to the Canadian people. The evaluation process should consider all those studies in the context of the definition of the problem and compare them to see whether or not the problems which existed last year are no longer here today. That should be implemented after the evaluation has taken place.

That is what I mean when I say that long-term planning should involve a problem solving method and should develop

the needed economic policy and industrial strategy to guide this country in the future. At a time of high unemployment anything is better than nothing, but this bill certainly brings us no improvement. As I mentioned to the hon. member for Winnipeg-Fort Garry, the temporary program in fact accelerates the permanent problems we have. It only appears to solve the problem. I ask the Minister of Employment and Immigration to reconsider this legislation, although I am sure this bill will be passed. I should like to ask that the extension of this program not be considered in the House.

Before closing I should like to reiterate the words of John Foster Dulles which have been quoted in the House. He said that the measure of success is not whether we have a tough problem to deal with but whether it is the same problem we had last year. In fact, it is the same problem and it has been the same problem we have had for decades. I say this has to stop. The program certainly does not help the people on the 14 reserves in The Battlefords-Meadow Lake constituency and it does not help the people who are being laid off from the mills and the plywood plants.

The Indian people are not even included in the unemployment statistics to which the Minister of Employment and Immigration alludes every once in a while. How will this program help the 20 per cent higher unemployment in Newfoundland? I strongly disagree with Bill C-19 which proposes to continue the employment tax credit program for one year and I ask that no more consideration be given to the extension of these band-aid measures, and that from that point on the Liberal government honour its commitment and work with all members of the House to implement a program of long-term planning for an economic policy and an industrial strategy.

Mr. Maurice Foster (Algoma): Mr. Speaker, I am glad to have the opportunity to say a few words about the employment tax credit bill which we have before us this afternoon to extend this program of employment for one more year. It was first brought in in 1978 and has been in effect for the years since. Last year some 50,000 jobs were created under this program costing nearly $100 million. I think it is interesting to note that many members on the other side have been criticizing this bill, even though this is a program with a somewhat similar approach to that adopted by the Conservatives when they were in power for a brief period.

It was interesting to listen to the hon. member for Edmonton East (Mr. Yurko) who seemed to be speaking about economic leadership almost as if we were back nine months ago just after the May 22 general election, because he described the economic leadership vacuum which existed at that time. The thought that occurred to me was: was he not here on the night of February 11 and was he not here on February 13 when his minister of finance brought down the budget?

Mr. Knowles: You mean December 11 and 13.

Mr. Foster: Yes, in December. If he was not here on that night, then he did not realize that the Canadian people and certainly this House of Commons rejected the economic leadership of the former Conservative government. Of course, on February 18 the Canadian people rejected their economic leadership. His whole pitch seemed to be that there is no other policy than their policy. If their policy was so good, how is it that not only the House of Commons rejected it but that the Canadian people rejected it in the general election of February 18?

The important thing to recognize in Bill C-19 is that this program is especially useful in communities with relatively well developed industrial and commercial sections. It is obvious that if you are going to have tax credits then you must have a relatively well developed commercial or industrial sector. That is why this bill is so important in communities where this kind of situation exists.

● (1620)

I am told that more than 25,000 employers have signed contracts with the department under the Employment Tax Credit Act, and that 92 per cent have indicated they like the program and would use it again. The greatest number numerically, of course, were employers in Ontario and Quebec where there are the largest number of employees in the country. On a percentage basis, New Brunswick was second in the use of the program. The program was widely used in the Atlantic region. On average, 88 per cent of use in the Atlantic region was by firms with fewer than 20 employees.

Of course, the argument by the hon. member for The Battlefords-Meadow Lake (Mr. Anguish) that these benefits all go to large corporations is just not true. If we look at British Columbia we find that 82 per cent were small companies with less than 20 employees. In Ontario the figure was 77 per cent, and in Quebec 72 per cent were companies with 20 employees or fewer.

In the fiscal year 1979-80 some 39,000 agreements were signed and about 51,000 unemployed Canadians were placed in new jobs as a result of the employment tax credit program.

The distribution of jobs under this program was 51 per cent in manufacturing, 20 per cent in retailing and wholesaling and 12 per cent in the service industries. Some 43 per cent of the employees worked in manufacturing, machinery and fabricating operations, while 15 per cent worked in clerical jobs and 7 per cent in sales. The majority of agreements were signed for 52-week periods.

Employees in the Atlantic provinces and the Gaspé region of Quebec can earn a maximum of $4,160 in tax credits. In most other regions the maximum tax credit earned for each employee is $3,120, and in the remainder of the country the maximum is $3,640.

The program is not viewed as one that involves an uncessarily large amount of paperwork. For instance, there are only two one-page forms to be filled in by the employer and a third that is optional. Some 84 per cent of the employers said the tax credit was an important underlying factor in their decision to hire under the employment tax credit program.

A sample based on 5,000 employed under the program reveals that 52 per cent were living on unemployment insurance benefits prior to finding employment through the program, while another 5 per cent were living on welfare. Others were being supported by family members, living on savings or on pensions. All had been unemployed for a minimum of two weeks, but the average length of time they were unemployed and looking for work was some 15 weeks or almost four months. To say that these people would be employed in any event is certainly not true.

Young Canadians 25 years and under made up 55 per cent of those employed, and these were equally divided between male and female. Over 34 per cent of those employed were females.

The acceptance of the program by small businesses is reflected in the fact that 77 per cent of all agreements were signed by employers employing 20 or fewer, and 40 per cent of those employers had a maximum of five in their nominal work force.

The employment tax credit program is a most economical plan to operate because only 100 people carry out the entire program throughout the country. This is certainly an important program in areas with well developed industrial and commercial sectors. Equally true is the fact that programs like Canada Works and Young Canada Works, which were cut off last year by the previous government in all parts of Ontario and western Canada, except some parts of B.C., are terribly important. Unless you have a well developed commercial and industrial community the incentive tax credit plan will not work because you do not have the private employer. Certainly that is true in respect of native people on Indian reserves, such as those in the Algoma-Manitoulin area where we have 12 reserves with some 5,000 status Indians. This kind of program is not applicable in such areas as programs like Canada Works which are direct employment programs.

We hear hon. members opposite say these are band-aid programs. That may be true. On the other hand, welfare and unemployment insurance certainly do not provide the answer. Most people are pleased to see the community benefits that have taken place in so many communities, particularly in the Algoma-Manitoulin area, through programs such as Canada Works. I hope the minister in reviewing the programs will be bringing in a program later this year directed toward rural communities, native groups and young people.

Last fall when the Conservative minister of employment and immigration cut off the Canada Works program we knew we were going to have 400 or 500 people unemployed, some 45 per cent or almost half of them young people, because of the cutback. At the time I organized an employment seminar in my constituency to review direct employment programs because I thought it was important that we make known to the government the importance of these programs. At the seminar we had employers, community groups, people in the teaching profession, people from direct employment programs, both federal and provincial, and a good cross-section of the communities in that area sat down and discussed these direct employment programs.

I think the concept when the former minister of employment and immigration brought in the Canada Works program in 1977 was that for some four or five years we were going to have several hundred thousand young people coming into the labour force in Canada, some of whom could not be absorbed immediately into the labour force. To accommodate these people we adopted programs like the incentive tax credit program and other direct employment programs. The benefits to communities, especially in rural areas, in terms of improved social services, community services, wharves, parks and recreational facilities is pretty obvious. There is hardly a community in my constituency which has not benefited in a major way.

These programs not only provide many young people with their first opportunity to get a job when private enterprise cannot accomodate them, they make very significant improvements to the community at large.

I am certainly pleased to see the Minister of Fisheries and Oceans (Mr. LeBlanc) present here, because in many areas of Canada the Canada Works program, which I hope will be reinstated this year, will work in conjunction with the efforts of the minister's department, particularly the small craft harbours branch, in the development of wharves and marina facilities. This work has made a tremendous impact in the way of improved facilities throughout our area. The north channel of Lake Huron is one of the three best cruising areas any place in the world, yet it is very difficult to secure enough funding to improve marinas and wharf facilities in that area from the regular maintenance and capital programs of the Department of Fisheries and Oceans. However, the work done through the two programs has resulted in tremendous improvements.

• (1630)

One ends up not only providing employment, but improving the community facilities and in the long haul developing the tourist industry, for which there is such very great potential. This bill is not a total employment strategy, as the members opposite have said. We agree that it is an important step in stimulating employment in the private sector. I hope that this program will be followed by other programs of direct employment, particularly for those rural areas which unfortunately will be unable to take advantage of this program, as they have of others in the past which have been terribly important. I hope that they will be important in the future.

Mr. Fred King (Okanagan-Similkameen): Mr. Speaker, I would first of all like to respond to a statement made by the hon. member for Algoma (Mr. Foster). Your ascendancy to power once again was not a national acceptance of your economic policies, and you know that.

An hon. Member: Order.

Mr. King: Your policies have been rebuked at the polls, your leadership discredited.

Mr. Deputy Speaker: Order, please. The hon. member should address his remarks to the Chair.

Mr. King: I will, Mr. Speaker. The majority received by the side opposite was based on a Quebec vote which was given entirely on the basis of an appeal other than the economic issues that plague Canada. Quebec did not vote, 73 to one, an endorsement of the Liberal party's economic policies, and they should know that.

Mr. Dawson: Seventy-four.

Mr. King: I hope that the Liberals are not now telling Canadians to accept a dollar and cents premise because they received endorsation in the late election. If that is the government's theme, it is certainly living in a world lacking in reality. It is especially dangerous to us as Canadians if the members opposite believe that statement made earlier by the hon. member for Algoma.

Mr. Foster: I thought that I would straighten you out.

Mr. Rompkey: Tell it like it is.

Mr. King: I am pleased to have this opportunity to join in the debate on Bill C-19, the amendment to the Employment Tax Credit Act. I support the intent of this act and reluctantly accept its necessity. I am pleased to join in the debate because it is very apparent that this opposition must, at every opportunity, lay at the feet of the government the total responsibility for the Canadian circumstance which requires putting into effect such band-aid solutions to a major national health problem.

We have a bill to amend the Employment Tax Credit Act, to extend the act for one year to create incremental employment in the private sector. The tax credit ranges from $1.50 to $2 per hour depending on unemployment levels in the areas affected. It is $2 in the Atlantic provinces and Gaspé, $1.50 in southern Ontario, southern Alberta, B.C. and the Montreal and Hull areas, and $1.75 in the remainder of Canada. Of the benefit available, 50 per cent goes to Ontario and Quebec manufacturing industries.

What is the reason for the necessity of such a bill? In 1968 there were just over 300,000 people unemployed; the figure projected for 1980 is over 1.25 million people unemployed. That attests to the years of bankrupt Liberal fiscal policies or, more astutely put, lack of policy.

This bill is only a stop-gap measure. We still do not have a long-term fiscal policy or even a short-term policy. I would say to the members on my left down at the end of the chamber that we Conservatives provided that type of long-term projection and policy. What about some long-term benefits created by a sense of fiscal responsibility not shown by the side opposite? They can look up the term "fiscal responsibility" in their dictionaries when they go home.

The necessity for this act symbolizes the depth of poverty and lack of resolve and inspiration which exists in this government. While perpetuating the spending regime which catapulted the nation into the disastrous economic situation which presently exists, this government proposes to apply salve to the symptoms but nothing to the disease. The disease is Liberal spending policies of the past decade and the present decade which have given Canada the largest measure of deficit spending in the history of this nation, if not in the history of the world of nations.

Having done this indignity to the economic sanity of Canada, this government now proposes to continue its policies of excessive spending without recourse to a rational application of an appropriate increase in federal government revenues. This is a government of political expediency with a quest and a thirst for power which takes it beyond the concept of acting in the national interest.

Some hon. Members: Hear, hear!

Mr. King: Where is this great thrust, Mr. Speaker, to act for Canada? It is not to be found in the throne speech nor is it to be found in the substance of this act. How is this government addressing the prospect of 1.2 million people unemployed in 1980? We find only a preoccupation with consolidating power in Ottawa in the Liberal complex that so permeates all levels of our social and economic order. This preoccupation works to the exclusion of economic commonsense. Thus we see this government enunciating its own creed and, with galling audacity, attributing it to Canadians as a whole.

We are told by that gang over there that Canadians do not want less government, that they want more effective government. My exposure to citizens in the riding which I represent with honour tells me that Canadians want less government and they want more effective government. We proposed to provide both but we were denied the opportunity. It is apparent that this government offers just one option, and that option is more government.

The Employment Tax Credit Act is symbolic of a spineless approach to correcting a Liberal induced economic disaster. They offer a palliative, costly, temporary dilution of the problem—and do not attack the substance of the problem itself. To attack the problem might disprove the Liberal campaign position that no sacrifices are necessary to live in Canada.

We agree that the initiative provided by this bill is presently necessary. It is only necessary because this reactivated, worn out bunch with its socialist leanings is not prepared to look beyond today to address the ills of tomorrow caused by the sins of yesterday. We support the extension of this bill but decry the absence of national direction to eliminate the circumstances that create unacceptable employment levels.

● (1640)

These were the circumstances which the government we formed under the leadership of the Leader of the Opposition (Mr. Clark) and the hon. member for St. John's West (Mr. Crosbie) was prepared to address head on.

I should like to put on the record a rather alarming resumé of a report in the Vancouver *Province*. It focuses on only one

aspect of our national dilemma—a denunciation of the deficit spending policies of the present government. All members of this House should pause and consider how the Employment Tax Credit Act will address our national problems. The article is a recitation of disaster, the authors of which sit opposite. On April 27 there appeared in the Sunday business report section of the *Province* the following:

Every child born in Canada this year will get one bit of inheritance he or she may not want—a slice of the national debt.

Along with the rest of us, the newborn babe will be expected to share the burden of shouldering a debt load of around $60 billion. That's about $2,540 each at present, and will be closer to $3,000 each by year-end.

An hon. Member: By an irresponsible Liberal government.

Mr. King: Hon. members opposite may smile. Maybe they like it but I do not. I do not want my grandchildren to be faced with it nor the new daughter of the hon. member for Vancouver Quadra (Mr. Clarke).

Some hon. Members: Hear, hear!

Mr. King: The article continues:

The interest on the national debt this year is expected to reach $10.2 billion or a staggering $432 each.

The country's estimated nine million taxpayers could look at it this way:

In 1980 they are expected to pay personal income tax of around $16.5 billion or an average $1,833 each. $1,133 from each of the country's taxpayers would just be enough to meet the interest on the national debt, leaving a scant $700 each for other government purposes.

It's no wonder that the size of the national debt and the mini-budget of the past week which added another $10.7 billion to the debt figure cause concern.

It causes concern on this side but I do not think it causes very much concern across the way. The article goes on to say:

At that rate, within a couple of years all of the income tax raised would be insufficient to meet the interest payments on the debt.

Further along the author writes:

And debt burdens incurred by the Crown corporations and agencies in their own name but guaranteed by the federal government have certainly been galloping upwards.

According to Canada Tax Foundation figures, contingent liabilities of the federal government through its guarantees of Crown corporation debts increased from $18.8 billion in 1977 to $28.6 billion in 1979.

He then pointed out that economists are concerned about the borrowings by Crown corporations and agencies because they do not know exactly where the money is coming from. Later in the article he writes:

—deficit budgets . . . hamper the private sector's ability to raise capital. If the government is in the marketplace as a big borrower, Canadian industry must look elsewhere for its funds.

He is referring here to the criticism voiced by someone else who is also reported as saying:

"If there's enough government paper around, the private sector has to offer higher rates or go out of the country. Either way it's more expensive for them."

This is what causes our problem, Mr. Speaker. It is why this bill is before the House and why it should be extended; under these circumstances we do not have many options. The deplorable thing is that there are no long-term initiatives proposed by hon. members opposite to correct the basic ills in the land.

The government cares little about this aspect of our nation's character. I suspect the reason for this inattention is that there is a political advantage to ducking reality. There is a practical advantage for those who pursue socialist philosophies—an advantage which generates dependence on government programs like this one and programs for spending which tend to be self-perpetuating. Socialists know that as government's role increases, the demand for government intervention also increases. The outcome is that government momentum carries itself.

We see this in the unseemly haste to metrication which is being propelled not by national demand but is being carried by a bureaucratic offensive on the part of the Metric Commission. Those who espoused government intervention found their positions weakened by an active, vibrant, self-sufficiency in the private sector.

What do we propose, then, Mr. Speaker? Just that it is time for Canadians and the Canadian government to use commonsense in the nation's economy. Canadians are prepared to share the burden of restoring health to the nation. There is an opportunity to do great things for Canada but those opportunities have to be seized.

Home ownership has to be encouraged, Mr. Speaker. Small business enterprise must be encouraged by reducing red tape and taxing interventions. The national debt and our deficits must be reduced so that we can capitalize on our natural advantages in the areas of energy and resource supply. We must reduce our dependence on foreign capital inflow so that we can control internally such important factors as our interest rates.

I should like now to refer to specific situations in my riding of Okanagan-Similkameen which have a bearing on this act. The lumber industry in my riding is still trying to "tough it out" as a headline in the Vancouver *Sun* of April 23 stated. A front page article begins by saying:

The angry talk in the beer parlors and union halls, the echo of a few voices in a cavernlike mill are becoming the new sounds of the local lumber industry, where just a few months ago man and machine hummed harmoniously if noisily.

The article also points out that 8,000 people have been laid off. On the same page there is another article with the headline "Spending Climbs—National Debt 'Costs $1,000 per taxpayer' ". That figure could be updated considerably, Mr. Speaker.

I think it is significant that those two headlines are on the same page and I hope that significance is not lost on hon. members opposite who are in a position to change the course of this nation's economic policy. The price drop has been so severe that in some cases mills can only sell the finished product below the cost of the timber itself. The necessity is to clear the shelves at any price to generate cash flow for the banker.

Last Friday, Mr. Speaker, I drove to Grand Forks in my riding. I passed the Pope and Talbot sawmill at Midway. The parking lot in front of the mill was empty. Ordinarily there are hundreds of cars in the lot. That is the sort of local tragedy that is upon us simply because the government of the day

refused and is still refusing to face up to the economic realities that exist in Canada. Our government cannot go burying its head in the sand and offering employment tax credits when it should be delving deeper into problems in order to remedy them.

We need a revitalized housing construction industry to stimulate lumber sales and employment, Mr. Speaker, and Bill C-19 will not achieve this. The mortgage interest deductibility provision proposed by this party would have done a great deal toward it.

• (1650)

Our economy is suffering because of the shortsightedness of members of the government. Mariner Homes Limited is a corporate citizen of Penticton in the Okanagan valley. This is a community city which the Minister of Agriculture (Mr. Whelan) knows well. We have met with him there and I am sure he will admit it is a lovely community. It is a real shock to a community like that when a manufacturing complex, such as Mariner Homes, closes its doors, as was the case a few days ago. Mariner Homes put $3 million annually into the local economy of Penticton. Of that, $1.5 million was spent in wages and the other $1.5 million was used in the purchase of goods and services. How does the Employment Tax Credit Act respond to the situation of those closed doors? It will take two million hours of subsidized wage contributions just to replace the void created by the closing of this manufacturing complex in Penticton.

There has been nothing offered of substance and encouragement to those entrepreneurs and creative people who wish to use their inventive skills for the benefit of Canada, particularly in the expanded field of energy. There is nothing new proposed that is equivalent to the energy bank proposal which was contained in the budget of the hon. member for St. John's West.

I think of a man in Merritt, Mr. Lange, who has proceeded with a new concept in a wind-energized electric generator package called "The Onion". Mr. Lange's invention represents the type of activity that not only offers Canada energy advantage, but can provide permanent employment opportunities to many thousands of Canadians in both the development and production activity that will result.

Some hon. Members: Hear, hear!

Mr. King: What has happened to farmers in my riding?

Mr. Whelan: They are doing good.

Mr. King: The hon. member is right. It is not because of federal action but because the provincial government has underwritten their operating cost of production. You cannot take any pride in that, sir.

Mr. Whelan: They took my program and put it into force. You cannot take pride either.

Mr. King: I take considerable pride in that policy. I worked for the minister of agriculture in the provincial government for some 12 years. I was involved in the negotiations of the terms of that package which the minister speaks of with such skepticism.

What is happening to farmers in my riding? Federal action and federal policies would put them, like other industries in the area, in extreme jeopardy. It is only because of provincial initiative in the form of financial underwriting of the cost of production that our farmers survive. Land at $12,000 an acre, tractors that cost $17,000 versus $1,700 25 years ago when I started farming, tree fruit packing lines that cost $2 million to instal, are examples of high costs. The B.C. farmers would much prefer that the government address directly the basic ills of the land rather than apply efforts such as we debate today, efforts which fail to attack the problems which have been defined, redefined and redefined again. Look at what the briefs from the Canadian Federation of Agriculture, the Canadian Cattlemen's Association and the BCFGA ask. Farmers are aware of the facts of life. It is unfortunate there are not more farmers sitting opposite.

Perhaps it would be asking too much of a government with a record of irresponsible, reckless actions and inappropriate policies to throw off that cloak and do what is right for our nation. One can only hope that somewhere on the other side of the House there exists that germ of spirit that seeks to correct the disease rather than soothe the symptom. Until that happens and as long as this government exists, Canadians will be forced to accept short-term solutions, such as those contained in the Employment Tax Credit Act. One could more heartily endorse this extension of the provision of the act if there were a parallel effort to address our underlying problems. Unfortunately, this government shows no such resolve. In this circumstance it is safe to suggest that this program, and others of similar intent, will be with us for some time to come.

Mr. Neil Young (Beaches): Mr. Speaker, this is the first time I have had the opportunity of speaking in this House since the election of last February, and I want to take the opportunity of thanking the people in my riding of Beaches for sending me here in the first place. I would like to say a few words about one of the great men I follow, Mr. Andrew Brewin, who served my constituency, which was then the constituency of Greenwood, for 18 years.

Some hon. Members: Hear, hear!

Mr. Young: While I certainly have a great deal of respect for him, I am sure that while he was in this House he earned the respect of other members.

My immediate predecessor, Mr. Richardson, was not in the House long enough to make his own mark. However, I know Mr. Richardson rather well and even though we disagree politically and philosophically, in my view he is an honest and decent man. If I can represent my constituency as well as my two predecessors did, then I will be happy to be in this place.

I want to say at the outset that I do not believe the measures proposed in this bill will do much of anything to cure the unemployment crisis we have in Canada today. The unemployment tax credit program is intended to provide a federal tax credit of up to $2 per hour for a 12-month period for employers who hire additional workers beyond their normal requirements.

● (1700)

The minister has described the measures in this bill as temporary and designed to fill a gap while an employment strategy is developed by the government. I want to remind the minister and this House that this government has been saying the same thing for many years and the people of Canada are still waiting to see some action by the government to alleviate unemployment.

In May, 1971, the present Prime Minister (Mr. Trudeau) told this House that full employment was the goal of his government. In 1968 when the Prime Minister came into office, the rate of unemployment was 4.5 per cent and there were 360,000 people unemployed. In 1978 there were 911,000 people unemployed and the unemployment rate was 8.4 per cent. As of March, 1980 the number of unemployed Canadians was 969,000. When you consider the hidden unemployed, those people who have dropped out of the work force or are not considered as being unemployed, the rate is over 1,526,000 people unemployed. The people of Canada are still waiting anxiously for a full employment program.

I would like nothing better than to believe the government when it says today that it has a renewed commitment toward an employment strategy. I would like nothing better than to believe we are finally going to see action that will alleviate the despair that has become commonplace among many hundreds of thousands of unemployed Canadians. I would like nothing better than to believe that. However, the record of this government is such that I do not hold out much hope that we will see the kind of action required.

Certainly the proposals set out in this bill will not even make a dent in the unemployment rate and its value is questionable. In the first instance, the problem with this program is that the employment created is usually of a temporary nature. There is nothing to stop employers from taking advantage of this program by claiming tax credits for employees they intended to hire in any event, regardless whether the program was in place or not. Again, it only benefits those employers who are in a position to pay taxes. Those employers who need help the most will not receive it under this program. There is nothing to prevent employers from using this program to create short-term employment that ends as soon as the subsidy ends. However, the measure does allow the government to create a rosy picture of the number of jobs it has created. That is typical of the cynical approach this government has been taking toward the unemployed in our country.

Unemployment and the effects of that unemployment on the lives of all Canadians is a national disgrace. The fact that there are programs today such as unemployment insurance and social welfare that lessen the economic impact on the unemployed and make it less severe to be unemployed today than it was in the depression days of the 1930s does not alleviate the human stress that being out of work causes to our unemployed and their families.

In a study prepared for the use of the joint economic committee of the Congress of the United States by Dr. Harvey Brenner of John Hopkins University, the effect that unemployment has on homicides, suicides, imprisonment and mental and physical ailments was well documented. That study clearly showed that an increase in unemployment had a severe impact on the well-being of society as a whole.

Even a 1 per cent increase in unemployment creates a legacy of stress, aggression and illness affecting society long into the future. The human tragedy alone of unemployment revealed by this study is shocking enough and, even though it is a study conducted in the United States, I am told by Canadian people who are conversant with that study that the same effects can probably be applied to the Canadian scene. I wish to read into the record one of the salient points of that study which may be of interest to this House and the minister. I quote:

> The 1.4 per cent rise in unemployment during 1970 has cost our society nearly $7 billion in lost income due to illness, mortality, and in added state prison and mental hospital outlays. To this must be added public outlays of some $2.8 billion annually over the 1970-1975 period for jobless and welfare payments associated with the sustained 1.4 per cent rise in unemployment. Additional outlays not included here are the costs of care in federal institutions. Even excluding these latter outlays, the cost of the sustained 1.4 per cent rise in unemployment during 1970 is at least $21 billion. And as noted earlier, this entirely excludes the impact of the further increases in unemployment since 1970 as well.
>
> These dollars represent resources lost or diverted from productive use. They represent wealth never to be realized, lost forever to our economy and society. They, in part, measure the human tragedy of unemployment. But most significantly, their loss could have been avoided.
>
> I said earlier that the federal government knows how to minimize unemployment. It knows how to reduce it using monetary and fiscal policy and to keep it down. This study, for the first time, offers our government the capability to accurately and fully measure the impact of these economic policies. Economic policy planners can and will now know the full and tragic cost of unemployment if they fail to hold it at a minimum.
>
> They are obligated to use this new wisdom.

I highly recommend that study to the Minister of Employment and Immigration (Mr. Axworthy). I am sure it would help to educate him on the problems of unemployment in Canada.

If the wisdom reported in this congressional committee report is to be used in Canada, if the human and financial costs are to be avoided in Canada, government, business and industry, organized labour and educational institutions must be brought together to mount a concerted, imaginative and innovative effort to give our unemployed back their dignity and sense of worth by providing them with work.

Fooling around with measures that are contained in this bill will not do it. It took no imagination at all to put together what is in this bill. In fact, the measures are worse than useless. In fact, it is not possible to talk about having an employment strategy without talking about an economic strategy for Canada.

In the 12-year period or so since this government was elected, we have experienced the worst levels of unemployment and inflation since the great depression. In this period we have seen plant closures and layoffs to such an extent that many economists are now referring to Canada as being in a stage of de-industrialization. Certainly in the industry I am most acquainted with, the electrical-electronics industry, there have been drastic changes over the past ten years. Ten years ago, Canada had a fairly strong electronics manufacturing industry. Over the past five years alone, nearly 20,000 jobs have disappeared.

● (1710)

In addition, we have lost thousands of potential jobs through a combination of two principal factors—inadequate research and development, and increased foreign imports. For example, in 1967 we imported $63 million worth of electrical goods. In 1977 we imported $421 million worth of those products. Today you cannot buy a Canadian-made radio. Fairly soon you will not be able to buy a Canadian-made TV set. By the early 1980s Canadian-made electric small appliances may be a thing of the past.

What has happened in the electrical industry has been going on in virtually every other sector of manufacturing in our country, whether it be footwear, clothing, furniture, textiles, shipbuilding or whatever else. In more recent times that good old standby in Canada, our natural resource industries, have also fallen upon bad times.

For years the New Democratic Party and the CCF before it has warned successive governments, both Liberal and Conservative, that we could not permit the uncontrolled extraction of our raw and natural resources for export to other countries for processing into finished goods and then have them shipped back for sale here. That has been government policy in Canada since 1949 and it is not only dumb economics, it is irresponsible government in the extreme. We have not only been giving away our valuable resources, but in the process we have been giving away our hope of being able to finance our own way as a technologically-advanced industrial nation.

In terms of the present economic crisis, probably the most significant problem of all is the large degree of foreign ownership of our industries. According to the most recent figures I have, foreign companies owned 57 per cent of all manufacturing in Canada. They also owned 99 per cent of the rubber industry, 96 per cent of automobiles and parts, 85 per cent of chemicals, 71 per cent of electrical goods, 63 per cent of agricultural equipment and 57 per cent of transportation equipment.

Until recently our major concern over this degree of foreign ownership has been that we were a branch plant economy. Today we are not even that. Today we are rapidly becoming a warehouse economy with an increasing number of domestic consumer goods being supplied by imports from other countries. These are manufactured in the main by the same corporations that once produced them in Canada and now find it more profitable to operate elsewhere.

In the midst of all this, both the Liberals and Tories want us to believe that owing to current international conditions there is little governments can do about unemployment. Both I and the New Democratic Party do not agree with that position. If this government were serious about doing something concrete about unemployment and if they were seriously committed toward a goal of full employment in Canada, then steps should be taken now to reduce unemployment. In the short run the government could give a clear indication that it is serious by stating it has no intention of continuing to cut back on grants to job placement agencies funded under the Outreach programs. The success of these programs has clearly been demonstrated in the past yet the government has chosen to do away with many of them.

A case in point is the citizens action group, a Hamilton, Ontario placement organization that specialized in finding employment for hard-to-employ people. Those people were mainly young people or referrals from correctional institutions and former psychiatric patients. Yet this group has recently been told that its grant of $118,000 a year would be withdrawn because, it was said, the Outreach program under which it was funded was for temporary pilot projects. Now that it has shown what can be achieved with hard-to-employ clients, its function is to be taken over by Manpower.

What this government should be doing instead of playing around with measures now before us is reinstating programs such as Outreach that we know do create jobs. We need programs to provide incentives to get us into apprenticeship training to address the shortage of skilled workers in Canada. If members opposite were really serious, they would make better use of taxpayers' dollars by employing them in productive government spending in the food, housing, energy and transportation sectors, using the money available for the development of processing industries based on Canadian resources and the development of manufacturing industries to produce goods we now import.

If this government were really serious about unemployment they would show their commitment by bringing in a full employment act which would provide for annual forecasting of employment targets, together with a timetable for implementation. These are the kinds of things which would show Canadians the government is serious about fixing the mess which the administration has itself created. Playing around with measures like those contained in this bill simply cements the view that this government is not serious about doing anything to alleviate unemployment. I think it is about time they started.

Some hon. Members: Hear, hear!

Hon. Sinclair Stevens (York-Peel): Mr. Speaker, in joining in this debate today I feel I should like to express a few thoughts concerning the bill before us and also the general condition in which we find the economy today. I feel it is most unfortunate that the Minister of Finance (Mr. MacEachen) should have chosen to deny Parliament an early opportunity to

debate a budget in the normal course of our affairs and, above all, that he should have failed to produce a budget which, hopefully, might do something meaningful to correct the present economic situation.

The month of April has almost run out. If I were to make any comment to my constituents or to the Canadian public generally it would relate to the unbelievable air of unreality which seems to permeate this House, in particular the government side. Mr. Speaker, I know this has concerned you in other Parliaments in other times, but what I find so hard to reconcile in my mind is that we as a nation, a great nation, great in tradition, in resources, in agricultural potential, in manufacturing, led by a government which is responsible to Parliament, should be so oblivious, apparently, to the crisis which is coming.

● (1720)

I find it shocking that the government of the day is showing such indifference. I say this because there is absolutely no doubt where our present policies are leading this nation—to disaster. There is no alternative. If we are lucky enough that it does not strike in 1980, I can guarantee, as any knowledgeable economist in this country will guarantee, that the disaster of which I speak will strike, if not in 1981 or 1982, certainly by 1984. However, if we are to avert the disaster I refer to and if we are going to try at least to lessen its impact, it is time that the government of the day became realistic and started to make some of the hard decisions which have to be made in order to bring back responsible fiscal and monetary management to Canada.

I have felt that in the December 11 budget brought in by my colleague and deskmate, the then minister of finance, at least a start had been made, but only a start. At least, for example, we had identified a course which, if followed, would have narrowed the deficit in this country by approximately half of what it otherwise would have been if trends had been left to follow their own course.

Not only had we taken those steps, but we also had the courage to show the Canadian public, for the first time, where the fiscal course in Canada was headed, not just for the immediate, one year perspective, but for five years down the road. Hon. members can imagine my great concern to have spent April in this House and not to have had one tittle of evidence offered from the government benches as to how they see our economy evolving in the 1980-81 down to 1984 scenario. Instead, what we have had furnished to us is a so-called economic statement carefully tucked into a throne speech debate so that it itself could not be debated, and it indicated, for example, that the deficit since December, when the budget of my colleague was introduced, is now anticipated to be $3.7 billion greater. The budgetary deficit is running at over $14 billion, and there was only the most casual comment that somehow or other they hope expenditures and financial requirements might be narrowed by $1 billion between now and the time that a budget is finally introduced.

Hon. members can understand my concern. I think the Canadian public deserves better. For example, there must not be another Parliament, certainly in the British Commonwealth, that is faced with a situation where the last completely debated and passed budget was April 1978, two years ago. That was when we last had a proper accounting and a fully debated budget in this House.

When I say that, hon. members can imagine why I rise to speak now on Bill C-19, to amend the Employment Tax Credit Act. Surely if I wanted anything to highlight how totally out of context the House has become, it is simply to emphasize that here today we are debating, at the government's request, a two-clause bill dealing with an employment tax credit matter which, as we know, was introduced by the previous government, certainly at least partially in the form we have it, and yet we are left without a proper budgetary presentation for us to deal with.

Let me put it this way. When we are told that our deficit is now over $14 billion, over $3 billion higher than we anticipated last December, that in turn means that the government in effect is admitting that, on a spending program of $60 billion, it cannot pay for $14 billion of what it intends to spend. As hon. members can see, what that really means is that over 25 per cent of the government's revenue is being, so to speak, overspent in the form of expenditures that the government does not expect it can cover.

Think of it; here we have a government which says, in effect, that the revenue it anticipates will be something under $46 billion. Its expenditures will be over $60 billion, leaving a shortfall of $14 billion. It does not take much arithmetic to figure out that that is nearly a 30 per cent overrun on the revenue coming into Ottawa.

The reason I mention this is that we grappled with these figures. If those in the House care to do so, they can pull out a release that we put out through the Treasury Board on January 22. In vivid terms that release showed where the course of the economy would take us if the Crosbie budget was not passed, and that is exactly what we now have before us. I invite you, Mr. Speaker, and other hon. members to take a look at that release because it can be seen year by year how big the deficit will be, how high expenditure levels will be and how big the net debt will become without provisions such as those the hon. member for St. John's West (Mr. Crosbie) proposed on December 11.

What I find so alarming is that on April 30 we are here debating Bill C-19, yet we still have no budgetary presentation to give us the hope that somehow the scenario we brought out on January 22 will not be reality.

I would be less than candid if I did not tell the House that one of my greatest anxieties is to witness what is now happening in the office of the Minister of Finance and in the office of the President of the Treasury Board (Mr. Johnston). There is absolutely no doubt that we have a Minister of Finance who is entirely in the hands of his bureaucracy. He is not running his department. He is being told by the Michael Pitfields and the

other bureaucrats who have called the shots so wrongly in this country for so many years, exactly what he is expected to follow as far as economic policy is concerned, and he is very dutifully doing what he is told. What a shocking thing! In Canada's day of economic need we have a Minister of Finance who is not a servant of the public but simply a servant of public servants.

One might shift and say, "Well, the saviour is obviously going to be the President of the Treasury Board, because under the Financial Administration Act his mandate is very clear." Contrary to the public impression, it is the President of the Treasury Board who has the responsibility to restrain and contain expenditures as far as government is concerned. So you might turn to him because he is the man who will somehow right the ship and ensure that these rising deficits to which I referred will not materialize.

● (1730)

Here again I am disappointed with some of the comments which the President of the Treasury Board has made. For example, he stated that it is not so much a question of containing expenditures but rather of increasing the revenue which we need to somehow bring the deficit down in Canada. I say that should sound an alarm with everybody in the House because essentially it is saying: do not turn to government to trim costs, do not lessen government expenditure; that is not necessarily the answer; the answer lies with the already over-taxed public which should be paying more in the form of taxation. That is what is coming down the pipe.

As I have indicated earlier, a disaster is coming. I should also like to indicate that what we are going to be asked to pass at a later date is a substantial corporate and personal income tax increase. To the degree that the government calls upon Canadians to pay more in income and other tax, it is going to be evidence of their failure to control their own expenditures. It is as simple as that.

I would invite all hon. members to read the little booklet written by the President of the Treasury Board entitled "Fiscalamity—How to survive Canada's tax chaos". The President of the Treasury Board wrote this in 1974 when, presumably, other influences were brought to bear on him. I ask hon. members to pay attention to the following introduction in the book, which reads:

> This book is dedicated to all Canadians who share my belief that Canada, with its beauty, its resources, its people, and its legal-political heritage, could be a country of unequalled opportunity and happiness, were it not for too much taxation, too strong a bureaucracy, too much government, too much welfare, too many politicians, and too few statesmen.

Some hon. Members: Hear, hear!

Mr. Stevens: Think of it, Mr. Speaker. Here we have a President of the Treasury Board who is given, under an act of this Parliament, the responsibility to handle the bureaucracy, to handle expenditures and certainly to have influence on taxation, having written what I have just quoted in 1974, and who now indicates to the press and in the House that he believes expenditures are not the real problem, that the question is to get more revenue.

What has changed from 1974 to 1980? I can tell you that one thing has changed. When the then Mr. Donald J. Johnston wrote the book to which I am referring, total federal government spending was approximately $20 billion. He might not have known about the statement made by the Minister of Finance—but he has to accept some responsibility for a statement which has been given to the House—in which the House was told that in the current year our spending was going up to $60 billion, triple what Mr. Johnston referred to in 1974 as something that was "fiscalamity". What has changed? Would he not agree that if it were fiscalamity back in 1974, it is triple fiscalamity now because it has tripled in size?

In 1974, sure, we had deficit problems, but we certainly had no deficit problem compared to the $14 billion budgetary deficit which we are told to expect this year. The deficit this year is 70 per cent of the total federal government spending in 1973-74, the very year Mr. Johnston wrote his book trying to alert the Canadian public to the fiscalamity into which he thought we were heading.

At a later date I intend to go at length into more of the comments made by Mr. Johnston in his book because I think there is a strange transformation which has taken place; a person who was so concerned and alarmed at that time has now become party to putting in place the very expenditure levels and deficit levels that only a few years ago he felt would lead us to fiscalamity, as he called it.

How best can we relate this? I often feel that we sit here in Parliament oblivious of reality, almost as if we were aboard a ship at sea. We know where the shoals are, we see them coming, but for some reason nobody seems to want to do anything about them. I was very surprised to learn in the last year how the previous government—I say "previous government" only in a sense; the government which existed before the Clark government, which has been resurrected in the form of the present government—

An hon. Member: Voted in by the people of Canada; do not forget that.

Mr. Stevens: I was very surprised to learn how their decision making processes had been developed while they had been governing this country from reading what had happened at their cabinet meetings and who said what on various things. I only wish the Canadian public could be exposed to the type of discussions which took place at those cabinet meetings so that they could judge the calibre of the people conducting the affairs of Canada.

An hon. Member: You should release yours.

Mr. Stevens: As you know, Mr. Speaker, this is one of the reasons we felt that freedom of information legislation was long overdue in this country. It is time that some of these so-called governmental secrets were released and the Canadian public were allowed to see the ineptitude of this government in former years in conducting the affairs of Canada.

I say this because what I found most startling when, for example, we come to the question of restraint was to learn that

under the previous government there was no concept of restraint in the sense that you and I, Mr. Speaker, understand it. There was no concept of the government spending less and saving money, that it had the duty and the obligation to the Canadian people to spend less and save. What we were introduced to, or certainly what I was introduced to for the first time, was the concept which the former government used to call macroeconomic thinking. The macroeconomic thinking was simply to have some bureaucrat decide that the proper spending level in Canada was $50 billion or $55 billion or $60 billion, and everything else fell out of that. In short, while we were in power no doubt people could have hinted that the $60 billion spending level for the fiscal year 1980-81 was a level that could and should have been attained. But what absolutely startled me was when somebody at the bureaucratic level said the previous government would have accepted the $60 billion level for macroeconomic reasons. It was not suggested that the economy somehow or other needed it, but basically because the economy needed that type of federal government spending to continue what they like to refer to as the "fine tuning".

• (1740)

What I think is exceedingly important that we do in Committee of the Whole and in other committees of this House is to pin this government down as to where it got the $60 billion and some odd spending level it is telling us we may have to live with in 1980-81. My guess is that it was simply a figure handed to the Minister of Finance by a bureaucrat on the basis that he thought it was a nice round figure, and that as far as the economic model was concerned it was roughly what the Canadian government should be spending.

The reason this is so significant as far as Treasury Board is concerned is that there were, there are and there will be existing savings that can be made, some of which we made and some we intended to make. However, we were told that from the bureaucratic approach these savings would be counterproductive if we instituted them. In short, it is deemed that Canada should have a spending level of $60 billion.

Mr. Deputy Speaker: I recognize the hon. member for Ottawa Centre (Mr. Evans) on a point of order.

Mr. Evans: Thank you, Mr. Speaker. I hate to interrupt the eloquence of the hon. member opposite, but I have a very difficult time seeing the relevance of his comments to the employment tax credit bill that is before this House. I wish you would rule on that matter, Mr. Speaker.

Mr. Deputy Speaker: The hon. member has exercised a certain amount of latitude but, if I may say so, he has not been the only one to do so in this debate. I would hope, however, that the hon. member would bear in mind the point made and perhaps address his remarks to the bill.

Mr. Stevens: Mr. Speaker, as I indicated, and I do not know whether the hon. member was in the House at the time, I wanted to make a few of these preliminary comments, and they are only preliminary, because I felt that we in this House are facing such an odd scenario, being asked to debate a two-clause bill dealing with employment tax credit matters without having had the advantage of a budget and without knowing the governments fiscal position. I was indicating the type of approach this government in its previous incarnation followed in arriving at spending levels in this country and from which flew the various legislative matters we were asked to consider. At a later time I will comment more fully on some of the fiscal matters which I feel most of us are concerned about, but about which unfortunately we are not sufficiently alarmed.

Dealing more specifically with the question of unemployment, let us not forget that when the Prime Minister took power unemployment in this country was 4.5 per cent and there were some 358,000 Canadians out looking for work at the time. Unemployment is now hovering around 7.4 per cent, which means there are over 500,000 more Canadians unemployed today than in 1968 when the Prime Minister first took power in this country.

Let me make a side comment. I would ask those who say that present deficits are needed and that big government spending is essential—because unemployment is going to go up still higher without them—how come unemployment has in fact gone up so dramatically, notwithstanding those deficits that have been loaded on Canadians year by year?

The Trudeau response has been to create a hodge-podge of programs. Unemployment was treated as a short-term phenomenon that could be treated with temporary measures such as the Local Initiatives Program and the Canada Works program.

Having regard to both LIP and the Canada Works program, I would invite hon. members, especially those on the government side, to read what the President of the Treasury Board had to say about them. What he said is most informative. In due course we will have to find out from that minister whether he still holds those views.

Those programs did not alleviate our long-term unemployment problems. They only succeeded in discouraging mobility in the labour force and creating a dependence on government support programs. Young people between the ages of 15 and 24 have suffered most from the Liberal government's ineptitude.

An hon. Member: You are not supposed to be working at 15; your are supposed to be in school.

Mr. Stevens: What an interesting comment from a government supporter—"you are not supposed to work".

An hon. Member: "At 15", he said.

Mr. Stevens: At 15. Let me help the hon. member understand. Statistics happen to be prepared by Statistics Canada for that age bracket of 15 to 24, and whether hon. members on the government side like it or not, there are presumably some people below 16 years of age who would like to get to work in this country, even if the Prime Minister cannot deliver it.

Young people between the ages of 15 and 24, as I have said, have suffered the most from the Liberal government's ineptitude. In 1967 the unemployment rate for this group was 6.5 per cent. Unemployment for young people has now soared to 13 per cent.

Bill C-19 gives no indication that it recognizes the special problems of young people. For that matter, it offers no special help for other groups that have been hit hard by unemployment, including women, native people and the handicapped. While in 1979 unemployment among men was 6.6 per cent, the unemployment for women was 8.8 per cent.

I gave some of that background because I thought it would be wise today to contrast what the present Minister of Employment and Immigration (Mr. Axworthy) has said, both to the press and in this House, concerning the matters that are before us and which are partly touched on in Bill C-19, with what I suggest a much more effective minister of employment and immigration said in this House on December 13, the very day the previous government was brought down.

● (1750)

An effective minister of employment and immigration, Mr. Atkey, recognized that the young are among the hardest hit by unemployment. He said, and I emphasize this again to those backbenchers who had a hand in that decision on December 13:

> Youth suffer much more than their fair share of existing unemployment. For example, in November of this year—

He is referring to 1979.

> —while youth made up about a quarter of the labour force, they also accounted for almost half of the total unemployment figure.

Mr. Atkey also recognized how crucial it was to find jobs for young people, since they are so easily discouraged. He recognized that the problem was not just economic but that there was a social and human element involved. When young people are unable for a long period of time to take an active place in society, their values and their attitudes about themselves and society are profoundly affected.

The then minister of employment and immigration went on to say:

> Our concern stems from recognition of the importance that finding and keeping meaningful jobs has for the self-esteem and future labour market experience of young people.
>
> There is substantial evidence to indicate that the early labour market experience of individuals has a significant bearing on their later employment and income record. The youth of the "baby boom" generation now makes up over a quarter of the labour force. Over the next few years this group will move rapidly into the mainstream of adult workers. For example, by 1985, it is expected that youth will make up only 23 per cent of the labour force, compared with more than 26 per cent in 1980. Under these circumstances, it is particularly important that young people acquire the skills and attitudes now that they will need to lead satisfying and productive working lives as adults. Above all, this government does not want to create another generation of UI and welfare recipients. Our young people are capable of far more, especially in a nation so well endowed with natural resources and human capital.

Mr. Atkey continued:

> Although solid work experience in real jobs is important to all youth, the truly vital factor, especially for young people who have not had the advantages of higher education or formal skill training, is to land that first job. This can be critical to his or her ultimate success because it provides that all-important starting point. And, in that connection, I firmly believe that an authentic job in the private sector is going to be more credible to potential employers than a job on a government make-work project, about which many employers tend to be skeptical, if not downright negative.

Mr. Atkey went on to state:

> What we are looking for here is to help those young people who are at a real disadvantage and who most need the help. We do not want to repeat some of the experiences under programs such as Opportunities for Youth and the Local Initiatives Program where in many cases elite groups or middle and upper class youth were able "to do their own thing" at the expense of the public purse with little lasting benefit to the country or the community. By involving tried and true organizations which have already demonstrated their ability to direct services to those who need them most, we feel there will be less emphasis on innovation for its own sake and a much better opportunity to undertake projects of lasting benefit to the community which will provide relevant work experience for youth.

Mr. Atkey went on to propose specific programs to help young people find jobs. This is what we have yet to hear about from the present Minister of Employment and Immigration who is, presumably, concerned with other things of a more personal nature. For example, this minister has not told us what Mr. Atkey said on the very day that the previous government was defeated. Mr. Atkey said:

> We will be establishing a youth employment secretariat to provide the direction that has been lacking in the past. This secretariat will monitor existing programs and co-ordinate them to ensure that duplication is reduced and that they are meeting the real needs of Canadian youth.
>
> As an additional means to ensure that youth employment programs provide the best value for money invested in them, the youth employment secretariat will work to harmonize federal youth employment programs with those of the provinces. One of the first tasks of the secretariat will be to ensure co-ordination of temporary employment programs for the spring and summer of 1980 to accommodate the thousands of young students expected to come onto the labour market at that time.

Bill C-19 says nothing about helping young people find jobs. That is the tragedy of what happened on December 13.

Mr. Atkey's commitment to youth did not exclude a concern about other groups in society that face particular difficulties in the labour market. For instance, he recognized that women have a hard time entering the labour force. In addressing this issue, he said:

> The participation of women in the labour force has been rising rapidly and continuously in the post-war period. This trend is expected to continue for some time to come. Although this human resource is one of our strengths as a nation and an economy, for too many years the talents and abilities of Canadian women have not been fully used. One measure of this is to be found in the fact that, although women account for about 39 per cent of our labour force, they also make up about 47 per cent of the unemployed. Moreover, women frequently suffer from job segregation and low wages when they do work.
>
> Such barriers are gradually being removed and my department is embarking upon a major campaign to speed up the process. We are encouraging women to train for all kinds of jobs, including many of which, for too long, have been regarded as male preserves. A good idea of the potential of this exercise can be seen at such projects as Syncrude in Fort McMurray where women in hard hats are an integral part of the work force.

Again, Bill C-19 does not express any concern for the specific problems of women in Canadian society. Nor did Mr. Atkey forget about the special problems encountered by the handicapped and native peoples. On this topic he said:

> Those of us who have good fortune and good health too often forget not only the problems, but the employment difficulties of those who are physically or

mentally handicapped. We cannot, however, continue to shunt occupationally handicapped persons to employment outside the mainstream. The new programs must and will make provision for their employment in meaningful jobs in the private sector.

Mr. Atkey wanted to develop a co-ordinated employment strategy where the government would work in co-operation with the private sector. He said:

First, we intend to help to create an economic and social climate which will enable the private sector to prosper and take the initiatives which will lead to the creation of new permanent jobs. That is what my colleague, the Minister of Finance—

He was referring to the hon. member for St. John's West (Mr. Crosbie):

—has provided for in his budget. It is also an area where my department is taking some supporting initiatives and I will describe those in more detail shortly.

Secondly, we will encourage the private sector to play its full role in employing people whatever their sex, age, ethnic or cultural background. We will be doing this in complete realization of current and future social and demographic changes. Some examples are the increasing participation and rising expectations of women in the labour market, the aging of the baby boom generation, alterations in the family size and structure and the aspirations of native Canadians.

Mr. Deputy Speaker: Order. I regret to interrupt the hon. member but his allotted time has expired.

I will recognize the hon. member for Richmond-South Delta (Mr. Siddon), but first I have a matter to bring to the attention of the House.

* * *

MESSAGE FROM THE SENATE

Mr. Deputy Speaker: I have the honour to inform the House that a message has been received from the Senate informing this House that the Senate has passed Bill S-5, to repeal the Canada-France Trade Agreement Act, 1933 and the Supplementary Canada-France Trade Agreement Act, 1935, to which the concurrence of this House is desired.

* * *

● (1800)

BUSINESS OF THE HOUSE

Mr. Nielsen: Mr. Speaker, I rise on a point of order. May I ask the Parliamentary Secretary to the President of the Privy Council to confirm that we will be proceeding with the Bank Act tomorrow, and if he could indicate what we will proceed with on Friday.

Mr. Collenette: Mr. Speaker, I should like to confirm that we will be dealing with the Bank Act, Bill C-6, on Thursday. On Friday we will deal with the bill concerning the transportation of hazardous goods; I shall have to check the order paper but I think it is Bill C-18. It is my understanding that we will proceed with that on Friday. If there are any changes the President of the Privy Council will announce them tomorrow in the usual way during routine proceedings at two o'clock.

[*Translation*]

Mr. Deputy Speaker: Order, please. It being six o'clock, this House stands adjourned until tomorrow at two o'clock, pursuant to Standing Order 2(1).

At 6 p.m., the House adjourned, without question put, pursuant to Standing Order.

HOUSE OF COMMONS

Thursday, May 1, 1980

The House met at 2 p.m.

● (1405)

ROUTINE PROCEEDINGS

[*English*]

HEALTH

HAZARD TO HUMANS CAUSED BY DRUG RESIDUES IN MEAT—MOTION UNDER S.O. 43

Mr. Gus Mitges (Grey-Simcoe): Madam Speaker, I move, under the provisions of Standing Order 43, a motion of urgent and pressing necessity.

In view of the fact that drug and antibiotic residues in meat and meat products are responsible for causing severe illness, allergic reactions and even death to consumers allergic to specific drugs and antibiotics, I move, seconded by the hon. member for Winnipeg-Assiniboine (Mr. McKenzie):

That the Minister of Agriculture take immediate steps to eliminate the serious and dangerous health hazard emanating from abattoirs under federal inspection.

Madam Speaker: Such a motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

FISHERIES

CONSULTATION WITH UNION PRIOR TO ARRANGING OVER-THE-SIDE SALES CONTRACTS—MOTION UNDER S.O. 43

Mr. Lloyd R. Crouse (South Shore): Madam Speaker, I rise, under the provisions of Standing Order 43, to move a motion of urgent and pressing necessity.

In view of the fact that Canadian workers in the fish processing industry will lose some 40,000 work hours and the Canadian economy will suffer a loss of more than $2 million as the result of planned over-the-side sales of 9,000 tonnes of mackerel and 3,500 tonnes of gaspereau alone this year to the Soviets, I move, seconded by the hon. member for Malpeque (Mr. Gass):

That no further contracts be arranged by the minister or his officials with Soviet interests for over-the-side sales guaranteeing them cash or increased allocations of fish quotas, without prior consultation with the president of the Seafood Workers' Union, representing 6,000 workers, the fishermen's representatives and the processors.

Madam Speaker: Such a motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

INDIAN AFFAIRS

DELAY IN CONSTRUCTION OF SCHOOL ON SANDY BAY RESERVE—MOTION UNDER S.O. 43

Mr. Laverne Lewycky (Dauphin): Madam Speaker, I rise, under the provisions of Standing Order 43, on a matter of urgent and pressing necessity.

In view of the fact that ten families are already withholding their children from attending school on the Sandy Bay Indian reserve, and in view of the fact that other parents are threatening to join them, considering that the present school has been condemned as a fire-trap since 1968, and since in January, 1979, Treasury Board had originally approved the construction of a new school, and since the Dakota Ojibway tribal council has also passed a resolution requesting the federal government to "immediately grant the Sandy Bay tribal council its new school and any efforts to further delay this vitally important issue be stopped immediately", I move, seconded by the hon. member for Winnipeg North Centre (Mr. Knowles):

That this House instruct the Minister of Indian Affairs and Northern Development to immediately investigate the reason for the delay in construction of the said school, and that he ensure that his department not stall unduly the transmittal to Treasury Board of the Sandy Bay school project.

Madam Speaker: Such a motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

CONSUMER AND CORPORATE AFFAIRS

REQUEST LEGISLATION ON BANKRUPTCY AND INSOLVENCY BE AMENDED—MOTION UNDER S.O. 43

Mr. Bill J. Yurko (Edmonton East): Madam Speaker, I rise, under the provisions of Standing Order 43, on a matter of urgent and pressing necessity.

Due to the hardship being experienced by wage and/or commission earners who are affected by bankruptcy and insolvency proceedings—for example, the employees of Parkway

Country Motors in Edmonton, Alberta—I move, seconded by the hon. member for Okanagan North (Mr. Dantzer):

That this House request the Minister of Consumer and Corporate Affairs to immediately revise subsection 265(4) and subsection 265(10) of Bill C-12, an act respecting bankruptcy and insolvency, in order to guarantee that the class of creditors set out in subsection 265(4)(*e*), namely, creditors with claims for wages, salaries, commissions and compensation for other services are given first priority over the payment of all other claims; and, furthermore, that this House expedite the passage of Bill C-12 so that wage earners whose back wages have been frozen because of bankruptcy can be paid.

Madam Speaker: Such a motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

● (1410)

NORTHERN AFFAIRS

DIFFERENTIAL IN COST OF FUEL AND ELECTRICITY IN N.W.T. AND YUKON—MOTION UNDER S.O. 43

Mr. Doug Neil (Moose Jaw): Madam Speaker, I rise, under the provisions of Standing Order 43, on a matter of urgent and pressing necessity.

In view of the differential in the cost of fuel and electricity charged to residents in outlying settlements in the Northwest Territories and Yukon vis-à-vis Whitehorse and Yellowknife, I move, seconded by the hon. member for Prince George-Peace River (Mr. Oberle):

That this government implement the policy adopted by the previous government and approved by Treasury Board, namely, the equalization of fuel costs with those in Whitehorse and Yellowknife and the equalization of electrical rates for small business with those in Whitehorse and Yellowknife.

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

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

BROADCASTING

REQUEST MINISTER INTERVENE IN LABOUR DISPUTE AT RADIO-CANADA—MOTION UNDER S.O. 43

Mr. Sid Parker (Kootenay East-Revelstoke): Madam Speaker, I rise, under the provisions of Standing Order 43, on a matter of urgent and pressing necessity.

From Friday, April 25, until Wednesday, April 30, the production staff at Radio-Canada facilities in Quebec and New Brunswick were locked out by the corporation. As a result, all live broadcasts, including news, were severely curtailed. This action by Radio-Canada came after a conciliator's proposal which the workers accepted, but which Radio-Canada rejected.

In light of the fact that the Quebec referendum is currently under way, making adequate news coverage even more vital for the citizens of Quebec, I move, seconded by the hon. member for Kamloops-Shuswap (Mr. Riis):

That this House instructs the Minister of Labour to actively intervene in this dispute, with the specific intent of persuading Radio-Canada to accept the conciliator's proposal and ending all further interruptions of service to the residents of Quebec and New Brunswick.

Madam Speaker: Such a motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

AIR TRANSPORT

FUEL PURCHASED IN CANADA BY FOREIGN CARRIERS—MOTION UNDER S.O. 43

Hon. Warren Allmand (Notre-Dame-de-Grâce): Madam Speaker, I rise, under the provisions of Standing Order 43, to move a motion of urgent and pressing necessity.

Whereas it is estimated that in 1980 foreign air carriers, by stopping at Canadian airports, will take advantage of cheaper, subsidized Canadian fuel prices to record savings of approximately $101 million; whereas these savings are not being passed on to the passengers travelling from Canadian cities in the way of reduced fares, but are used to subsidize the costs of other world operations by these foreign carriers; and whereas the subsidies under the Canadian oil import compensation program were intended for Canadians and not for the large, foreign international airlines, many of which are state-owned; therefore I move, seconded by the hon. member for Davenport (Mr. Caccia)—and this might have the consensus of the House:

That the government examine this situation immediately and consider charging the world price for all fuel purchased by foreign carriers landing at Canadian aiports.

Some hon. Members: Hear, hear!

Madam Speaker: Such a motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Madam Speaker: Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: Oh, oh!

Madam Speaker: Moved by the hon. member for Notre-Dame-de-Grâce (Mr. Allmand), seconded by the hon. member for Davenport (Mr. Caccia)—

Some hon. Members: No.

Some hon. Members: Oh, oh!

Madam Speaker: Order, please.

An hon. Member: Too late.

Mr. Baker (Nepean-Carleton): A point of order, Madam Speaker—

Madam Speaker: Order, please. I will ask the question again. Is there unanimous consent?

Some hon. Members: No.

An hon. Member: You can't do that.

An hon. Member: Too late, Madam Speaker.

Madam Speaker: The hon. member for Saskatoon—-

Mr. Baker (Nepean-Carleton): A point of order, Madam Speaker.

Madam Speaker: The hon. member for Nepean-Carleton (Mr. Baker).

Mr. Baker (Nepean-Carleton): Madam Speaker, I gather that what would rule in this case—

Some hon. Members: Three o'clock.

Mr. Baker (Nepean-Carleton): —is your ear. I gather, from your intention to put the motion, that you did not hear a "no": in fact, you started to put the motion. I would think that is about the best evidence the House could possibly have of what your decision was with respect to what you heard.

● (1415)

Madam Speaker: I asked the House twice if there was unanimous consent. There was a considerable amount of noise. When I started to read the motion I began to hear the "noes", so I put the question a third time. There were "noes". Therefore, I felt that there was not unanimous consent.

An hon. Member: Unacceptable.

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POST OFFICE

PROPOSED MOVE OF SASKATCHEWAN DISTRICT OFFICE FROM SASKATOON TO WINNIPEG—MOTION UNDER S.O. 43

Hon. Ray Hnatyshyn (Saskatoon West): Madam Speaker, I rise under the provisions of Standing Order 43. I am glad that the Postmaster General (Mr. Ouellet) is discussing matters with the hon. member for Saskatoon East (Mr. Ogle).

In view of the fact that widespread opposition has been registered to the Postmaster General on the move of the Saskatchewan district office from Saskatoon to Winnipeg, including from the mayor and members of city council of the city of Saskatoon, employees of the Post Office and members of Parliament representing Saskatoon and all Saskatchewan, and in view of the fact that the Postmaster General has neglected or refused to categorically revoke the planned move, notwithstanding serious questions of impairing the efficiency of the operation of the Post Office in Saskatchewan, I move, seconded by the hon. member for Moose Jaw (Mr. Neil):

That this House direct the Postmaster General to immediately make a statement in this House cancelling any plan to move the Saskatchewan district office and alleviate the deeply-felt apprehension that Saskatchewan views are not taken seriously by this government.

Madam Speaker: Such a motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

AGRICULTURE

ASSISTANCE TO FARMERS IN PURCHASING FERTILIZERS AND HERBICIDES—MOTION UNDER S.O. 43

Mr. Len Gustafson (Assiniboia): Madam Speaker, I rise on a matter of urgent and pressing necessity under the provisions of Standing Order 43.

In view of the fact that farmers are now seeding and are under tremendous financial pressure, whereby 65 per cent of the farmers must borrow money from lending institutions to finance the planting of their crops, at the highest interest rates in the history of the country; and given the situation where the Canadian Wheat Board allows an over-delivery of quotas of 735 bushels for the purchase of seed grains, and where that quota is not used on a regular basis, I move, seconded by the hon. member for Portage-Marquette (Mr. Mayer):

That the government take the immediate steps to make it possible for farmers to use the extra quotas to purchase fertilizers and herbicides.

Madam Speaker: Such a motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

ORAL QUESTION PERIOD

[*English*]

ENERGY

FUTURE INCREASES IN PRICE OF OIL

Hon. Bill Jarvis (Perth): Madam Speaker, my question, which relates to oil pricing, is directed to the right hon. Prime Minister who indicated to the House yesterday that this

government's oil price increase would be less than $4 a barrel this year.

Given the fact that the Minister of Finance, in his mini-budget statement, indicated a $1 billion reduction this year in the oil import compensation payments, and given the second commitment by the Minister of Energy, Mines and Resources on April 16, when he stated that it was his intent to collect not less revenue this year from the new oil pricing agreement than would have been received under our December 11 budget, and given the fact that these ministerial commitments—the two of them in total—cannot be achieved under any formula without price increases in excess of $4 a barrel, has the Prime Minister asked both, or either, of his ministers to review or withdraw their respective commitments?

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, I do not agree at all with the premises of the question. We have discussed this and I am surprised that members opposite agree with the premises of the question.

Mr. Crosbie: You are on the ropes, Pierre.

Mr. Jarvis: Madam Speaker, if the Prime Minister does not agree with the premises, he questions the accuracy of *Hansard*. I direct his attention to those two days.

Does the Prime Minister recall that earlier this week his Minister of Energy refused to rule out a special oil levy, or special oil tax, at the refinery level which, of course, will be passed directly on to the Canadian consumer; and does the Prime Minister's commitment of less than $4 a barrel include any special levies or taxes imposed by the federal government on oil after it leaves the wellhead?

Mr. Trudeau: Madam Speaker, on the first part of the question, when I said that I did not agree with the premises, I was not agreeing with the hon. member's statement based on statements by the minister. It was a statement in the question of the questioner that this money cannot be raised without increasing prices beyond what the Conservatives did. That is the premise with which I do not agree, and that is something that will not be happening. That is the answer to the second part of the hon. member's question.

● (1420)

What I said was, rather than an increase of some 32 cents a gallon which was planned by his minister of finance and his government, we will have an increase of less than that. It will be an increase less by at least the 18 cents of the excise tax and of the other 14 cents which was the increase corresponding to a barrel at the wellhead. Our increase will be less than that.

Some hon. Members: Hear, hear!

Mr. Jarvis: Perhaps the Prime Minister failed to understand me. If I put the question badly, I apologize. I will rephrase it. The less than $4 a barrel commitment given yesterday, does that commitment include, as a matter of principle or as a matter of government policy, any special levies or taxes that are within his government's constitutional jurisdiction to impose on oil, the handlers or consumers thereof, after it leaves the wellhead.

In other words, I want to know whether the $4 commitment includes a commitment that any additional taxes or levies will not result in a price in excess of $4 a barrel at the wellhead.

Mr. Baker (Nepean-Carleton): That is very clear.

Mr. Trudeau: It is not clear at all, Madam Speaker. I think I know what the hon. member is trying to ask, but it is certainly not clear from what he says that he knows what he is asking.

Some hon. Members: Oh, oh!

Mr. Trudeau: He wants to know, when we say our price will be less than $4 a barrel increase, if we will try to make up for that "less" by some other taxes elsewhere. The answer to that is "no".

Some hon. Members: Hear, hear!

HONOURING OF COMMITMENT ON FUTURE PRICES OF OIL

Mr. Harvie Andre (Calgary Centre): Madam Speaker, I have a supplementary question for the Prime Minister. Yesterday, the Prime Minister demonstrated his facility with arithmetic. Surely he must realize that the statement he has just made, the statement by the Minister of Finance regarding a billion dollar reduction in the import subsidy, and the statement by the Minister of Energy, Mines and Resources regarding the same "take" to the federal government as what they would have received from the December 11 budget, makes it impossible to honour the commitment of a $4 increase this year and $4.50 in each of the next three years. Will the Prime Minister have the honesty to admit that to the House and stop playing the shell game with Canadians?

Some hon. Members: Hear, hear!

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, that is not a question; it is a rhetorical argument. When the hon. member says it is impossible to do that, he is forgetting one thing, that the Tory budget and the pricing policies for oil of the former government was based on a principle which would sock the consumer. We are not going to sock the consumer.

Some hon. Members: Hear, hear!

Some hon. Members: Oh, oh!

Mr. Trudeau: We believe that the companies themselves and the producers themselves have some contribution to make in this.

Mr. Andre: Madam Speaker, I gather the Prime Minister is indicating, without saying so in a forthright way, that in fact his price increases will be more than $4 this year and $4.50 in

each of the next three years, and just by moving the date he is going to change it.

I have a question for the Minister of Finance—pardon me, the Minister of Energy, Mines and Resources, who said in the House on Tuesday that the government's decision to reduce the excise tax saved the Canadian consumer $2.6 billion. He also said in the House on April 16 that they intended to collect, from oil price increases, the same revenue that would have been collected under the December 11 budget. My question to the minister is, what kind of tax, levy or shell game is going to produce the $2.6 billion that is not going to have any impact on the consumer?

Hon. Marc Lalonde (Minister of Energy, Mines and Resources): Madam Speaker, at the beginning of the question the hon. member indicated that he was asking it of the Minister of Finance.

Some hon. Members: Oh, oh!

Mr. Andre: I will repeat the question, Madam Speaker. I then said "I am sorry" to the Minister of Energy. The question to the Minister of Energy, Mines and Resources is this: On Tuesday, he indicated to the House that the decision of his government not to impose the excise tax resulted in a $2.6 billion saving to the Canadian consumer. But on April 16 he said in the House that he intends to collect as much revenue from oil price increases as the December 11 budget provided.

• (1425)

May I ask him by what tax levy or mysterious process he plans to produce that $2.6 billion for the federal treasury without an impact being felt by the consumer?

Mr. Lalonde: I would invite the hon. member to show a little patience. When he sees the proposals the government is going to put forward, he will realize that they are, by a wide range, much more favourable to the consumer than the proposals put forward in the budget of the former minister of finance.

Some hon. Members: Hear, hear!

* * *

INDUSTRY

AUTO INDUSTRY—PRESERVATION OF JOBS FOR CANADIAN WORKERS

Mr. Ian Deans (Hamilton Mountain): Madam Speaker, I have a question for the Minister of Industry, Trade and Commerce. I am sure that everybody in the House, the minister included, is aware that the president of Chrysler, Mr. Iacocca, has publicly indicated that there will be no job guarantees in the agreement he is attempting to sign with the Canadian government, that there will be no engine plant in Windsor and no small size, world car built in Canada, and that they have just completed negotiations to sell off their Australian holdings to a Japanese company.

Can the minister tell the House exactly what it is we are putting on the negotiating table in an effort to preserve for Canada that portion of the auto industry, and preserve for Canadian workers the jobs, which he long since promised would be preserved?

Hon. Herb Gray (Minister of Industry, Trade and Commerce): Madam Speaker, I have been working to make sure that in this matter there is a fair deal for Canada.

Some hon. Members: Hear, hear!

Mr. Gray: In this connection, Canadian jobs are, and have always been, a very important consideration. In spite of what the chairman of Chrysler Corporation said in Detroit yesterday, it is a fact that senior executives of his parent corporation and the Canadian company were negotiating with my officials throughout yesterday afternoon, yesterday evening and on into the night. They are meeting right now. I am determined, and the government is determined, that this matter will not come to an end in the absence of a fair deal for our country and for Canadian workers.

Some hon. Members: Hear, hear!

Mr. Deans: Since it is clear that all the matters which, according to the minister, ought to be contained within the agreement have been discarded by the chairman of Chrysler—there is to be no guarantee, no engine plant, no small car production—what is it that we are asking for in return for the $200 million guarantee he is prepared to put up?

Mr. Gray: The hon. member and the New Democratic Party seem ready to cave in to the Chrysler Corporation. We are not.

Some hon. Members: Oh!

Mr. Gray: The Canadian people will be able to judge this matter in light of the total package we are able to negotiate in return for whatever kind and level of assistance the government provides.

PROPOSALS FOR MAINTAINING VIABLE AUTO INDUSTRY IN CANADA

Mr. Ian Deans (Hamilton Mountain): May I address my final supplementary to the Prime Minister? He will recall, as most of us do, that during the election, speaking in Windsor he indicated he was prepared to renegotiate the auto agreement with the United States. He made reference to the fact that there was a $3 billion deficit in the auto trade pact arrangement.

• (1430)

Can the Prime Minister indicate whether he has personally met with any of the Big Three leaders or all of the Big Three leaders, whether he is prepared to meet with them or whether he has asked for or obtained a letter of commitment for the production of parts, for research and development and for the

manufacturing of vehicles which in fact might even sell on the North American continent?

Is there any indication from the Prime Minister on what he proposes might be done with the auto industry, given that Chrysler is not the only one that is ailing and that 25,000 people and their families in Ontario are not earning a living—

Madam Speaker: Order, please.

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, I have not had any such meetings but, of course, the matter has been discussed many times in the cabinet. The minister responsible for trade has met not only with the people in charge of the auto industry but also with his counterparts in the American government, and they have agreed to discuss the auto pact with us.

* * *

SPORTS

DISTRIBUTION OF LOTO CANADA FUNDS TO ARTS AND SPORTS ORGANIZATIONS

Miss Pat Carney (Vancouver Centre): Madam Speaker, I have a question for either the minister responsible for sports or the Secretary of State.

Since the provinces have given the federal government a $6.4 million cheque as its share of Loto Canada, and since the cheque remains uncashed—at an interest loss of about $3,000 a day—would either minister advise the House whether the government intends to cash the cheque and distribute the funds to arts and sports in the manner agreed upon by the previous government?

Hon. Gerald Regan (Minister of Labour): Madam Speaker, I thank the lady member for this important question.

Mr. Epp: The "member".

An hon. Member: "Hon. member".

Mr. Nielsen: Chauvinist.

Madam Speaker: Order, please.

Some hon. Members: Hear, hear!

Madam Speaker: I think the minister could call her "the hon. member".

Some hon. Members: Hear, hear!

Mr. Regan: Madam Speaker, I am quick to agree with your edict, but if we cannot call them ladies, I suppose we cannot call them gentlemen either.

Some hon. Members: Hear, hear!

Mr. Regan: In answer to the question, may I say that having received from the provinces a cheque for just over $6 million, which was a certified cheque, and not wishing to cash it until the legal position of the tentative agreement that the former government had attempted to make but had not, perhaps, completed with the provinces, was clear, we returned the certified cheque—because no interest runs with a certified cheque—to the provinces and received in return an uncertified cheque. This means that $3,000 a day is accruing to the interests of the ten provinces of this country. That is another piece of generosity by the benevolent federal government.

Some hon. Members: Hear, hear!

FUNDING OF VANCOUVER ART GALLERY

Miss Pat Carney (Vancouver Centre): Madam Speaker, since the minister did not answer the question, and since the Liberals have demonstrated that they prefer deficit financing to certified cheques, I will direct my supplementary question to the Secretary of State.

Since some of these funds have been earmarked as the federal government's contribution to convert the old court house into Vancouver's art gallery, and since $5 million has been raised by private individuals in Vancouver—which depends on the federal funding—does the minister recommend that the Vancouver art gallery return these funds to the citizens of Vancouver because of an unwillingness on the part of the new government to allocate these funds to the appropriate ministries for their disbursement?

Hon. Francis Fox (Secretary of State and Minister of Communications): Madam Speaker, I thank the hon. member for her question. I would like to point out to the hon. member that the capital project to which she is referring is, indeed, a campaign promise which was made during the course of the campaign by the previous government without allocating any specific funds to that project.

As soon as the issue concerning the distribution of Loto Canada funds is resolved, this government will be in a position to reassess the capital project requests which have come in from across the country, and we will at that time give all the consideration required to the project the hon. member has mentioned.

* * *

THE CONSTITUTION

RENEWED FEDERALISM—JURISDICTION OVER LOTTERIES

Right Hon. Joe Clark (Leader of the Opposition): Madam Speaker, my supplementary question is to the Prime Minister. I wonder if the Prime Minister could tell us if it is part of the renewed federalism of which he has spoken to reassert the federal claim over the field of lotteries.

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, that matter is under consideration and discussion.

RENEWED FEDERALISM—JURISDICTION OVER OFFSHORE RESOURCES

Right Hon. Joe Clark (Leader of the Opposition): Madam Speaker, I wonder if it is part of the renewed federalism of which the Prime Minister has spoken to deny the jurisdiction over offshore resources to the provinces.

Right Hon. P. E. Trudeau (Prime Minister): That would not be renewed federalism, Madam Speaker; that would be a continuation of the kind of federalism practised by the right hon. Leader of the Opposition. I remind him that our government had signed with the maritime provinces an agreement as to the offshore. He broke that agreement in order to give them unilaterally to the provinces.

In the case of the lotteries, we had also reached an agreement with the provinces. He broke that agreement in order to give them unilaterally to the provinces.

Mr. Clark: Madam Speaker, the Prime Minister has indicated that renewed federalism in at least these two instances involves the quickest possible return to the status quo.

Given the interest in Quebec and elsewhere in knowing what the contents of this renewed federalism of which the Prime Minister has spoken are, and since he has now indicated two areas in which he intends to move away from progress that was made, will he table in this House, before May 20, an indication of the contents of the renewed federalism that he and his government have in mind?

Mr. Trudeau: Madam Speaker, it seems to me that my previous answer made it clear that we had reached agreement with the provinces on these two matters. What the government of the right hon. Leader of the Opposition did was to cave in and to give to the provinces what had been negotiated away by them on an equal basis with the federal government. Now I am telling him that if his view of renewed federalism is to undo all the agreements which are fair for both the federal government and provincial governments, and replace them by agreements which will be fair only for the provinces, that is not our view of renewed federalism.

* * *

NATIONAL DEFENCE

WINNERS OF COMPETITION FOR DESIGN OF PATROL FRIGATE

Hon. Allan B. McKinnon (Victoria): Madam Speaker, my question is for the Minister of National Defence. I wonder if the minister could announce the two winners of the competition for the design of the Canadian patrol frigate, thus enabling the navy to proceed to the contract definition phase and enabling the three consortia which did not win the competition to cut their losses and not incur further useless expenses.

[*Translation*]

Hon. J. Gilles Lamontagne (Minister of National Defence): Madam Speaker, I can assure the hon. member that nothing is unduly delaying the normal progress of the frigate file. I have not yet received any specific suggestion concerning companies having the required qualifications to undertake the design of the new frigates. The only statement I have made so far is that the new frigates would be built in Canada with a Canadian design.

[*English*]

Mr. McKinnon: Madam Speaker, the minister is not quite as specific as he was last Friday about where they would be built, when he illustrated political patronage was his prime factor in awarding the contracts.

Last November, as minister of national defence I sent a memo to the chief of the defence staff and the deputy minister ordering a study to be started on a new ship replacement program to follow on after the six frigate program was finished. An interim report was to be given to the chief of the defence staff by March 15 and to the minister by the end of June. Can the minister tell the House what progress, if any, has been made on this study, and if he has been briefed on it by the chief of the defence staff?

[*Translation*]

Mr. Lamontagne: Madam Speaker, following my previous answer, the development of the frigate program follows its normal course and once the problem of the new fighters was settled I asked the department to do its utmost to suggest all possible solutions on the frigates.

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NATIONAL UNITY

QUEBEC REFERENDUM—INQUIRY WHETHER MINISTER OF JUSTICE WILL BAN PUBLICITY IN QUEBEC

Mr. Jean-Guy Dubois (Lotbinière): Madam Speaker, my question is directed to the Minister of Justice. Following the scathing criticism made this morning by PQ minister Pierre-Marc Johnson about the publicity of the federal government, does the Minister of Justice intend to put a stop to the information activities of the Canadian government in Quebec?

Hon. Jean Chrétien (Minister of Justice and Minister of State for Social Development): Madam Speaker, I do not intend to stop the publicity. I merely want to thank Mr. Johnson for having acknowledged the suitability and effectiveness of the Canadian government information program. I wish to take this opportunity to remind Mr. Johnson of a statement made on March 31, 1980, before the National Assembly by Premier Lévesque, and I quote:

It is normal for governments, if they have some sense of reality, to try, as corporations do, to obtain some information on the occasion of publicity—

Madam Speaker: Order. Could the minister answer more briefly and refrain from reading long quotations.

Mr. Chrétien: Madam Speaker, I very rarely abuse the rules and I have almost finished:

If it is related to the referendum, I would say "Good!" and I suppose you would say "Too bad!". However, this is in a context which is—

Madam Speaker: Order. The hon. member for Vancouver-Kingsway.

* * *

● (1440)

[*English*]

ENERGY

NATIONAL ENERGY BOARD APPROVAL OF NATURAL GAS EXPORTS

Mr. Ian Waddell (Vancouver-Kingsway): Madam Speaker, I have a question for the Minister of Energy, Mines and Resources. Perhaps I can call him what Vancouver journalists called him, "the charming minister, the charming member".

Some hon. Members: Hear, hear!

Mr. Waddell: He will need all his charm. Yesterday, the National Energy Board approved the export of enough natural gas to finance prebuilding the southern portions of the Alaska Highway gas pipeline, thereby making a complete farce of its own hearings on the prebuild.

My question is this: In view of the fact that the National Energy Board has obviously prejudged the issue, can the minister assure the House that he will stand by his own position of last December 6 when he stated in the House that such exports would amount to—and I use his words—"the greatest sellout in Canadian history"?

Hon. Marc Lalonde (Minister of Energy, Mines and Resources): Madam Speaker, I would refer the hon. member to a press release which I issued yesterday following the statement by the National Energy Board, in which I indicated that this report by the Energy Board "did not imply that the government was now prepared to approve new gas exports". This matter will be decided by cabinet—

Mr. Hnatyshyn: When?

Mr. Lalonde: In due time, after we have had further consideration of this whole issue. More particularly, the "key factor in the ultimate decision will be the status of the Alaska sections of the pipeline". This is all in the press release which was issued yesterday, and we stand by the position we have taken.

Mr. Waddell: Madam Speaker, I have a supplementary question. The Minister also said to the press yesterday, and I will use his words, that "Canada was taking every step possible to pave the way for prebuilding the project". Senator Olson, who is also responsible in this matter, has approved equipment purchases for the project. On April 21, in Calgary, he said that he expected legislative authority or legislation in this House within the next three to five weeks. and in the Senate yesterday he said that he was prepared to agree to the prebuilding, this summer, of a portion of the project.

My supplementary question is this, first of all: Who is right? Has the minister made a decision, or not? Is Senator Olson right, or is the minister right? Further, did Senator Olson's statements mean that the Government of Canada has received assurances from the government of the United States that the whole Alaskan gas pipeline can be built?

Mr. Lalonde: Madam Speaker, I am afraid that the hon. member is trying to introduce confusion where there is none. When he quoted that excerpt from my press release, he could have gone on to read as follows:

—Canada was taking every possible step to pave the way for prebuilding the southern sections, and that it was now incumbent on the United States to do the same by demonstrating that the northern sections of the pipeline and the entire project would be completed in an expeditious and timely manner.

This is the position of this government and all ministers of this government.

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[*Translation*]

THE CONSTITUTION

INQUIRY WHETHER DRAFT AMENDMENTS WILL BE SUBMITTED TO PROVINCES

Hon. Roch La Salle (Joliette): Madam Speaker, my question is directed to the right hon. Prime Minister. Like many other Canadians, he is surely aware of the attitude of several of his provincial counterparts with regard to the status quo or sovereignty, because rejection of both options manifests itself in the same way. In the context of his new federalism, is the right hon. Prime Minister in a position to say, with a view to throwing some light on the subject for thousands of Canadians, whether that attitude goes to the point of intending to submit the draft of a new constitution to the provinces?

Right Hon. P. E. Trudeau (Prime Minister): If it could induce the hon. member for Joliette into joining the No forces, I should be tempted to say yes.

Mr. La Salle: Madam Speaker, you will understand that it is clearly not enough to convince those who are tempted to vote yes at the present time, to hear the right hon. Prime Minister refuse to throw some light on the matter. It is obvious the premiers—and they are people with responsibilities—want a meeting to be convened shortly after the referendum, regardless of its results. It is obvious that the federal government will also have to discuss the matter with the Quebec government. Can the right hon. Prime Minister say whether he intends to submit the draft of a new constitution, which would be of

interest in any event at least to those who might be tempted to vote no? But the right hon. Prime Minister should not be surprised if his new federalism is found lacking, and undeserving of trust after the experience of the past 12 years.

Mr. Trudeau: Madam Speaker, the government has made two proposals for a new constitution to the House. It did so in June of 1978 when we tabled the white paper entitled "A Time for Action". We also tabled a bill, namely Bill C-60. A report was also prepared at the request of the government, that of the royal commission of inquiry chaired by Messrs. Pepin and Robarts. A royal commission of inquiry was also set up by the federal government, that of Mr. Pearson, namely the Laurendeau-Dunton commission. So the hon. member should not forget that this government and former governments of Liberal allegiance have made several proposals on a renewed federalism. What he seems to forget, Madam Speaker, is that when Premier Lévesque came he always refused to discuss the proposals saying they were "too little". That was his way of ensuring that the status quo be maintained because, as we know, what he wants is independence. The hon. member should also know that.

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[*English*]

AIRPORTS

CAMPAIGN PROMISE TO IMPROVE FACILITIES AT MOUNT HOPE

Mr. Geoff Scott (Hamilton-Wentworth): *Madame le Président*, on Monday the Minister of Transport said that the government would honour the Conservative administration's $45 million commitment to expand the Hamilton civic airport at Mount Hope, and then he added "if it makes sense". The hon. member for Hamilton East said the following on January 25:

—$45 million would provide facilities that are primitive at best; the Liberals stand by their commitment to spend $100 million to upgrade the airport.

In view of that campaign statement by his colleague, I ask the Minister of Transport if those gentlemen have their act together yet. If $45 million may not make sense, can we take from that that the government intends to honour its $100 million campaign promise?

Hon. Jean-Luc Pepin (Minister of Transport): Madam Speaker, my information is that the previous Liberal government never made a promise of giving $100 million to this project.

Some hon. Members: Oh, oh!

An hon. Member: Your colleague did.

Mr. Pepin: No, sir. My information is that the immediate previous government—theirs—simply passed a resolution in cabinet expressing the wish, the desire, the intention or the principle of allowing $45 million for this project.

I suggest to you, Madam Speaker, very simply that the assessment of what is needed to be done at that airport is not completed yet. This is what is taking place now on the ground side as well as on the air side. When this is done, we will assess what needs to be done and direct the necessary funds to do it.

* * *

AIR CANADA

SERVICE OUT OF HAMILTON—EFFECT ON NORDAIR

Mr. Bill Kempling (Burlington): Madam Speaker, I have a supplementary question which is directed to the Minister of Transport. Air Canada opened an office in downtown Hamilton a few months ago, and a senior official at that opening said Air Canada would be offering a service out of Hamilton once the new airport facilities were arranged at Mount Hope.

I want to ask the minister what effect this will have on Nordair. What effect will it have on the purchase offers which have been tendered to the government for the Nordair shares held by Air Canada on behalf of the government?

Hon. Jean-Luc Pepin (Minister of Transport): No effect at all, Madam Speaker. This is a different question entirely. My department is trying to make sure that Nordair will stay there and will continue to operate from that airport. There are ideas being expressed there are possibilities that Air Canada might also operate from that airport, on other routes, obviously. This is what is being assessed now. It is a bit of a vicious circle, as usual—one wants to know what the traffic will be in order to find out what kind of terminal one needs.

Mr. Nielsen: Like Pickering.

Mr. Pepin: So we have to break through this vicious circle, and we are working on that at the moment.

* * *

FINANCE

RESULTS OF MEETING OF INTERNATIONAL MONETARY FUND—ASSISTANCE FOR LESS DEVELOPED COUNTRIES

Mr. Bob Ogle (Saskatoon East): Madam Speaker, I had hoped to address my question to the Minister of Finance, but I see that he has left the chamber. Therefore, I will address it to the Secretary of State for External Affairs.

● (1450)

The Deputy Prime Minister and Minister of Finance is well known for his activities and interest in the north-south dialogue, the discussions that go on between the rich and the poor countries today which are even more important because the staggering differences become more clearly visible: for example, 800 million people are now living in destitution and 30 million children die each year from starvation.

I would like to ask the Secretary of State for External Affairs whether he has had an opportunity to discuss with the Deputy Prime Minister and Minister of Finance the meeting that was held last week in Europe of the International Monetary Fund. Also, can he indicate what was the result of that meeting in relation to the problems of north-south countries, particularly countries like Jamaica which are staggering under the debt load that the world currency crisis now causes?

Hon. Mark MacGuigan (Secretary of State for External Affairs): Madam Speaker, I have not yet had a report on that particular meeting from the Deputy Prime Minister and Minister of Finance, but the whole subject of north-south dialogue and all the related concerns which the Deputy Prime Minister, and Minister of Finance, and other members of the government have been so aware of in recent years, are very much before the government.

There is a special session of the United Nations dealing with this problem this year, and I can assure the hon. member that this is one of our foremost concerns in international affairs.

Mr. Ogle: Madam Speaker, in the recent report of the Independent Commission on International Development Issues, former West German Chancellor Willy Brandt asked that governments bring the subject of north-south disparities before their parliaments as a matter of the utmost urgency.

Is the minister ready to advance this debate in the House at this time, so that Canada, instead of just joining in the heightening of international tensions could be a forerunner in responding to global development needs, which are not a side issue but a matter of survival today?

Mr. MacGuigan: Madam Speaker, as the House knows, the government has already taken the initiative of establishing a task force in this particular area and, of course, these issues will be before the parliamentary committee and also before the House in due course.

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THE ADMINISTRATION

VISIT OF CABINET MEMBERS TO BRITISH COLUMBIA—REASON THEREFOR

Mr. F. Oberle (Prince George-Peace River): Madam Speaker, my question is for the Prime Minister. It is in respect of the rumour that has been circulated that nine government ministers are embarking upon a mission to that land beyond the Rockies called British Columbia.

Could the Prime Minister tell the House the specific objectives this mission is to accomplish? Also, will he give us an indication of the message this mission is to convey, so that we who come from this strange land can prepare a climate of hospitality with which such important delegations are usually received, and in order that the mission will not end up as a "mission impossible"?

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, I am surprised that the hon. member calls British Columbia a strange land. It is a very beautiful land and a very integral part of Canada.

Some hon. Members: Hear, hear!

Mr. Trudeau: I am also surprised that he feels this matter coming up is the subject of rumours. If he had been tied into his constituency he would know that the government of British Columbia has been seeking a meeting with our government for many weeks now. Unfortunately, we have been unable to take enough ministers out west to go to that meeting, but fortunately on the occasion of the visit of the Prime Minister of Japan we have planned parts of the discussions in British Columbia with the Japanese Prime Minister. On that occasion we will have several federal ministers in British Columbia dealing with their counterparts on many subjects of mutual concern.

Mr. Oberle: Madam Speaker, in that context, maybe the Prime Minister could undertake to put members on this side of the House on the mailing list of the political minister who sits in th other House and who, indeed, organized and co-ordinated the mission with those who are to receive it out there.

Could the Prime Minister, specifically, say whether the ministers are prepared to discuss such things as the port of Prince Rupert and agreements with the British Columbia Railway regarding hopper cars, particularly since the Minister of Transport is one of the ministers going out there? More specifically, will they be prepared to discuss some of the commitments made by the former government, and is the mission prepared to reaffirm and underline those commitments again?

Mr. Trudeau: Madam Speaker, I will be happy to accede to the request of the hon. member. I am sure that he is on the mailing list of this government. I think we do everything we can to keep members opposite in touch with their constituents.

Some hon. Members: Oh, oh!

Mr. Trudeau: On the subject matters of the discussions, Madam Speaker, there is a very full agenda put together bilaterally by the government of British Columbia and ourselves.

* * *

ENERGY

JURISDICTION OVER OFFSHORE OIL

Hon. James A. McGrath (St. John's East): Madam Speaker, in the absence of the Minister of Energy, Mines and Resources I will ask my question of the Prime Minister.

A few days ago the government of Newfoundland, through its spokesman, the minister of energy, indicated it had received no communication from this government of Canada as to its position regarding the dispute with Newfoundland over the

jurisdiction of offshore oil. I would ask the Prime Minister whether it is still the position of his government to refer this matter to the Supreme Court of Canada and, if so, when will such reference be made?

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, I cannot speak on the statements of the Newfoundland minister, but this government has made very clear what our position was, and is. It is twofold: it is that if proprietory rights have to be decided, they should be decided by the Supreme Court of Canada and not by any unilateral action either of the provincial government or of the federal government.

I think the hon. member would agree with that, that only the Supreme Court of Canada can decide, in the final instance, what the constitution says about ownership offshore. I regret, in that regard, that we have not been able to get from the province of British Columbia consent to a joint—

An hon. Member: Newfoundland.

Mr. Trudeau: Newfoundland, consent to a joint—

An hon. Member: It is on the other coast.

Mr. Clark: There are three coasts, the Atlantic, the Pacific, and the Arctic.

Mr. Trudeau: I know, Mr. Clark, but I don't lose my luggage when I go to one coast.

Some hon. Members: Oh, oh!

An hon. Member: What about John Munro?

Some hon. Members: Oh, oh!

An hon. Member: You lost B.C., and you lost a minister.

Madam Speaker: Order.

Mr. Trudeau: Madam Speaker, as to the second part of our policy, it is to state again to Newfoundland what we have stated many times before, that if it wants to set aside the question of ownership and work out an administrative arrangement which will be advantageous to the province in money terms and in administrative terms, it just has to look at the agreement that was signed a few years ago by the three maritime provinces.

We are prepared to set aside any discussion of ownership to reach an agreement which would be advantageous to the people of Newfoundland in money and in administrative terms.

Some hon. Members: Hear, hear!

Mr. McGrath: Madam Speaker, the Prime Minister knows that the agreement with the maritimes is not acceptable to Newfoundland. The Newfoundland government has also indicated that if this matter is not resolved to its satisfaction, even if it is referred to the Supreme Court during that period, it is prepared to use the powers it already has to hold up production of the very important Hibernia well which is now commercially viable.

My question to the Prime Minister is: In view of the fact that the Newfoundland government indicated in a statement this week that it is prepared to negotiate, and in view of the position it has taken regarding its difference of opinion with the federal government—that is, to hold up production if there is not settlement—is the Prime Minister and is the Government of Canada prepared to accept the good will expressed by the Newfoundland government and immediately sit down and negotiate?

Mr. Trudeau: Madam Speaker, would the hon. member mind clarifying his statement about holding up production? I did not understand what that reference was.

Mr. McGrath: Yes, Madam Speaker, I would be glad to. I am referring to a statement made on Monday by the minister of energy and mines for the province of Newfoundland, in which he stated that the Newfoundland government was prepared to use the powers it already has to hold up commercial production of the Hibernia well until this matter—that is, the dispute with this government—is resolved to its satisfaction.

I say that is a very important new development. In view of that very important new development, and in view of the importance of the potential of the Hibernia well to eastern Canada, will the Prime Minister at least order his Minister of Energy, Mines and Resources to immediately sit down and negotiate with the Newfoundland government?

Mr. Trudeau: Madam Speaker, it does not seem to me that the context quoted by the hon. member is very conducive to fruitful negotiations. If the minister of the Newfoundland government is stating that unilaterally they will take measures to hold up production of something over which their ownership is not established, I would hope that the minister of Newfoundland would reconsider his position.

* * *

● (1500)

NUCLEAR ENERGY

NATIONAL INQUIRY INTO DOMESTIC AND INTERNATIONAL POLICY—GOVERNMENT POSITION

Hon. Ray Hnatyshyn (Saskatoon West): Madam Speaker, I had a question for the Minister of Energy, Mines and Resources, but I see he is not present; therefore, I would like to direct it to the Prime Minister.

Our government initiated a national inquiry into domestic and international nuclear policy in Canada. Is it the intention of the Prime Minister to reconvene that national inquiry so that Canadians may have an input and there can be an assessment with respect to the direction of our national nuclear policy?

Mr. Roy MacLaren (Parliamentary Secretary to Minister of Energy, Mines and Resources): Madam Speaker, there is no intention at the moment to begin a public inquiry of the type the hon. member has raised but, rather, to pursue an internal review as the Minister of Energy, Mines and Resources announced a few days ago.

Mr. Hnatyshyn: Madam Speaker, that announcement will come as a very great disappointment to literally hundreds of thousands of Canadians who feel they should have an opportunity to present their views on this very serious and important question.

My question to the parliamentary secretary, in view of the fact that he is answering on behalf of the minister, is: Will he be able to table as soon as possible the terms of reference with respect to an internal inquiry, and will the minister be in a position to let us know precisely the nature of that inquiry? Will the inquiry be open, and will the people of Canada have an opportunity to participate, whatever form it may take?

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, I was involved in the discussions of this matter with the parliamentary secretary and the minister. On behalf of the government, I would like to explain why we are not at this time organizing a public inquiry: it is because the time schedule for keeping our industry viable is very, very short.

We are now in danger of seeing the Canadian industry become obsolete and lose its chance to sell in other countries of the world unless we make some quick decisions on some basic questions. It is in order to get these quick decisions that we in the government want to establish our own policy in a firm way.

There is no intention of preventing the Canadian public, concurrently or subsequently, from participating in various ways and expressing their views, but we cannot wait for a long inquiry to decide whether we stay in the game or get out of the game. That is the essence of the situation.

Mr. Hnatyshyn: That is not the question. Shameful.

* * *

NATIONAL DEFENCE

DEFENCE PROCUREMENT CONTRACTS—ALLEGED DISCRIMINATION IN AWARDING

Mr. Ray Skelly (Comox-Powell River): Madam Speaker, I direct my question to the Minister of National Defence. It is based on the remarks which he made in the House last Friday.

Could the minister explain why he is discriminating against industry in western Canada and in Atlantic Canada in defence procurement contracts? Could he also explain why work on the F-18 which was earmarked for British Columbia was moved from that area to central Canada, and why he committed in this House last Friday the work associated with the frigate program to Quebec without offering a fair share to the people of British Columbia and Atlantic Canada? Also, why has the minister not made available full details and fair opportunities on the new truck acquisition, choosing to make vague promises to the province of Quebec, rather than outlining how such a contract of defence procurement could help the government's national industrial strategy?

[*Translation*]

Hon. J. Gilles Lamontagne (Minister of National Defence): Madam Speaker, I think the question put by the hon. member of the New Democratic Party is rather lengthy and would take some time to answer, but I can say this, in general: when we are discussing various contracts and supplies for the Department of National Defence, we take into consideration the basic principle of the Canadian confederation, namely, the equitable distribution of the economic impact throughout Canada—that means all provinces, including Quebec, British Columbia and Ontario. That is the principle we apply when giving out the various contracts we must award.

* * *

[*English*]

PRIVILEGE

MR. ROBERTS—REQUEST FOR WITHDRAWAL OF LANGUAGE USED BY HON. MEMBER FOR VANCOUVER SOUTH—RULING BY MADAM SPEAKER

Madam Speaker: Yesterday, the hon. Minister of State for Science and Technology and Minister of the Environment (Mr. Roberts) questioned the language used by the hon. member for Vancouver South (Mr. Fraser). I indicated that I would check *Hansard*. I had said that I had not heard the hon. member for Vancouver South say anything which seemed to me to be unparliamentary. I have checked *Hansard* and found that the statement of the hon. member for Vancouver South was as follows:

> They have completely circumvented the right of the hon. member for Peterborough to raise that matter in this House on behalf of his constituents and receive an honest answer from a government which, in this case, is not only acting dishonestly, but shabbily.

The words which presented the difficulty are not directed to individual members of the House but, rather, to the government. I must rule as my predecessors, that such words directed to the government collectively are not unparliamentary.

MR. WADDELL—COMPOSITION OF CANADA-UNITED STATES INTERPARLIAMENTARY DELEGATION

Mr. Ian Waddell (Vancouver-Kingsway): Madam Speaker, I rise on a question of privilege. On May 23, which will be coming up shortly, the Canadian-United States interparliamentary group will be going to San Diego for a conference. With respect to this conference, there are only two members of the New Democratic Party who are able to go.

Some hon. Members: Oh, oh!

Mr. Waddell: They are the environment critic and the finance critic. The seminars which are being held at the

conference—and I have examined the itinerary in some detail—involve the environment, Canadian-American relations; finance, Canadian-American relations; and energy, Canadian-American relations. As the energy critic for our party, I am not invited to attend, even though very important questions came up in the House today.

The delegation consists of seven senators and they are going by chartered jet from here to the conference. It seems to me that this is a great cost to the Canadian taxpayers because we as members have the privilege of an allotted number of flights. This delegation could fly to the west coast and take another flight from there.

As a member of the House of Commons, I object because this infringes on my privileges as a member and because, instead of a proper delegation representing Canada, it is a delegation, as I have said, of senators who do not do anything with respect to—

Some hon. Members: Oh, oh!

Mr. Waddell: —these matters and they have no responsibilities. I am raising a serious matter of privilege, Madam Speaker.

Some hon. Members: Oh, oh!

Mr. Waddell: I note that members of the Liberal party and the Conservative party are prepared not only to subsidize these senators to enable them to attend, but to fly them there in a chartered jet. I think that it is a shame for the Canadian taxpayer and that it infringes on my privileges as a member of the House of Commons.

Mr. Baker (Nepean-Carleton): There is not a dry eye in the House, Madam Speaker.

Madam Speaker: I am not quite sure whether I can accept the question of privilege raised by the hon. member. It seems to me that the formation of delegations to meetings of interparliamentary associations is a matter that is dealt with among the members, and I am sure that the New Democratic Party had a representative at the meeting when that particular delegation was decided upon. I suppose that the hon. member is entitled to raise some complaint in the House, but I am not sure that it should be addressed to the House.

Would the hon. member please address himself, rather than to the House, to the whips or committees which have the responsibility of forming these delegations. The hon. member for Nepean-Carleton (Mr. Baker).

Mr. Waddell: Madam Speaker, I understand that—

Some hon. Members: Order.

Madam Speaker: I have given the floor to the hon. member for Nepean-Carleton.

Business of the House

BUSINESS OF THE HOUSE

WEEKLY STATEMENT

Mr. Baker (Nepean-Carleton): Madam Speaker, I was worried that the government House leader would not hear me over the din coming from the end of the chamber. I wonder if I could ask the House business question today. Could the President of the Privy Council give us some indication what we will be dealing with later this week and, if possible, into next week?

● (1510)

[*Translation*]

Mr. Pinard: Madam Speaker, as was announced yesterday we will proceed today with the consideration of the bill to revise the Bank Act. We will interrupt it tomorrow to study legislation to promote public safety in the transportation of dangerous goods and, if possible, legislation to implement the International Convention for Safe Containers, that is Bills C-18 and C-21. Next Monday, as all members know, the Prime Minister of Japan will address Parliament in this House. Question period will therefore begin at 4.30, following which we will resume consideration of the bank legislation. I hope that by the end of next week we will be able to complete our consideration of bills on the Small Businesses Loans Act, the Employment Tax Credit Act and the Federal Business Development Bank Act.

I also intend to allot an opposition day next week. I will specify the exact day later on after consultation with the House leaders of both opposition parties, but there will definitely be an opposition day next week.

[*English*]

Mr. Baker (Nepean-Carleton): Madam Speaker, I want to thank the President of the Privy Council for that information. A couple of questions arise with respect to House business. The first is the continuation of the throne speech debate. Now that we are consider allotted days, would the minister consider finishing off the throne speech debate? A number of members want to speak. I am particularly interested in hearing a speech to be made by the hon. member for Joliette and I know that others in the House want to have the opportunity to make a contribution.

The other matter has to do with the question of allotted days. In the past, a practice has been developed whereby a schedule of allotted days might be submitted to the leader of the government for discussion. If that is agreeable to him, I will be glad to prepare a schedule.

Last week I asked the minister about the possibility of a reference that would permit the parliamentary delegations that go out across the country—and indeed across the world from time to time—to report to the appropriate standing committee. Has the minister considered that? Perhaps he has not had time to do so but I would appreciate it if he would. I undertake that there would be no debate with respect to this matter.

Business of the House

Mr. Knowles (Winnipeg North Centre): Madam Speaker, my question is supplementary to the one about House business. We have had some discussion about certain matters that might be referred to committees. I wonder if the government House leader would consider a reference to a committee, whether standing or special, of the report of the Canadian Human Rights Commission? As he knows, there are some pretty important recommendations in that report and it seems to some of us that it should be considered.

May I also ask him, following the questions asked earlier today by the hon. member for Saskatoon East, whether consideration could be given to a day's debate on the north-south situation as recommended by Willi Brandt to all independent parliaments.

[*Translation*]

Mr. Pinard: Madam Speaker, first of all I should like to reply to the three questions which the House leader of the official opposition has asked. We have interrupted the throne speech debate to have more time to deal with bills which have accumulated because of the two elections we have had within a year. My hon. colleague is well aware that this week, thanks to the co-operation of all parties in the House, we have come to an agreement to dispose of the supply bills, which is already a giant step.

On the other hand, there are several bills which are urgent and must be adopted by June 30. That is why I cannot confirm to my colleague that we shall resume and complete the throne speech debate before the end of June. This remains a possibility, although highly improbable, because of the accumulated legislation we must deal with. If everything goes well and if all parties continue to co-operate the way they have this week, we might complete the throne speech debate before our summer recess and hopefully before September 1.

As to the hon. member's second question concerning the allotted days—

An hon. Member: September 1?

Mr. Pinard: Yes, I said September 1, and I hope it will be earlier.

As to the allotted days, I fully agree with my hon. colleague. I have asked my officials to set a number of dates which they will discuss with the House leaders of the other parties. We shall then try to come to an agreement on these dates before the summer recess, if there is one.

The hon. member raised a third question, namely: Should the reports of our foreign delegations be referred to House committees?

I think I mentioned before that that is a suggestion we will take into consideration. We have not decided anything in that regard. We shall have to decide whether consultations will take place and we shall also consult members of the New Democratic Party. If a decision is reached, I assure my colleague we shall inform him in due course.

In his first question the hon. member for Winnipeg North Centre inquired about a committee on the Human Rights Commission report. This is an excellent suggestion worth considering and I shall report to him on it as soon as possible.

We must also keep in mind that the committees are already quite busy with the consideration of the main estimates. We are studying the possibility of striking a special committee to which would be referred the reports of the Commissioner of Official Languages. There should be an agreement on that matter soon. I would say offhand his suggestion is a positive one. I would not commit myself today but I shall give it serious consideration.

The same can be said about his last suggestion of a one-day debate on north-south relations. It is interesting and I shall make our position known about it without delay.

[*English*]

Mr. Baker (Nepean-Carleton): Madam Speaker, the reference of the hon. gentleman with respect to the joint committee on the Official Languages Act brought to mind something that I wanted to convey to him so I take the opportunity of doing it now. If he would put down that reference, we are prepared to have it go to a joint committee without debate in order to save time.

Mr. Knowles: Madam Speaker, I wonder if a decision on that might be delayed for an hour or two. I had said that we would be willing to agree to that being put, with a limitation of one speaker per party. Now the suggestion comes that there be no speakers. I should like the opportunity to consult and perhaps we can come to an understanding later this afternoon.

Mr. Baker (Nepean-Carleton): All right.

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PRIVILEGE

MR. DOMM—PARKS CANADA—PROPOSED RELOCATION OF REGIONAL OFFICE FROM CORNWALL TO PETERBOROUGH

Hon. Ed Lumley (Minister of State, Trade): Madam Speaker, I rise on a question of privilege as a result of a debate which took place in the House yesterday when a question of privilege was raised by the hon. member for Peterborough (Mr. Domm) and in which the hon. member for Vancouver South (Mr. Fraser) joined. Several statements were attributed to me, Madam Speaker, which unfortunately are not correct.

The hon. member for Peterborough stated as reported on page 572 of *Hansard:*

The hon. member for Stormont-Dundas (Mr. Lumley) advised the media the day after that he and the minister—

Meaning my colleague, the hon. Minister of the Environment (Mr. Roberts), who is responsible for Parks Canada.

—thought the same.

That statement is totally incorrect, Madam Speaker.

Madam Speaker: Order, please. I am sorry to have to interrupt the hon. minister but I made a ruling on that question of privilege yesterday. I would have needed notice in order to entertain the remarks that the hon. minister has to make.

* * *

POINT OF ORDER

MR. S. ROBINSON—NOMINATION OF MEMBERS FOR STANDING JOINT COMMITTEES

Mr. Svend J. Robinson (Burnaby): Madam Speaker, my point of order is with respect to the appointments to be made by this House to the joint parliamentary committees of the other place and the House of Commons. I am concerned members of the other place have for some time now had their nominations put forward for those committees and that this House has not taken any action to appoint our nominees.

There are a couple of committees which we are particularly concerned about, including the Joint Committee on Regulations and Other Statutory Instruments which has a very heavy work load and which should be getting under way in the very near future. I have requested on several occasions the Parliamentary Secretary to the President of the Privy Council (Mr. Collenette) to take this matter in hand and I have received yet another note that the matter is possibly going to be dealt with next week. I would hope that we could deal with some dispatch with this important question.

• (1520)

Mr. D. M. Collenette (Parliamentary Secretary to President of Privy Council): Madam Speaker, it is correct that I did inform the hon. member today that we hoped within the next week to make nominations from the House of Commons to these special joint committees and I would ask for the hon. member's patience. There has been a lot of work going on in the last week or so in the organizing of the House. It is not our intention to delay, and we hope within the next week that everything will be sorted out.

ROUTINE PROCEEDINGS

[*English*]

CONFLICT OF INTEREST

TABLING OF CORRESPONDENCE RESPECTING GUIDELINES

Hon. Yvon Pinard (President of the Privy Council): Madam Speaker, as the right hon. Prime Minister (Mr. Trudeau) undertook to this House a fortnight ago, I should like to table in his name, in accordance with the provisions of Standing Order 41(2), copies in both official languages of correspondence which the Prime Minister has sent to all ministers and parliamentary secretaries concerning this government's conflict of interest guidelines.

* * *

VETERANS AFFAIRS

DELEGATION TO THE NETHERLANDS ON THIRTY-FIFTH ANNIVERSARY OF LIBERATION

Hon. Daniel J. MacDonald (Minister of Veterans Affairs): Madam Speaker, I would like to remind hon. members that May 5 is the thirty-fifth anniversary of the liberation of Holland. Those five dark years of oppression through the Second World War came to an end for that country, but at the cost of thousands of Canadian lives.

I shall lead an official delegation to The Netherlands from May 2 to 9. This delegation will include four senior Second World War Canadian military commanders and representatives of the Royal Canadian Legion and National Council of Veterans Associations. I will also have with me two members of the Senate, two members of the House of Commons and one winner of the Victoria Cross, the Commonwealth's highest decoration for gallantry during the liberation. We will renew the bonds of friendship and respect which have linked the Dutch and Canadian people for well over a generation. We will also share with our Dutch friends deep feelings of sadness for the more than 7,000 young Canadian servicemen who died in that struggle of 35 years ago and now rest in Dutch soil.

The passing years cannot erase in our minds the memory of those gallant men who paid, with their lives, the cost of those great ideals which our countries have come to share and stand for: democracy, freedom and justice.

We can find comfort in the knowledge that Canada's sacrifice from every province of our country and that of thousands of Dutch people during those years was not in vain. The people of Holland rose from the ashes of their war-devastated country to great heights of renewed nationhood. Since that time, 35 years ago, Holland and Canada have enjoyed a fruitful, rewarding relationship, a relationship which will continue to blossom just as The Netherlands Royal Family's annual gift of tulips does here in Ottawa each year around this time.

The links and memories that unite us are strong. We will ensure that they are never allowed to fade. We must also be vigilant to see that the ideals for which Canada fought, and

preserved, are not lost but always held high. We will continue to maintain a vigilant guard over the legacy which thousands of Canadians have bequeathed to us on the battlefields of northwest Europe.

Some hon. Members: Hear, hear!

Mr. Dan McKenzie (Winnipeg-Assiniboine): Madam Speaker, I welcome the opportunity to join with the Minister of Veterans Affairs (Mr. MacDonald) in remembering the thirty-fifth anniversary of the liberation of Holland. I am sure the minister and his party will receive a very warm welcome.

I should also like to mention the great care and dedication that the Dutch have demonstrated in the maintenance of the graves of those 7,000 young Canadians buried in their soil. Canadian families visiting Holland have always commented on the sympathetic understanding of the people of Holland in this regard.

As the minister so correctly pointed out, our two countries have come to share a stand for democracy, freedom and justice. However, I feel we in this country have been somewhat remiss in our attention to the justice we have meted out to our veterans who returned to Canada. To this end I would call upon the minister to use this occasion to reintroduce the former Bill C-28, the Progressive Conservative legislation of the last Parliament which took the first step in measuring out some of the justice to which the minister now refers. Had a spirit of justice existed in this House when the former minister introduced Bill C-28, the opposition parties would have adopted the attitude of co-operation necessary to get this legislation through.

I congratulate the minister on the recognition he is giving this thirty-fifth anniversary of the liberation of Holland and call on him to provide some economic liberation to veterans and widows of veterans in Canada.

Some hon. Members: Hear, hear!

Hon. Stanley Knowles (Winnipeg North Centre): Madam Speaker, my colleagues and I also feel that it is appropriate for us to recall that day, May 5, 1945, when Canadian forces participated in the liberation of Holland. We think it is appropriate that we pause today to remember in particular the sacrifice of more than 7,000 lives of young Canadians, and, with the minister, we say that we shall never forget them. May we also never forget their survivors and their families.

We are glad that the minister is taking a delegation over to Holland this next week. We know, because of the warm relationships that exist between the Dutch people and the people of this country, that the delegation will have an interesting and enjoyable experience.

As I said, we join with the minister, and with all members in this House in remembering the sacrifices made by Canadians. Let us remember them in every way we can.

Some hon. Members: Hear, hear!

THE ENVIRONMENT

ESTABLISHMENT OF CANADA-ONTARIO TASK FORCE RESPECTING POLLUTION CONTROL

Hon. John Roberts (Minister of State for Science and Technology and Minister of the Environment): Madam Speaker, I wish to inform the House that my Ontario colleague, the hon. Harry Parrott, is announcing today the publication of a new draft pollution control order covering Inco's smelter complex in Sudbury.

Mr. Baker (Nepean-Carleton): Thank God for the Tories in Ontario.

Mr. Roberts: I wish to congratulate Dr. Parrott on the step he is taking; I know it was not an easy decision. I believe it is an important and courageous one. This draft order will be the subject of public meetings to be conducted over the next few weeks. This decision, which I salute and support, results from close co-operation between the federal and provincial governments in the sharing of research and detailed information.

The intent of the new order is to ensure that there is no increase in sulphur dioxide emissions from Inco, Sudbury, that reductions reflecting present developments in the production process, pyrrhotite rejection, be implemented in two years, and that detailed examination of specific technological means of reducing the emissions still further be undertaken by the company on an urgent basis.

An Ontario-Canada task force will be established to consider the implications of Inco's control options as well as those which might be developed for Falconbridge smelters in a wider environmental and socioeconomic context. The task force will also provide governments with an independent technical capacity to assess such options.

Our belief, based on existing studies, is that Inco is able to absorb the expenditures which may be required by a major emission reduction program. There is, however, a need to be sure that we fully understand the broader socioeconomic and environmental implications of alternative control methods. The joint study will also assist in providing the future basis for developing the most satisfactory mix of control strategies. That is why we are establishing the joint task force.

Members of the House I hope are aware of the government's efforts to develop an effective air quality agreement with the United States. Action within Canada against the largest single emitter of sulphur dioxide will have important results. I will strengthen Canada's case and encourage my counterparts in the United States in their attempts to develop control policies aimed at reducing acid causing pollutants. Reductions in emissions from the Sudbury region will also benefit areas within Canada downwind from Sudbury which are particularly susceptible to acid rain.

I would like to elaborate briefly on those two points. With regard to the first, as hon. members know I met with environmental protection agency administrator Costle and Secretary of the Interior Cecil Andrus on April 18 in Washington. I expressed Canadian concerns for the proposed coal conversion

program which could result in increased sulphur dioxide emissions. I also made it clear that Canada remains committed to drastic reductions in Canadian source emissions and would continue to look for a similar commitment from the United States. It was clear from that meeting that in order to secure a similar reduction from the U.S., we will need to move forward on the control of domestic emissions, as the province of Ontario is doing today.

● (1530)

With regard to the second point, the best available simulation techniques show that Inco emissions alone account for approximately 30 per cent of the sulphur deposition in Ontario. About 25 per cent of the sulphur deposited in the Ottawa area originates from the Inco operations at Sudbury. With respect to the Muskokas, which are particularly susceptible to damage from acid rain, approximately 40 per cent of the sulphur deposition originates from this source.

While I acknowledge that these simulated projections may not precisely reflect real life levels, their approximate relative magnitudes certainly point to significant benefits for the Canadian environment as a result of reductions.

I know hon. members are interested in our progress towards the bilateral agreement on transboundary air quality that the United States and Canada have committed themselves to developing. We are currently reviewing a U.S. proposal calling for the establishment of bilateral working groups to develop the basis of the agreement. This approach was successfully employed in negotiating the Canada-U.S. agreement on Great Lakes water quality. Given the length of time the development of an agreement might require, we are also seeking interim commitments to emission reductions pending completion of the formal agreement. The objective of the interim reductions commitment would be to preclude lenient interpretation of existing legislation which would allow for emission increases, apply existing legislation to effect further reductions from current levels, and identify the need for new legislation required for a long-term control strategy program.

Canadian moves to address the problems of acid rain sources in our own country will, I believe, considerably increase the chance for success in the negotiations we have now entered into with the United States.

Mr. Tom McMillan (Hillsborough): Madam Speaker, like other hon. members, I listened with great interest to the minister's statement. It is, I think, the first such statement on motions the minister has made in the House in his capacity as Minister of the Environment. Given that fact and given the forum in which he has chosen to make his statement, I was expecting something important, something major, especially in view of the importance of the subject matter. However, what we have been treated to is little more than an announcement by the federal minister that his colleague, the minister of the environment for Ontario, is making a statement elsewhere this afternoon.

I nevertheless welcome the statement of the federal minister and I especially welcome the announcement about acid rain that the Ontario minister is making in Toronto. But I am concerned on a number of counts. Coming from Prince Edward Island and the Atlantic region, I am not an uncharitable person, nor am I unkind. Yet, the temptation is almost irresistible to accuse the minister of attempting to coat-tail on initiatives being taken by Ontario. Indeed, there is the urge to accuse the minister of trying to scoop his colleague in the province of Ontario or even of seeking to share in some reflected glory from what measures have been adopted by the Ontario government.

The statement I am asked to respond to is essentially that of the province of Ontario, not of the federal government. As the Minister of the Environment (Mr. Roberts) has suggested, it took a great deal of courage for Ontario and the environment minister in particular to make the kind of statement being given this afternoon in Toronto. It took leadership. My regret is that that same kind of leadership is not being provided by his colleague at the federal level.

My party is enormously concerned about the problem of acid rain. We are concerned about the pollution emissions from Inco and we certainly welcome whatever initiatives come from either the Ontario government or the federal government.

The previous minister of the environment, the hon. member for Vancouver South (Mr. Fraser), once described the problem of acid rain as the most serious environmental problem ever to have been faced by Canada. I agree with that sentiment. Acid rain is killing our lakes, threatening our fish stocks, and devastating our forests, our wildlife and our land. The implications are profound. They are especially profound when one considers that something like three-quarters of our country's exports are related in some way, either directly or indirectly, to our natural resources, in their raw or finished state.

I remind the minister, therefore, that this is not just an Ontario problem, however important acid rain pollution may be in that province. It is a Canada-wide problem. I hope that, as the minister proceeds with his negotiations with Ontario and the United States, he will keep that fact in mind.

For example, in my own region, the Atlantic provinces, acid rain has badly hurt the salmon stocks. The ban on sport fishing of salmon is directly related to the problem of acid rain. It is thus a little worrisome that the federal government has seen fit to take the lead from Ontario. It is counting on Ontario to provide the leadership that is so badly needed. But acid rain is a trans-Canada problem and an international problem. For that reason the federal government has legitimate constitutional authority in this area and also a responsibility to provide the national leadership so badly lacking.

I want to direct my remarks now specifically to what the minister has read to us. In some places the statement is gloriously ambiguous. I welcome the suggestion that there will be an Ontario-Canada task force. I suspect, however, that it is not a terribly new measure. Negotiations have been going on between the federal government and Ontario for some time.

Presumably these consultations have also involved to some extent formal channels, machinery and procedures.

Thus I question whether such a task force is anything especially innovative, however welcome it might be. It also begs the questions, for example, of who will head it, who will comprise it, what will be its specific terms of reference, to whom will it report. I hope the minister will be forthcoming with information along those lines.

The minister has stated his priority to reach a fairly early agreement with the United States on the control of acid rain on both sides of the border. I welcome that priority. He suggested in his statement that the United States has proposed a number of consultative groups and a bilateral arrangement by which the two governments will consult, will keep one another informed, and will exchange views, leading it is hoped to an agreement of the sort I just described. My reservation is that the minister may be so preoccupied with the machinery, the formality and the procedure involved that time will be lost in actually getting the agreement accomplished that we desperately need. The minister has implied that that particular U.S. proposal will be reviewed carefully by him. I hope he will do just that.

The bilateral agreement between the United States and Canada is what we all want. There is some danger, though, that while we proceed to the agreement, time will be lost in preventing acid rain pollution from increasing.

I hope the minister will honour his commitment to seek some interim measures designed not only to prevent acid rain pollution from increasing, but also to reverse it. In that connection, I suggest that Canada must negotiate from a position of strength and that the strongest part of our foundation in negotiations with the United States must be a solid data base on acid rain pollution.

● (1540)

We require information of various kinds. For example, we need to know more about the different sources of acid rain, about how fast damage from acid rain occurs, and about the extent to which acid rain pollution is irreversible. In that connection, I would remind the minister that the former minister, who was so concerned about the problem, was able to secure from his colleagues in cabinet an agreement in principle on a substantial increase in funding for acid rain research. This priority was conveyed to the head of the U.S. environmental protection agency in January, 1980. Such a commitment was very important because it showed the strength of Canada's resolve to deal with acid rain pollution within its own borders.

The other day in the House, last Tuesday I believe it was, I addressed a question to the Minister of the Environment asking him in clear terms whether his government recognized acid rain research as a high priority and whether it planned to honour the commitment made by the previous government to increase funding for research in that crucial area. Mr. Speaker, I did not get an answer, nor have we been able to get much other information from the minister with regard to this serious problem, one which calls for a great deal of federal leadership. I hope that in future a lot more information and leadership will be forthcoming than we have seen to date at the national level.

Mr. Ian Deans (Hamilton Mountain): Mr. Speaker, I must confess I was not aware that when ministers in the Ontario legislature make statements of intent with regard to legislation and regulation they have some way of seeing that the matter is brought to the attention of the House of Commons. I think that is wonderful; I wish it could be done in every instance.

I was reading with interest a copy of the statement the minister made and I must say it would have been very helpful if the control order had been in our hands so that we could determine exactly what the minister of the environment in Ontario means to do and the measures through which he intends to enforce the new regulations he proposes to put in place. As I read the statement, it says the new order is intended primarily to ensure that there is no increase in sulphur dioxide emissions from Inco or Sudbury. I must confess that in my view a commitment not to increase the sulphur dioxide emissions is hardly a commitment at all.

The statement goes on to say that most of the province of Ontario, at least the southern part, is suffering considerably as a result of the acid rain which results from the emissions in Sudbury and it points out that these emissions account for approximately 30 per cent of all the emissions in Ontario and for 25 per cent of the sulphur deposited in the Ottawa area.

With this in mind, to say that the new control order is designed to guarantee that pollution will not be increased hardly speaks to the problem at all. I am sure there are people in the Ontario legislature who might well be bringing to the minister's attention that he ought to be putting forward a much more forceful provision which would guarantee that this part of Ontario will no longer suffer at the hands of International Nickel, a company which, incidentally, has the wherewithal in its corporate structure to take whatever steps are necessary, at whatever financial cost, to eliminate, at least to all intents and purposes sulphur dioxide emissions.

Another part of the minister's statement which I found interesting had to do with the intent of the order, which was to ensure that reductions reflect present development in production processes. I see the minister's brows are being furrowed. He will read in the second paragraph that it is the intent of the new order that reductions reflecting present developments in the production process be implemented in two years. That, of course, when taken together with the original statement that no increase shall occur, leads one to believe we can hardly expect very much by way of a reduction in the output of emissions by International Nickel.

As far as the joint agreement is concerned, I want to say two things. First, to what extent is the Government of Canada prepared to provide money to clean up the mess which already has been created throughout most of southern and southeastern Ontario? Obviously, money will be needed. To what extent will the Government of Canada be prepared to put money into

the cleaning of the lakes which have suffered such damage as a result of acid rain? I hope the minister will address himself to that question.

In addition, the minister referred in his statement to the reciprocal reductions by the United States and the need to achieve an understanding between Canada and the United States with regard to further reductions. I suggest to the minister that when he attends this meeting and talks about the reduction in the amount of acid rain which falls on the province of Ontario and, indeed, on other parts of Canada, he also raises one point which is of considerable concern to people in the Niagara area. We seem to experience a lot of difficulty getting the government of the United States and the companies under its jurisdiction to understand that we cannot afford to have them dumping their garbage into the Niagara River. It matters not whether it is acid rain or whether it is effluent from manufacturing processes; the fact is, on the surface at least, there is long-term damage suffered by the Niagara River and also to the area of Lake Ontario where the river enters the lake, as a result of a lack of enforcible regulation and the absence of an enforcible reciprocal agreement between Canada and the United States.

I suggest to the minister that as he talks about the further negotiation of the bilateral working agreement and about the bilateral working groups which are being set up, he keeps in mind that in any discussion about the effects on either country of pollution emanating from either jurisdiction, what is happening to the Niagara River, its effect on people who live downstream in the Buffalo and Niagara area and the effect of pollution spilling into Lake Ontario be one of his primary concerns. Just as acid rain is detrimentally affecting life in our lakes, so there is no question that a lack of adequate regulation is detrimentally affecting the Niagara River and the portion of Lake Ontario which is affected by the spill-out.

I hope that whatever negotiations are undertaken will be undertaken with this in mind, and that whatever the detrimental effect has been—and it will likely be long term in terms of acid rain fall-out in southern Ontario and in the Muskoka area—there be a commitment by both the federal government and the government of Ontario to do whatever is required in order to reclaim those lakes and the surrounding foliage. We must do everything possible to restore them to full use for recreational purposes because they afford by far the finest recreation potential which Ontario has to offer; they are certainly in the forefront of Canadian recreational potential as far as the possibility of their use by families in the immediate metropolitan areas of southern Ontario is concerned.

As I said earlier, I really would have liked to see the control order. The reference made to it does not give me a lot of confidence. I have dealt with Harry Parrott before. I do not know whether the minister has. If the minister has dealt with Harry Parrott, the minister of the environment of Ontario, he will understand that at times his word is perhaps questionable.

● (1550)

I can distinctly recall statements made by the minister with regard to sanitary land fill and with regard to the disposal of liquid industrial waste and many other areas of environmental concern. Just not many weeks ago there was a statement about the closing of a sanitary land fill site and an industrial waste site in the area I represent. Just yesterday he announced that it is going to open again, and I really do think we need to adopt a measure with more teeth in it. Perhaps a minister with more teeth would be helpful. I am not talking about our minister here in this House, but I would suggest to him that he require of the provincial minister a clear indication not only of what his hopes are—because I think we probably all share his hopes—but also how he intends to implement measures to protect the environment in Ontario and how he intends to stand up to industry that undoubtedly will tell him that the costs are far too great and it will have to shut down.

That is the inevitable result of everything that is said when it comes time to sit down and negotiate the industry's financial involvement in the protection of the environment. Inevitably the response is that they can find the sources necessary for their ongoing manufacturing processes in other parts of the world. International Nickel has effectively done that in the last few years, has moved its operations substantially and reduced the emphasis that Sudbury once had in the world community for the production of nickel.

International Nickel Company will, I am sure, over the course of time, plead poverty and be prepared to run some serious risks with that community and its economy in an effort not to live up to its responsibilities. That has been the pattern; that has been the history. I think that to whatever extent this government has power in the field—and there is some question as to how much power one can exercise—legislative power or other power, it should be exercised to the fullest extent in order to extract from International Nickel the cost of cleaning up that which International Nickel itself created.

Mr. McMillan: Madam Speaker, I wonder if the minister would entertain a question about his statement. I acknowledge the contribution of the federal government in connection with the case that Ontario made against Inco as far as levels of acid rain pollution are concerned and, in particular, the studies made available to the government of Ontario by the federal minister and his department which made the Ontario case pretty formidable. But the clear impression from newspaper reports, in any event, is that the studies to which the federal government had access, and which it in turn made available to Ontario, were very much fortuitous. The federal government practically stumbled upon certain information, certain leads, and certain "deep throat" connections, as the newspaper reports described them.

Would the minister indicate whether, in his view, his department now has the research capacity it requires to proceed with all due dispatch, for example, in its negotiations with the United States, or does he think there is a case to be made for a substantial increase in federal funding for acid rain research?

If so, is the minister preparing to put before cabinet specific proposals toward that end, and when might we expect an announcement in that regard?

Mr. Roberts: Madam Speaker, I think I will reply briefly to the hon. member in two ways. Yes, I think we do have a very good capacity within the department, but it is also useful for us from time to time to hire outside consultants who can bring in specific expertise and knowledge which may not be readily available.

The second point I would like to make to the hon. member in response to the direct question in his statement today is that it is true that the previous government made commitments in principle. I think the hon. member will find that the funding of acid rain research by this government will exceed the commitments which were contemplated by the previous government.

Hon. John A. Fraser (Vancouver South): Madam Speaker, I want to congratulate my successor in the Department of the Environment for the interest he has been taking not only in his department but also in this very vital matter. I know that he and I are in absolute agreement that it is going to require the co-operation of all Canadians in order to solve it.

I would like to ask a couple of specific questions. In January two working groups were established. One was a strategy group chaired by a representative from the province of Quebec. The other was a technical and scientific group chaired by a representative of the province of Ontario. Then there was an over-all steering committee chaired by myself as federal minister of the environment, as I then was, the minister of the environment from Quebec, the minister of the environment of Ontario and a minister representing the maritime provinces.

Is that basic structure continuing and, if so, where does the federal-Ontario task force with respect to Inco itself fit into that structure? I wonder if the minister might help the House understand just how the structure is proceeding and whether it has been maintained.

While I am on my feet I would like to put another question to the minister. It is interesting that the discussion today has involved only one company. As the minister well knows, while Inco is a significant producer of sulphur emissions, it is not, by any stretch of the imagination, the only producer of sulphur emissions in Canada. In addition to that, as the minister knows, the acid rain problem involves more than just sulphur. In fact, there is evidence which certainly was available to me—and I am sure that the new minister has been made aware of it—that nitrogen emissions are becoming an increasingly large part of the acidic precipitation problem.

I noticed that the hon. member for Hamilton Mountain (Mr. Deans) confined his remarks only to sulphur, whereas in fact in Canada, as in the United States, the nitrogen oxide problem is now contributing very significantly, we think, to the over-all acidic precipitation problem.

I wonder if the minister could direct the first part of his answer to the question of the structure of this task force and how it fits in, and the second part of his answer to the question about other sources of emission. Particularly, what can we do about the increasing problem of nitrogen, which is something we cannot just blame all on Inco?

Mr. Roberts: Madam Speaker, I welcome the question; I hope I will be able to respond to all its parts. It gives me a chance, which I did not have when the hon. member was attacking me yesterday, to pay tribute to his work as minister in the environment portfolio. Much of what I am now doing is a continuation of the efforts which he has already made. I know that he and I share a very strong concern about these problems, and from time to time I will be seeking his counsel as well as his questions in the House.

I will try to respond to his specific questions. The structure has not been changed. He described it accurately, and we will be continuing with that structure. The committee which has been described, however, will be a special committee between Ontario and Canada. I am sure that the information which is produced will filter through the system, but technically speaking it will be a separate committee.

We have mentioned today specifically Inco, although there was a reference in my remarks to the Falconbridge situation, and we will be considering in the committee other sources of emissions. The hon. member is quite right—and I am dealing, I think, with his fourth point—that we are extremely concerned not simply about sulphur dioxide but also about nitrogen emissions. That is a particular concern in relation to thermal plants as sources of pollution. We are aware of that problem; we are concerned about it. The order that the hon. Harry Parrott has issued today does deal with sulphur dioxide emissions. However, the hon. member is quite right in suggesting that nitrogen oxides are equally a serious problem, and it is one to which we will be paying a great deal of attention.

Mr. Doug Anguish (The Battlefords-Meadow Lake): Madam Speaker, I would like to ask a question of the Minister of the Environment (Mr. Roberts) concerning the task force. I assume that the objective of the task force is to make recommendations to reduce or ultimately to eliminate the problem of acid rain. I was wondering if it is within the scope of the task force to look at methods of reducing the potential of the fuel that goes into the production, say, of energy or into the refining processes such as those Inco use to remove the sulphur dioxide from the product before it is used. I think the example used was coal scrubbing whereby the byproduct is used for fertilizer, and also it removes the sulphur dioxide from the coal before being used in the plant. I was wondering whether these preventative measures are within the scope of the task force.

● (1600)

Mr. Roberts: I am sorry, Madam Speaker, but I was distracted for a moment in the middle of the question; I am not sure that I understood its full purport.

The scope of the task force is to examine both the capacity to use practicably the present techniques which are available or new ones which may be refined. Also it will deal with a variety of larger issues. It extends quite widely. If I properly

understood the scope of the hon. member's question, I believe those matters which he described would fall within its consideration.

Perhaps I could check *Hansard* to see if I misled the member. I am not trying to do so deliberately, but I am not quite sure I caught all of the aspects of the question he presented to me.

Mr. Anguish: Madam Speaker, I should like to put that in the way of a supplementary question. Basically I was asking if it was within the scope of the task force to look at preventative means rather than emission control.

Mr. Roberts: Preventative means of what? We are looking at the prevention of the levels of emission which are now taking place. That is why I am not sure I understand exactly the distinction the hon. member is making between preventative means and emission control.

Mr. Anguish: The question I should like to ask of the Minister of the Environment is if he is aware that there is a process now for scrubbing coal which removes the potential harm of sulphur dioxide being given off and as a byproduct produces fertilizer? If he is aware of that, will it be within the scope of the task force to study such processes?

Mr. Roberts: Yes, I am aware of that. I am not sure whether the hon. member is referring to thermal generation or specifically to the Inco situation.

Mr. Anguish: I am referring to the problem of acid rain.

Mr. Roberts: If the hon. member is referring to acid rain, yes, we are aware of those problems. As I understand it, there are at least two techniques which appear to be practicable in relation to the Inco situation. But I think the problem he is raising in relation to washed coal, for instance, is something which is more directly related to the oil and gas conversion plans which President Carter has presented to Congress. We are looking at all ranges of possible techniques, but there are two pre-eminently which are under consideration in relation to Inco.

Mr. David Orlikow (Winnipeg North): Madam Speaker, several days ago, as reported in *The Globe and Mail*, the minister of the environment for Ontario, Mr. Parrott, was quoted as saying that while he welcomed the interest of the federal government on the question of acid rain, and particularly the problems in Sudbury as a result of the Inco operation, he made it quite clear that the decisions as to what would be done and when would be made by his government and not by the federal government.

I should like to ask the minister two questions. First, what authority will this joint task force have; and second, is the minister aware of the fact—and I do not have the report here—that in that report the Ontario minister of the environment set back by several years the date at which Inco would be required to really clean up the pollution it is creating? Has he agreed to a further delay on the part of Inco to getting rid of the pollution it is creating?

Mr. Roberts: Madam Speaker, I will reply in a twofold way. The present legislative base for action is in the hands of the province of Ontario. It is quite true, as the hon. Mr. Parrott has described, that the control order is within his authority and that it is his decision as to the issuance of that control order. Our participation at the federal level has been in the studies and the research which we believe have been very helpful to the government of Ontario in deciding to move at this point.

Our continuing role will be in studies with the province of Ontario to try to ensure that we have a sufficiently large knowledge base to be accurate as to what kind of control is possible and at what pace it should be brought forward.

The control order Mr. Parrott issued today caps the Inco emissions at the present level, which is far below the permissible levels of emission, with a provision for further lowering those levels of emission within the next two years. The third phase is the one to which our studies will be particularly directed.

I hope the hon. member understands that the order is within the legislative base of the province of Ontario, but that the province of Ontario and the Government of Canada have been working closely in a co-operative way to try to ensure that the steps taken by Mr. Parrott are taken as promptly and as efficaciously as possible.

Mr. Orlikow: If I understood the minister correctly, he said that the amount of emission now from the operations of Inco is less than the limit, but I think the minister will agree that they are far too high. Unless they are pressed to get on with the job of moving closer to the time when there will be virtually no pollution, I do not know how the minister can go down to the United States and put any real pressure on the United States to get their polluters to take the kind of action which is required, because just as our pollution moves over their land, their pollution moves over our land. Unless we can show that we are really putting the pressure on corporations polluting water, air and land, I do not know how we can expect the United States to do better than it has done, and they have not done very well up to now.

Mr. Roberts: Perhaps I have not communicated sufficiently the point I was making. The capping at the present stage is followed by a subsequent and rather immediate stage which involves a considerable reduction in the levels. As I have said publicly, my very strong belief from the information we have is that within four or five years the emission can be reduced by 50 per cent to 60 per cent. I can assure the hon. member, as a result of the conversations I have had with United States officials, that the steps we have taken with Inco will not only be welcome but I think will lead to considerable pressure for a more responsive action on their part, not only in relation to possible future problems with the oil conversion program, but also in dealing with the present problem of what we consider to

be too high emission levels in the present American polluting situation.

Mr. Svend J. Robinson (Burnaby): Mr. Speaker, I have two brief questions on the subject of the announcement today. I should like to preface them by saying that I think the House should give some recognition to the former hon. member for Nickel Belt who, as the House will be aware, campaigned long and hard to see a reduction in the level of acid rain which is taking place.

Some hon. Members: Hear, hear!

Mr. Robinson (Burnaby): He is no longer in this House, but I am sure his influence is being felt in this matter. I would ask the minister, if I might catch his attention for a moment, first: in view of the fact that it has been Inco itself which has given rise to the problems which resulted in this task force being formed, will he assure the House that indeed it will be Inco that pays the cost of this task force and not the taxpayers of Canada?

Second, I would ask whether the terms of reference of the task force will be broad enough to encompass a study of the effects of the sulphur dioxide emissions on the workers in the Inco mine and on the people of the community of Sudbury?

Mr. Roberts: Mr. Speaker, I am not sure that I understand exactly the relevance of the second part of the question. What we are dealing with here is the long-range airborne transportation of pollutant particles, whereas I understood the second part of the hon. member's question to be relating this problem to the condition of the workers in the mines. The impact of acid rain is not immediately in the area where it is generated but may fall 300 or 400 miles from the source point. So it does not seem to me, on the face of it, that the question he raised, which may be a very important one, would naturally fall within the purview of the committee. The financing of the work, which will essentially involve existing civil servants on the staffs of the two governments of Ontario and Canada, would be met in the normal way.

● (1610)

Mr. Jim Fulton (Skeena): Madam Speaker, my first question to the minister is in relation to a statement that I believe was made last week regarding emissions. The minister referred to 40 per cent to 50 per cent reduction. I wonder whether he could clarify if that was in relation to the orders which, I believe, allowed emissions of 3,600 tonnes per day, particularly in view of the relative decline in production by Inco, certainly in recent months, which has brought that down, I believe, to 2,200 tonnes per day? Would the minister comment first on the release he made, indicating whether the 40 per cent to 50 per cent reduction was on the 3,600 tonnes or the 2,200 tonnes, which is the present rate of production?

Mr. Roberts: Madam Speaker, I hope I am accurate in saying that the figures I used were that within four or five years there could be a reduction of 50 per cent to 60 per cent on 1.1 million tonnes generated each year. I do not have a calculator with me to make the calculation, but my belief is, on the basis of the information which I have received, that a 50 per cent to 60 per cent reduction on that figure could be—

Mr. Fulton: On the generated quantity?

Mr. Roberts: The hon. gentleman says "on the generated quantity". Yes, a 50 per cent to 60 per cent reduction on the generated quantity could take place over the next four to five years.

Mr. Fulton: Madam Speaker, having regard to the cost to the environment, I wonder whether the minister could comment regarding particularly those lakes that we already know are dead. Could he also comment on the relative costs? Could he give us a ball park figure on the cost to the environment to date of the pollution from Inco within Canada? I recognize there is some from outside our boundaries.

Would he also state whether in his view it is the responsibility of Inco that these lakes be revitalized, and should it be required that at some point in the future the various types of vegetation and animals whose health has been affected will have to be revitalized to bring them back as closely as possible to their original condition? Could he indicate whether in his view at this point such cost would be the responsibility of Inco, or within federal or provincial jurisdiction?

Mr. Roberts: On the first point, Madam Speaker, it is very difficult, with the state of knowledge that we have now, to link specific consequences with specific causes. It is very difficult to make that linkage. It is also difficult to estimate the over-all cost of acid rain to the environment. We know it is very, very considerable. It is easier to assess the impact in relation to lakes, and less easy at the moment to assess in relation to forestry, but we are talking of consequences in the hundreds of millions of dollars. It is difficult to trace back specific consequences in an area to specific source points. Perhaps it would be helpful to say that the Inco emission is not well over but slightly over 50 per cent of emissions in Ontario and about one quarter of emissions in the eastern part of Canada. So clearly Inco emissions represent a considerably important factor in those deleterious consequences, even though we are not able to bring exact consequences back to exact sources.

I think the second question the hon. gentleman posed, if I understood him properly, was whether Inco was able to afford to undertake these measures on its own. If that is the question, my response would be that I believe that Inco can well afford to take the steps which would be imposed to bring emissions down to 50 per cent or 60 per cent within the period I described.

Madam Speaker: When I recognize another hon. member for the purpose of asking a question we will have spent about an hour on this particular statement. I will recognize another member now, but I will ask the hon. member for Hillsborough (Mr. McMillan), who has had a chance to make an important statement and ask a few questions, if he will voluntarily defer

his questions today and pose them at another time. I recognize the hon. member for Algoma (Mr. Foster).

Mr. Maurice Foster (Algoma): Madam Speaker, since acid rain is a particular problem in northern Ontario where we have granite rock and, consequently, the water is not buffered, and where we have an inflow of pollutants from the United States mid-west and the whole industrial complex there, I should like to direct some questions to the minister.

I am aware that a certain amount of research has been going on at the Great Lakes Forest Research Laboratories at Sault Ste. Marie in northern Ontario, but I am wondering whether there is a commitment to additional funding for more research, especially in those parts of northern Ontario where we do not have the large bodies of water such as the Great Lakes to buffer the effects of these pollutants. Is there a commitment to more man-years and dollars for research to overcome the difficulties associated with the acid rain problem?

Mr. Roberts: Yes, Madam Speaker. As I tried to make clear in reply to earlier questions, considerably increased efforts in this regard were made, as a matter of principle, by the previous government. The funding for these commitments was never confirmed. It is our intent to increase the funding in relation to acid rain research beyond the figure which had been projected by the previous government. I cannot be specific on the exact details, at least at this moment, as to how much of that research will take place in various parts of the country, but I will certainly search for that information and provide it to the hon. member.

* * *

PETITIONS

REQUEST FOR SUBSTANTIAL INCREASE IN PENSIONS OF SENIOR CITIZENS

Hon. Stanley Knowles (Winnipeg North Centre): Madam Speaker, I ask leave of the House to present a petition signed by nearly 5,000 persons, mostly from Saskatchewan but also Alberta and British Columbia. The petition was produced and distributed by the Saskatchewan Senior Citizens Action Now Association, a few members of that association being with us in Ottawa today.

The petition earnestly requests a substantial increase in the amount of pensions paid to our senior citizens; it asks for consideration of ways and means to facilitate older people continuing to live in their own homes; and it makes other suggestions to enhance the dignity of our older people.

I am happy to present the petition on behalf of the nearly 5,000 persons who signed it.

Order Paper Questions

CANADA-FRANCE TRADE AGREEMENT ACT, 1933 SUPPLEMENTARY CANADA-FRANCE TRADE AGREEMENT ACT, 1935

MEASURE TO REPEAL

Hon. Allan J. MacEachen (for the Secretary of State for External Affairs) moved the first reading of Bill S-5 from the Senate, to repeal the Canada-France Trade Agreement Act, 1933 and the Supplementary Canada-France Trade Agreement Act, 1935.

Motion agreed to and bill read the first time.

* * *

[*Translation*]

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. John Evans (Parliamentary Secretary to Deputy Prime Minister and Minister of Finance): Madam Speaker, the following questions will be answered today: Nos. 206, 252, 310, 311, 312 and 314.

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

[*Text*]

NATIONAL DEFENCE—REGULAR FORCES—INFANTRY STRENGTH

Question No. 206—**Mr. Herbert:**

1. For each year on January 1, 1967 to 1979, what was the infantry strength of the regular forces?

2. What is the projected infantry strength for January 1 (a) 1980 (b) 1981 (c) 1982?

Hon. J. Gilles Lamontagne (Minister of National Defence):

1. Infantry Strength on January 1

Year	Total	
1967	9,112	
1968	8,907	
1969	8,558	
1970	8,097	
1971	8,185	
1972	8,050	
1973	7,930	
1974	8,205	
1975	7,973	
1976	8,014	* Note 1
1977	7,651	"
1978	7,649	"
1979	7,614	"

2. (a) (b) and (c)

It is expected that current strength will be maintained.

* Note 1

The reduction of strength from 1976 to 1977 and up to the present is due to a change of accounting in that infantry recruits who had been on regimental strength—accounted for as infantry men—were transferred to a basic training list.

CHARTERED BANKS—ESCALATION OF PENSIONS

Question No. 252—**Mr. Herbert:**

Did the Minister of Finance or the Inspector General of Banks acting for the minister, have any discussions with the chartered banks since May 22, 1979, concerning the annual escalation of pensions to retired employees or the period of vesting for existing employees?

Hon. Pierre Bussières (Minister of State, Finance): It is not government policy to suggest or impose conditions on private pension plans beyond those contained in the Pension Benefits Standards Act. However, the inspector general of banks in the conduct of his duties regularly discusses with the banks the conditions of their pension plans. I am advised that the chartered banks are continuing to pursue previously reported practices of making supplementary payments to their older pensioners, with increases in the cost of living being the primary factor in the determination of the amount of the supplement.

DEFENCE CONSTRUCTION (1951) LIMITED—NATIONAL DEFENCE

Question No. 310—**Mr. Herbert:**

In each of the past five years was any Defence Construction (1951) Limited work carried out for any department or agency other than the Department of National Defence and, if so, what was the dollar value and by whom was the work authorized?

Hon. J. Gilles Lamontagne (Minister of National Defence): There was no work carried out by Defence Construction (1951) Limited for any department or agency other than the Department of National Defence during the past five years.

DEFENCE CONSTRUCTION (1951) LIMITED—TENDER CLOSINGS

Question No. 311—**Mr. Herbert:**

1. Of the 680 head office tender closings of Defence Construction (1951) Limited in the fiscal year 1978-79, how many had a response of (a) one (b) two tenders?

2. What was the total value of tender closings where only one tender was received?

3. For how many tender closings where only two tenders were received was the differential between the two tenders (a) more than 20 per cent of the low tender (b) more than $50,000?

Hon. J. Gilles Lamontagne (Minister of National Defence):

1. (a) 53
   (b) 105
2. $5,339,336.16
3. (a) 38
   (b) 10

DEFENCE CONSTRUCTION (1951) LIMITED—CONTRACTS FOR RENOVATIONS

Question No. 312—**Mr. Herbert:**

For the fiscal year 1978-79, what was the total value of contracts for repairs and maintenance (renovations) awarded by Defence Construction (1951) Limited?

Hon. J. Gilles Lamontagne (Minister of National Defence): Value of repairs and maintenance—renovations—for 1978/79 was: $40,286,430.

AGRICULTURE—PUBLICATION

Question No. 314—**Mr. Herbert:**

1. Did the Department of Agriculture issue a publication, Monograph No. 25 entitled "A revision of the Gymnusini and Deinopsini of the world; Coleoptera: Staphylinidae, Aleocharinae"?

2. Was the publication issued in the English language only and, if so, on what date and for what reason was a French language version not made available at the same time?

Hon. E. F. Whelan (Minister of Agriculture): 1. Yes.

2. Yes, on October 15. It was published only in English because the complexity of the highly scientific subject matter makes translation almost impossible. The text is so technical that a scientist with the competence to translate the publication is not available to prepare a French language version. For this reason, certain highly technical scientific papers of limited interest—such as Monograph No. 25—are normally published in the language of the author.

[*Translation*]

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

Some hon. Members: Agreed.

● (1620)

MOTION TO ADJOURN UNDER S.O. 26

[*English*]

INDUSTRY

LAY-OFFS IN AUTOMOBILE INDUSTRY

Mr. Ian Deans (Hamilton Mountain): Madam Speaker, I ask leave, seconded by the hon. member for Winnipeg North Centre (Mr. Knowles), to move that adjournment of the House under Standing Order 26 for the purpose of discussing a specific and important matter requiring urgent consideration, namely the immediate crisis reflected in the automotive industry in Canada with over 25,000 Canadian workers laid off; the further announcement yesterday of additional lay-offs by General Motors of Canada; the cancellation by Chrysler today of its planned building of a new V-6 engine plant; the impasse in the negotiations with Chrysler Canada regarding

future plans; and the failure of the Government of Canada to seek formal renegotiation of the automotive agreement with the United States to ensure that Canada obtains its fair share of investment, jobs and research and development.

Madam Speaker: Standing Order 26 provides for emergency debate and allows a member who feels that a matter is urgent to ask the Speaker for leave to set aside all other business before the House so that the House can proceed to debate the urgent matter. However, there are severe and strict limitations placed on this right, and they are set out in Standing Order 26, which I would like to read in part to the House. Section (5) of Standing Order 26 reads in part:

> In determining whether a matter should have urgent consideration, the Speaker shall have regard ... to the probability of the matter being brought before the House within reasonable time by other means.

Section (16)(*a*) of the Standing Order states:

> The matter proposed for discussion must relate to a genuine emergency, calling for immediate and urgent consideration;

Can the matter raised by the hon. member for Hamilton Mountain (Mr. Deans) be brought before the House within reasonable time by other means? That is the question which I must answer.

It would seem to me that, not only can this matter be brought before the House, but that it already has been before, namely, during the oral question period today. The many problems facing the automotive industry have been discussed during the address debate by the hon. member for Hamilton Mountain, the member who is now requesting leave to move a motion under Standing Order 26. May I remind hon. members that there are still two days remaining in the address debate and that there are 18 allotted days provided for under the special order adopted by the House on April 29.

Moreover, the estimates of the Minister of Industry, Trade and Commerce (Mr. Gray) have been referred to a standing committee and these estimates will be before the committee until November. Thus, I feel there is ample opportunity for the hon. member to raise the matter in other ways. On these grounds alone, I feel that the hon. member should not be allowed to proceed.

However, there is the further point that a request for leave to proceed under Standing Order 26 must relate to a genuine emergency. On June 26, 1978, Mr. Speaker Jerome, in ruling that an hon. member could not proceed under Standing Order 26, stated that matters raised under the Standing Order must not be of a continuing nature. In this present session alone this matter has been raised many times and, in my view, it will probably be raised again.

Thus, I must rule that the matter is not a proper one for consideration as an emergency debate under Standing Order 26.

GOVERNMENT ORDERS

[*Translation*]

BANKS AND BANKING LAW REVISION ACT, 1980

MEASURE RESPECTING BANKING INSTITUTIONS

Hon. Pierre Bussières (for the Minister of Finance) moved that Bill C-6, to revise the Bank Act, to amend the Quebec Savings Banks Act and the Bank of Canada Act, to establish the Canadian Payments Association and to amend other Acts in consequence thereof, be read the second time and referred to the Standing Committee on Finance, Trade and Economic Affairs.

He said: Madam Speaker, in proceeding this afternoon with second reading of Bill C-6, this Parliament continues the decennial revision of the Bank Act which is well beyond its original scheduled completion date of July 1, 1977. Since then Parliament has been required three times to extend the power of the banks to carry on business, the most recent extension being to April 1, 1980, with an automatic extension of 60 sitting days in this session. The bill now before us to revise the banking legislation of this country is an important one. It is comprehensive and will modernize the legislative and regulatory framework of Canadian banking and also establish a new payments association for managing and developing our payments system. At this stage, Mr. Speaker, there is little need for me to emphasize how urgent it is that this bill be considered and passed into law as soon as possible. The current revision of the Bank Act began in September, 1974, when the then minister of finance requested briefs from interested parties. These helped form the basis for the white paper on the revision of Canadian banking legislation which was issued in August, 1976. The Senate Standing Committee on Banking, Trade and Commerce received briefs and held hearings on the white paper. Its report of June, 1977, together with other public comments and suggestions, influenced the final form of Bill C-57, the Banks and Banking Law Revision Act, which was introduced but not passed in the third session of the Thirtieth Parliament.

This bill was reintroduced as Bill C-15 and received first reading on November 2, 1978; the subject matter of the bill was referred to the Standing Committee on Finance, Trade and Economic Affairs, and also underwent review by the Senate banking committee. The committees received numerous briefs and direct representations from interested parties, and presented their reports to Parliament immediately prior to its dissolution in the spring of 1979. Both committees were in substantial support of the policy thrust and proposals in Bill C-15. Nevertheless, they did recommend many changes to the bill.

During the administration of the previous government senior officials studied the reports of both committees and agreed that many of their recommendations would improve the bill.

All the substantive changes to Bill C-15 were in response to those recommendations. Approximately 40 of the recommended changes have been adopted in their entirety and more than ten others were incorporated with some modification. I have adopted the modified bill but have also found it necessary to make a number of technical corrections and changes. Details of the major changes have been set out in tabular form in the news release and summary which the previous minister of finance made available to the House.

At this point I would like to acknowledge the tremendous contribution made by the committees of the Senate and the House in the development of the proposals contained in the present bill. The extensive hearings by both committees allowed interested parties to be heard and their views carefully considered. I should also like to acknowledge the most recent review of Bill C-14 by the Senate committee.

This is an extremely long, complex bill, Mr. Speaker. It lays down the framework or ground rules for the establishment, operation and supervision of the chartered banks, the Quebec Savings Bank and the Montreal City and District Savings Bank. Provision is also made, for the first time, for the establishment of foreign-controlled banking subsidiaries in this country. In providing for the creation of a new Canadian Payments Association, it will also allow the full participation of the near banks—credit unions, caisses populaires and trust and loan companies—as well as the chartered banks, in the organization, administration and development of the Canadian payments system.

Over all, the main purpose of the bill is to strengthen and develop the Canadian financial system through the promotion of effective and equitable competition. This is true of the proposals relating to the Canadian Payments Association, easier entry into banking, chartering of foreign bank subsidiaries, authority for banks to lease and factor, the reduction in banks' reserve requirements, and the broadening of the geographical operations and business powers under the Quebec Savings Banks Act. The third part of the legislation deals with amendments to the Bank of Canada Act. The fourth part is about the establishment of the Canadian Payments Association Act. The fifth and final part concerns related and consequential amendments to other legislation.

● (1630)

What about the Bank Act? The main part of the present revision is of course the Bank Act itself. The chartered banks, serving the public from over 7,450 branches, with total Canadian dollar assets at the end of 1979 in excess of $147 billion and foreign currency assets, based on their domestic and international business, of about $82 billion, are central in Canada's financial system. In a very real way they tie the country together by providing their services on a national basis and bringing similar banking services at similar costs to almost all Canadians. In addition to making provisions designed to implement new policies in areas such as entry into banking, foreign banks and the business powers of banks, the structure of the Bank Act has been redesigned in order to ensure that its provisions, where appropriate, are consistent with the principles and provisions of the Canada Business Corporations Act.

Among the banks themselves, the concentration of business in the hands of the five largest banks has been diminishing gradually and, since 1964, four new banks have been successfully established. Nonetheless, a continuing concern has been felt about the share of market of the five largest banks and the small number of banks. Consequently, the government has continued to seek ways to ease access to banking and thus to increase the number of alternatives available to Canadians. The proposals regarding entry into the banking business should make the establishment of a new Canadian bank a somewhat less difficult and uncertain undertaking while continuing to ensure that only soundly conceived enterprises are launched. These proposals include, first, the incorporation of banks by letters patent as an alternative to a special act of Parliament. Second, incorporation provisions to facilitate the conversion of an existing financial institution to a chartered bank. Third, the permission for provincial governments to hold and vote up to 25 per cent of the shares of a new bank—with provisions for reducing provincial ownership to 10 per cent over ten years. Fourth, an explicit indication in the act that Canadian financial institutions other than trust companies or deposit-taking institutions would be authorized to own and vote up to 25 per cent of the voting shares of a new bank, and higher percentages as may be approved by governor in council, for a period of ten years, after which the 10-per-cent rule would apply. Fifth, provision for foreign banks to establish banking subsidiaries in Canada.

I have also agreed with a proposal to remove the requirement in Bill C-15 that co-operative credit corporations as a group be disallowed from holding more than 25 per cent of the voting shares of a bank. Following closely the recommendations of the parliamentary committees, it is being proposed to associate all locals, centrals or regionals, and federations where they are linked by membership and operate within a single province. Each associate group will be able to acquire up to 10 per cent of the voting shares of a bank. Any existing holdings of up to 25 per cent would be "grandfathered."

With regard to the incorporation of new banks, whether they be Canadian-owned or foreign bank subsidiaries, the Senate Standing Committee on Banking, Trade and Commerce has recommended in its reports a system of public review of applications for letters patent of incorporation. The Senate committee concluded that a parliamentary form of review is inappropriate and that the public review should be conducted by the Inspector General of Banks. The inspector would be authorized to conduct such a review for all new banks, with the power to make appropriate recommendations to the minister to grant or refuse such applications.

I have considered the Senate committee's recommendation most carefully but have decided not to accept it for the following reasons. The letters patent approach has been added to the special act approach to facilitate the incorporation of new banks and I do not want to introduce measures which could conceivably frustrate this objective. Such procedures might also hinder our reciprocity negotiations and the access of Canadian banks to other countries.

In addition, adequate safeguards have, I think, been built into the legislation. First, an intention by a potential applicant to apply for letters patent along with the proposed content of such letters patent would have to be published in *The Canada Gazette* and a Canadian newspaper once each week for a period of four consecutive weeks, thereby giving the Canadian public the opportunity to make representation on a potential application. I shall welcome such representations and give them careful consideration. Second, the assessment of the application and the applicants by the Inspector General of Banks would be no less rigorous than the current assessment by Parliament. Banking standards would not be lowered. Third, the Minister of Finance would be given the authoriy to issue letters patent at his sole discretion once approval was granted by governor in council, thereby avoiding the complicated administrative function with inherent delays. For those applicants who were unsuccessful in getting incorporation by letters patent, there would be the possibility of seeking incorporation by special act.

One of the most important provisions in this bill would allow foreign banks to establish banking subsidiaries in Canada. Foreign banks have greatly intensified their activities in Canada since the last revision of the Bank Act. The bulk of this activity has been conducted through financial affiliates incorporated under provincial charters. About 100 Canadian corporations in which foreign banks have an equity interest and which appear to be engaged in financial activities have been identified. About 50 foreign banks have an equity interest in these corporations.

Approximately half are U.S. banks and the balance, except for seven, are from countries of the European Economic Community. In addition, 50 foreign bank representative offices have been identified, of which about 30 represent banks which do not appear to have any investments in Canadian financial corporations. Total assets of Canadian affiliates of foreign banks reporting to the Bank of Canada currently exceed $6.4 billion. Clearly, the time has come to provide a way for foreign banks to operate in Canada within the framework of our federal banking legislation. This will provide for more competition in the financial markets for the benefit of Canadians. At the same time, the measures contained in the bill will ensure the preservation of a predominantly Canadian-owned and controlled banking system. It is proposed that foreign banks be allowed to establish banking subsidiaries in Canada, and be disallowed from undertaking banking business in this country except through these subsidiaries. It is also proposed that there be no limit on the number of branches which a foreign banking subsidiary may establish in Canada, but ministerial approval be required for other than the first. It is also proposed that at least half the directors of a foreign bank subsidiary be required to be Canadian citizens ordinarily resident in Canada. Further, in accordance with the House committee's recommendation, all committees established by a bank board would be required to have at least one-half of their membership Canadian. It is also proposed that foreign bank non-bank affiliates be required to provide information and, in the case of financial affiliates, unless expressly authorized, be disallowed from borrowing in Canada with the guarantee of their parent.

● (1640)

It is also proposed that foreign banks be allowed to maintain representative offices in Canada but with regulation. Foreign bank-owned subsidiaries will have broadly the same powers as Canadian banks; the Bank Act will be their charter. The new bill provides for licensing of such subsidiaries, with initial and renewal licences for periods of up to three years. As will be the case with other schedule B banks, banks whose capital stock is closely-held, their growth and branching will be closely controlled by governor in council. For example, governor in council will approve the initial authorized capital and all future increases. The bill provides a maximum-size control for domestic assets of 20 times the authorized capital. In addition, the domestic assets of all foreign bank subsidiaries will be restricted in aggregate to 8 per cent of Canadian dollar and foreign assets booked in Canada with Canadian residents. This formula is different from that in Bill C-15 and reflects the recommendation of the House committee on this issue. However, it has not been found necessary to adopt the 10 per cent figure recommended by the committee. Our calculations show that, with the new base, 8 per cent provides adequate scope for the establishment and growth of the foreign bank sector. Using year-end 1979 figures, it is estimated that the maximum permitted size of all domestic assets for all foreign bank subsidiaries would have been about $12.5 billion at that time. This limit would also grow with the banking system.

Bill C-15 required that foreign banks operate in Canada only through subsidiaries. I should note that the House committee recommended that foreign banks should be allowed to establish either branches or subsidiaries in Canada, provided that proper regulatory provisions could be enforced. It is the government's view that the subsidiary alternative, requiring capital in Canada, a board of directors at least 50 per cent of whom must be Canadians, and subject only to Canadian law, is the preferred route.

It was also proposed earlier that a foreign bank subsidiary be limited to five branches. Both committees recommended the elimination of this limit and the House committee further recommended that ministerial approval not be required. Re-

flecting these recommendations and the submissions received by the committees and the government, this bill incorporates the House committee's recommendation by removing the ceiling entirely. However, ministerial approval is retained to help ensure reciprocity and some regional distribution of the branches of foreign bank subsidiaries.

In addition, Bill C-15 proposed to disallow foreign bank subsidiaries from having interests through the parent in non-financial corporations that were not permitted to a Canadian bank. This restriction, however, would effectively disallow a number of major foreign banks, particularly from the European Economic Community, from establishing bank subsidiaries in this country, unless they were prepared to divest present holdings and avoid acquiring, directly or indirectly, any future ownership in such corporations in Canada.

Both parliamentary committees recommended longer divestiture periods than were originally proposed in Bill C-15. It is proposed that present holdings be grandfathered, that foreign bank subsidiaries be prohibited from providing banking services to affiliated non-bank related companies, and that allowance be made for future indirect investments in Canadian non-financial corporations by a foreign bank through an affiliate. These clauses provide new flexibility and safeguards not found in Bill C-15, and are needed if a number of major European banks are not to be excluded from establishing banking subsidiaries under the act.

Mr. Speaker, I would like now to review some of the proposals which are being made to change the business powers of the banks. These were originally set out in the white paper of 1976 and they have been thoroughly considered since then. Some are designed to extend existing powers to promote competition; some constrain existing powers to prevent serious conflicts of interest. Others are designed to indicate certain limits to banking powers.

The major proposals are: First, financial leasing of equipment will be permitted subject to certain regulations, but only through subsidiaries. The existing Bank Act does not provide for banks to engage directly in financial leasing. As proposed by the House committee, Bill C-6 provides that banks be allowed to engage in this activity in a subsidiary that is required to meet certain conditions specified by the House committee and be subject to regulations prescribed by governor in council. The regulations will ensure that the leases are the functional equivalent of credit by requiring that the lease be tied to specific equipment; be on a non-operating basis, that is, the bank will have no responsibility for the operation, maintenance or repair of the equipment; and the lease must be on a full pay-out basis. By allowing banks into this type of leasing it is thought that the increased competition would increase the availability and lower the cost of financial leases.

Second, banks will be allowed to engage in factoring, again only through subsidiaries.

Third, the 10 per cent ceiling which presently applies to a bank's investment in conventional residential mortgages will be retained. You may recall that Bill C-15 proposed that the current 10 per cent ceiling on a bank's holdings of conventional residential mortgages be removed. The trust companies and some of the mortgage companies voiced concern about this, and both parliamentary committees recommended the retention of a ceiling, the Senate committee recommending 15 per cent and the House committee the original 10 per cent.

• (1650)

We have decided to accept the House committee's recommendation. Any mortgage lending above that ceiling will have to be undertaken in a subsidiary working under the same rules as competing institutions.

Fourth, banks will be prevented from offering data-processing services directly or indirectly except for "banking-related" services that may be offered subject to regulations.

Fifth, banks will be specifically excluded from fiduciary activities in Canada.

Sixth, banks are precluded from having any involvement in the management of mutual funds but may act at arm's-length as agents in the sale of mutual funds. While banks are permitted to offer directly deposit-based RRSPs and RHOSPs, all other of these instruments can only be marketed on the same terms as mutual funds.

Seventh, restrictions are to be placed on the authority of banks to deal in securities. In particular, they will not be empowered to underwrite corporate security issues or to act as an agent in the direct placement of corporate securities. They will, however, be allowed to act as a member of a selling group. The basic policy aim here is to ensure that the securities industry will continue to play a major role in the capital markets.

Eighth, banks will be empowered to participate in consortium or syndicate lending where not less than one-half the total principal amount of the loan is advanced by banks, domestic and foreign.

Ninth, in general, banks will not be able to own more than 10 per cent of the voting stock of a Canadian financial corporation or of a non-financial corporation. However, we propose to make some exceptions to the general rule. These include bank service corporations, export finance corporations, mortgage loan corporations, leasing and factoring corporations, and venture capital corporations. Existing investments in excess of 10 per cent in non-financial corporations will have to be divested within a period of five years, unless a further period is approved by the minister. Excess investments in financial corporations are subject to grandfathering provisions prescribed by governor in council.

And finally, tenth, banks are to be given, for the first time, the same flexibility as other corporations in the raising of capital funds.

Section 88 of the existing act has been amended somewhat and, as recommended by the House committee, extended to include wholesale and retail inventories. It appears as clause 178 in the bill before us today. A similar section has been part of Canadian banking legislation since the first act in 1871. In general it has served Canadians well. However, a few provincial governments have recently passed personal property security legislation and others are considering such legislation. This legislation overlaps section 88 and may result in certain confusion in the law. Furthermore, the Senate committee and the Cattlemen's Association have expressed concern about certain other features of clause 178 of the bill. The government will seek to prevent overlapping and confusion in the law and to ensure fairness in its operation.

A reduction in the cash reserve requirements of the banks is proposed in the bill. This reduction would be phased in over a three and a half year period beginning one month after the enactment of the bill. The rate on Canadian currency demand deposits will be lowered from 12 per cent to 10 per cent. In the case of Canadian currency notice deposits, the rate on the first $500 million will be lowered from 4 per cent to 2 per cent, and on the rest from 4 per cent to 3 per cent. In addition, the reserve requirement on non-encashable term deposits with an original term to maturity of one year will be completely removed.

I support these changes because the current level of reserves is not necessary for the effective implementation of monetary policy. The reduction of reserves would retain some degree of competitive balance among deposit-accepting institutions, which was visualized in the white paper. The lower reserves may redress a bias which has made it advantageous for some companies entering the deposit-taking business to do so in the form of near-banks rather than banks. Other proposals for easier access discussed earlier will also work in this direction. Finally, the lower reserves will reduce the cost of banking to the benefit of the customers and shareholders of banks.

With regard to the 3 per cent reserve requirement on foreign currency deposits used in Canada which was proposed in Bill C-15, the Canadian banks have correctly noted that this would place them at a disadvantage relative to foreign banks; foreign banks would be able to bring foreign funds into Canada with no reserve requirements and lend those funds to Canadians, while Canadian banks would have to maintain a 3 per cent reserve whether the funds were raised in Canada or abroad. Consequently, it is proposed that the 3 per cent reserve requirement be placed only on foreign currency deposits of Canadian residents booked in Canada. This would achieve the objective of removing an incentive for Canadian banks to encourage their clients to hold deposits in foreign currency rather than in Canadian dollars, while ensuring that Canadian banks are able to compete with foreign banks in offering foreign currency loans to Canadians.

The provisions in the existing banking legislation which empower the Bank of Canada to fix the level of secondary reserves which must be held by the chartered banks will remain unaltered. Mr. Speaker, it will no longer be necessary for bank directors to hold qualifying shares. This removes what might have been a substantial financial barrier for certain people, and particularly women, to sit on the board of a bank. Clause 59 of Bill C-15 would have prohibited officers or employees of a chartered bank from serving on the boards of directors of most Canadian corporations. This was proposed because of a concern that bank officers or employees who serve as directors for another corporation could be subject to conflict of interest in that corporation's relationship with chartered banks. This proposal has met with considerable resistance from senior officers of Canadian corporations who have indicated that chartered bank officers and employees are valued members of their boards, providing a high level of specialized expertise.

The submissions have stated that there has been no evidence of conflict of interest, that corporations have not felt constrained to deal with any one bank because of the presence of a bank officer on the board of directors, and that this provision would operate to the detriment of the Canadian business sector. Accordingly, I am proposing to adopt the recommendations of the parliamentary committees. Officers and employees of a bank will continue to be able to sit on the boards of other corporations subject to the approval of the board of the bank.

● (1700)

Bill C-15 contained a provision prohibiting directors and employees of Crown corporations from serving on the board of directors of a chartered bank. Our review of this provision indicated that a change of this nature would hamper the ability of the federal and provincial governments to attract qualified directors for their Crown corporations without commensurate benefits. It is being recommended therefore that, while employees of a Crown corporation should not serve as bank directors because of their direct ties to government, directors of Crown corporations will be permitted to serve as bank directors.

The Quebec Savings Banks Act applies to only one institution, the Montreal City and District Savings Bank. This savings bank has many of the characteristics of the loan companies and owns a trust company. Part IV of the bill proposes certain changes that will broaden the geographical operations of this savings bank to all of Canada and will improve its powers to provide a wider range of banking services to its retail clientele. Some of the important changes proposed for the banks such as those affecting shares and shareholders, broader powers to raise capital, requirements for auditors and capital adequacy are also introduced into this

legislation. Mr. Speaker, certain amendments are proposed to the Bank of Canada Act. These will, for the most part, update the act, and make the consequential changes required by the new Canadian Payments Association Act.

Mr. Speaker, I would like now to deal with the Canadian Payments Association Act. Arising out of the growing importance of the near bank deposit-accepting institutions, and changes in the way Canadians may make payments as a result of increasing use of the computer, this bill introduces a totally new act, the Canadian Payments Association Act. At the present time, the cheque-clearing system is the responsibility of the Canadian Bankers' Association. The banks, however, make this facility available for the clearing of cheques drawn on near-banks. The proposed association will provide a framework for the direct participation of the near banks in the operation and planning of Canada's payments system. This represents an important advantage to the near banks and will help ensure their continuing ability to compete in the offering of financial services as the system continues to evolve.

The association will be run by its members. They will be grouped according to their institutional character for the purpose of voting. No single group will be able to control the association. To ensure that the broad public interest will not be neglected, the bylaws of the association will be subject to approval by governor in council. The chairman of the board will be appointed by the Bank of Canada, and the Inspector General of Banks will report annually to the minister on whether or not the association is operating in conformity with the act and its bylaws.

While the proposals has been generally welcomed, certain aspects of it were criticized by the provincial governments and the near banks. One particular concern was that the federal government would use the association as a vehicle to regulate provincially-chartered near-banks. That, of course, has not been the intention. It has been decided that membership in the association should be voluntary except for the banks which are still the most significant financial institutions in the payments system. We continue to believe it is important to have as members of the association all the major institutions accepting transferable deposits. The members of the association will have certain obligations. They will be expected to co-operate in the effective running of the system and to bear their share of the operating costs. The chartered banks will continue to be required to hold cash and secondary reserves under the Bank Act, but it has not been thought necessary at this time to extend this requirement to the near banks. Settlement balances for these members will be a matter for the by-laws of the association. Finally, to ensure financial stability, every CPA member other than the Bank of Canada will be required either to belong to the Canada Deposit Insurance Corporation, have its deposits insured under a provincial enactment that also provides for the inspection of financial institutions, or belong to the Canadian Co-operative Credit Society and hold a valid certificate under the Co-operative Credit Associations Act. This new act significantly changes the institutional framework within which our payments system will evolve. As I have noted, it is an important initiative in helping to ensure a continuing strong competitive position for deposit-accepting near-banks.

I would like to say a few words about regulations. In a number of instances in this bill it has been found necessary to provide for regulations. This reflects, in part, a more complex and diversified banking system and, consequently, the need to provide flexibility to respond to future developments. The government has sought to keep the power to issue regulations to a minimum, and is also proposing that it be mandatory for new regulations and changes to old ones to be published in *The Canada Gazette* at least 60 days before the regulations are to come into effect. This will ensure that interested parties have an opportunity to seek changes in the regulations before they come into effect.

Regulations on the calculation and disclosure of the cost of borrowing and charges and rates of interest on deposit accounts are being proposed. Their form has been influenced by consultations with the provinces. Because these consultations are continuing, I have made a commitment to the provinces to provide sufficient flexibility in the Bank Act to permit subsequent modifications of the regulations if the provinces and the federal government together agree to adopt common standards in this area. In conclusion, Mr. Speaker, I recall that since 1967, when the last Bank Act was passed, the financial institutions and capital markets in Canada have undergone considerable growth and change. This says a great deal for the flexibility of the present legislation and regulatory framework, but it now requires early modification not only to reflect the underlying real changes but to anticipate those which are expected, such as developments in the electronic payments system.

The process of the decennial revision has now been underway for five and a half years. All of the interested parties have been heard many times and their briefs carefully considered by parliamentary committees, ministers and officials. The banks, the Montreal City and District Savings Bank, the caisses populaires and the credit unions, as well as other financial institutions, want the new bill passed and the uncertainty removed.

Sound, efficient and well-functioning financial institutions and markets are necessary for the smooth operation and growth of our modern industrial economy. It is our responsibility to provide the legal framework within which the financial institutions can operate successfully, and through consideration of Bill C-6 on second reading, it is the enormous task the members of this Parliament are called upon to perform.

• (1710)

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

The Acting Speaker (Mr. Blaker): Order, please. It is my duty, pursuant to Standing Order 40, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the hon. member for Central Nova (Mr. MacKay)—Fisheries—Over-the-side sale to foreign fishing fleets; the hon. member for Mississauga South (Mr. Blenkarn)—Immigration—Timothy Leary—Entry into Canada—Hotel engagements; the hon. member for Comox-Powell River (Mr. Skelly)—National Defence—Defence procurement contracts—Alleged discrimination in awarding.

GOVERNMENT ORDERS

[*English*]

BANKS AND BANKING LAW REVISION ACT, 1980

MEASURE RESPECTING BANKING INSTITUTIONS

The House resumed consideration of the motion of Mr. Bussières (for the Minister of Finance) that Bill C-6, to revise the Bank Act, to amend the Quebec Savings Banks Act and the Bank of Canada Act, to establish the Canadian Payments Association and to amend other acts in consequence thereof, be read the second time and referred to the Standing Committee on Finance, Trade and Economic Affairs.

Mr. Bob Rae (Broadview-Greenwood): Mr. Speaker, first I would like to express my thanks to the hon. member for Edmonton West (Mr. Lambert) for letting me speak, in a sense out of turn—something I am not accustomed to doing—because of another engagement. I want to give him my assurance that I do not plan to use unlimited time in responding to the speech the minister has given.

I also congratulate the minister on his speech which, I believe, is the first he has given in the House regarding the Bank Act since his appointment as minister.

I would like to advise the House that the New Democratic Party will be opposing this bill at second reading. We will have a number of amendments to put forward in committee. We will have a number of speeches to make and recommendations to make to the government because of our concerns about the market power of the banks; the lack of provision in the act to provide adequate protection to the Canadian consumer; the lack of protection for near-banks and other competitors with the banks in certain fields such as computer services and auto leasing; concerns we have about limitations on the abilities of provinces to buy into our chartered banks and limitations on the abilities of credit unions to buy into banks; concerns about the arrival of foreign banks in Canada; the unfortunate decision of the government to allow bank directors to continue to occupy as many other directorships as they can; and the fact that the banks are coming before us, as they do every ten years, to request that they achieve security in the Canadian financial system and that they have a guaranteed status and a guaranteed profit.

At the same time, those people who are working for the banks are treated among the most poorly of all employees in Canada. The fact remains that one chartered bank in particular, the Canadian Imperial Bank of Commerce, has been condemned time and time again by the Canada labour relations board for a systematic pattern of discriminatory behaviour. We in this party can see no reason why we should be prepared to give quick and speedy status to our chartered banks when they are not prepared to treat their own employees with any kind of respect or with any guarantee of security.

Let us look, first of all, at the animal which we are regulating. The five largest banks in Canada hold more assets than the 200 largest non-financial corporations all rolled into one. The largest of the big five, the Royal, has 3.5 times the assets of the Bank of Canada. It is 25 times the size of General Motors of Canada. The smallest of the big five, Toronto-Dominion, is almost as big as the nation's two largest Crown corporations, Ontario Hydro and Hydro-Quebec, together.

We have seen a dramatic and quite fantastic growth in the assets of the big five since this House last considered the Bank Act in 1967. Since 1970 alone the assets of all the big five chartered banks totalled together have increased some 480 per cent, from some $43 billion to just over some $206 billion at the end of 1979.

When we consider the colossal market power that these institutions have, we have to look at the Bank Act as the sole protection that the Canadian consumer and the Canadian businessman has against the banks' abusing that market power in order to impose their own financial interests and financial wishes on either the Canadian consumer, the Canadian borrower—be he a small borrower, a small businessman or a middle-sized corporation—or the Canadian lender, whether he be a moderate-sized lender buying term deposits of $4,000, $5,000 or $10,000, or a Canadian depositor who is simply saving from day to day and trying to get whatever return he can from the bank.

With the government's interest rate policy the fact has been that since 1976 the banks have doubled their assets and their profits, so that in 1979 the profits of the banks totalled over $1.2 billion. As interest rates have gone up, as they have under this government and under the previous government, we have also seen—

Mr. MacLaren: The rates have gone down again.

Mr. Rae: The hon. member for Etobicoke North (Mr. MacLaren) says that the rates have gone down again. That is certainly not the result of the policies of the government, and I find it very difficult to see how a government which fails to

take responsibility for rates when they go up can now start claiming responsibility for rates when they come down.

The fact remains that we have been allowed to see, with the dramatic increase in interest rates, the way by which the banks have been able to manipulate the rates which they charge to lenders and the rates which they pay to depositors. We have been able to see the way by which they have been able to take advantage of a high interest rate policy.

The banks have argued that they, too, are squeezed by high interest rates. If I were making $325 million in the first quarter of 1980, that would be some squeeze. I wish somebody would squeeze me like that. They are arguing that they are being squeezed, but the fact remains that whether or not high interest rates cause a great deal of volatility in terms of bank profits—and there is no question that they have had some effect in that regard—the way by which the banks allocate their credit decisions and the way by which they decide who will receive what rate is something at which the government has to look.

When we on this side of the House raised the matter of the way by which the banks were manipulating interest rates and charging the lowest possible amount to Canada's least sophisticated and least wealthy savers, the people who deposit in a normal savings account, it was the Minister of Consumer and Corporate Affairs (Mr. Ouellet) who said that he would be taking a very close look at this, that this was something the government would be looking at. In fact, he suggested that we would have to wait for the publication of the new Bank Act to see what stand this government was going to take with respect to interest rate spreads and the ways in which the banks are able to use their market power in order to take advantage of Canada's economic situation.

Well, the fact remains—and it comes as no surprise to those of us in this party—that when the time came for the government to publish the Bank Act, there was nothing there. The Bank Act is totally silent on the question of profits. The Bank Act is totally silent on the question of interest rate spreads, and it is entirely silent on the subject of interest rate control.

• (1720)

The Bank Act is equally silent on the subject of consumer protection. We have the statement from the minister today that of course there are matters which must be included in regulations because they are subject to continued consideration by the department as to exactly what they will do. Yet, I would have thought that the Bank Act would provide the government with the best opportunity possible to give confidence to every single Canadian consumer. I would have thought that this was an act designed not for the banks or for the convenience of these tremendously powerful financial institutions, but for the protection of the lowly consumer, the average citizen.

Let me relate a personal experience, having had a loan at a credit union and having had a loan at one of Canada's chartered banks, the Bank of Montreal. When the time came to pay off the loan at the Bank of Montreal which I wanted to pay off earlier, I was penalized by the Bank of Montreal because of the way in which they calculate their interest payments. They used the so-called "Rule of 78", the sum of digits approach, for calculating the payment of consumer debts as opposed to the normal amortization approach.

There is a complete contrast between the kind of penalty facing each and every consumer who have loans with one of our three chartered banks that continue to use the "Rule of 78" method and the method used, since their formation, by Canada's credit unions, a method that has been followed by two chartered banks but not all of them. The fact remains that the banks are taking systematic advantage of those Canadians who choose to pay off their loans early because of the way in which they calculate payments of interest.

Mr. Orlikow: It is theft.

Mr. Rae: The hon. member for Winnipeg North (Mr. Orlikow) says that it is theft. Some rob you with a six-gun and some rob you with a fountain pen, Mr. Speaker.

Mr. Rose: White collar crime.

Mr. Rae: It is white collar crime, as the hon. member for Mission-Port Moody (Mr. Rose) calls it. The fact of the matter is that the average consumer who walks into a bank is less sophisticated and does not know the method under which the bank calculates its interest payments on loans. If that consumer goes into a credit union, he gets a much better deal and much greater protection than if he goes into one of Canada's chartered banks. The reason is that truth of lending provisions are absent from the Bank Act, because they indicate that they will be in the regulations, which we will hardly ever see and which no one will understand. Understanding the Bank Act itself is difficult enough, let alone the regulations under the Bank Act. There is no guarantee that the average Canadian consumer can walk into a bank and have the same protection and the same confidence that he is not being taken for a ride as he would if he walked into a credit union. This is a point that we have been making for some time.

It is rather surprising, when the minister talks about competition and so forth being one of the primary goals of the act, that the government would have decided simply to leave it to the banks to decide what method of calculation they will use. It is a technical matter. Not everyone understands the "Rule of 78". One requires a blackboard to show how the banks do it. But I am sure the minister is aware that when the chartered banks calculate consumer loans using this notorious method, the result is that consumers who pay off their loans early pay a penalty to the bank. The banks reap a simple windfall because we do not have a government that is prepared to bring in legislation under the Bank Act to provide protection for the average consumer.

The minister mentioned that encouraging competition was one of the major aspects of this bill. He mentioned the Canadian Payments Association of which we are in favour. We have some concern about the amount of consumer participation in that association, but we are happy that the Canadian

Payments Association is going ahead and that the caisse populaire and credit union movement will finally be able to compete a little more fairly with our chartered banks. But I find it ironic that the other two methods the minister described as encouraging competition are the banks engaging in leasing and factored activities, and foreign banks. I suggest that the competition in leasing will last for about two years; then it will be over because the banks will have taken it over.

I should like to refer briefly to a couple of meetings which I have had with the hon. member for Hamilton Mountain (Mr. Deans), the hon. member for Kamloops-Shuswap (Mr. Riis), representatives of the automobile dealers and other people engaged in the leasing business, and of course the bank subsidiaries that are interested in getting into the business. All members of Parliament received a letter from the Canadian Bankers' Association, that well-known eleemosynary institution, a charitable foundation. It was from a Mr. Mackintosh who is a very distinguished man and very able spokesman on behalf of the banking community. The thrust of the letter was that the automobile dealer should not be upset because the banks are not interested in getting into automobile leasing, maintenance and servicing. He said that the banks cannot perform such services by law, nor do they intend to get involved in servicing automobiles.

I should like to refer to another letter which was sent to an automobile dealer in Dartmouth, Nova Scotia, from RoyLease Ltd. As the minister may know, RoyLease is a subsidiary of the Royal Bank which is engaged in the leasing business. The letter indicated that in an effort to provide their clients with an effective leasing portfolio, they are developing a maintenance program.

Another letter indicated that all of the client representatives of RoyLease will be issued a Visa national account credit card. It indicated that this will be in the form of a regular Visa card with a RoyLease sticker on the right side of the white band. It requested that upon presentation of the Visa card they allow a 20 per cent discount on parts and a 10 per cent discount on labour to be applied to the driver's bill. If that is not getting involved in the maintenance and servicing of cars and using their market leverage in order to impose their will on a dealer, I do not know what is. That is exactly what has happened; that is exactly what is going on. That is a question which must be resolved in committee.

Unless we deal with that problem there is no question that the banks will use their market power to exercise leverage over automobile dealers and over the small dealers in Canada, some 4,000 of them, and they will be putting those dealers out of business in very short order. Now, that is the bank's definition of competition. They say that they can provide a better service, just as they did in 1967 with consumer loans. But there is another public interest involved here and that is whether we want the banks to be the ones that can control the leasing business in Canada. There is no question that they can do it, if they put their minds to it, in very short order. This is a question which must be discussed at committee stage.

Also there is the question of the involvement of banks in computer services. I am sure the minister is aware of the case currently before the Supreme Court of Canada involving Central Computer Services Ltd., Comcheq Services Limited and the Toronto-Dominion Bank. That case was one that involved these firms saying that the bank was not engaged in the business of banking under the 1967 act but was engaged in computer and payroll activity which was outside the realm of banking.

Of course, we will have to wait for a decision from the Supreme Court, but let me suggest that this is a very critical question. It may not be adequate for the government to say that it will not provide a definition of banking in this legislation because banking is what bankers do. In effect, that was the decision of the majority of the Manitoba Court of Appeal which threw out the application for an injunction from the computer companies once that application had been granted a trial. It was thrown out because they said that the essential definition of banking is whatever bankers do. What bankers do is banking, and if bankers engage in payroll activity or in extensive use of computer services, then that is their role in the future. The same thing could apply to auto repairs, and the same thing could apply to a lot of other areas. You have to look at banks here in terms of their relationships with these businesses.

● (1730)

These businesses are going to the banks for their own financing while the banks, at the same time, are engaged in activities which are directly competitive with those small businesses. This is not really competition; it is like comparing a butterfly and a steamroller. There is no comparison.

The government will have to look very hard and carefully, and may, indeed, have to look again in committee, at the question of whether we have provided in the act, not just in the regulations but in the act itself, adequate protection for those sections and sectors of the business community we feel deserve to be protected from the monolithic power of competition from the banks.

Let us not in the name of competition eradicate competition, because competition is something that can only be protected in some cases if we limit the market power of quasi-monopolistic institutions such as chartered banks. I suggest that allowing the chartered banks to get into some fields of activity may in fact lead not to competition, except on a very temporary basis, but, over the next ten years, to an even greater concentration of activity in their hands.

There are three other points I want to make, Mr. Speaker, before I close. First of all, we deeply regret the decision of the government to, in a sense, double-track its earlier decision on the question of bank directors. We agreed very much with the decision, or the recommendation, of the Royal Commission on Corporate Concentration, the thrust of which was to reduce the requirement that directors ought to be shareholders. We are very concerned about the fact that the government has backtracked on its original decision. We know it was subject to

a lot of corporate pressure from many of its corporate backers, but the fact remains that we are deeply concerned with the extent of corporate concentration in Canada, with the problem of corporate linkage and the way in which the intercorporate directorships can be used to increase market power and increase the forces of concentration in Canada.

We know we have a tax system which encourages concentration because, it allows all large corporations to deduct interest payments on funds they borrow from banks in order to finance takeovers. I find it hard to see why these financial institutions that occupy such a fiduciary relationship with the Canadian people—a position of trust with the Canadian people—should not be subject to far more careful consideration by us, in terms of conflict of interest and in terms of the problem of corporate concentration. I know my colleague, the hon. member for Comox-Powell River (Mr. Skelly), will be referring to these questions as well as to the issue of consumer protection when he speaks later on in this debate.

Again the minister stated that we need more competition in Canada, and that is why we need to bring in foreign banks. The government admittedly reduced this from 15 per cent to 8 per cent, but our party still remains opposed in principle to the notion that banking, that critical activity in the Canadian economy, should become the subject of the entry of foreign banks, and should become the subject of foreign penetration.

I find it ironic that a government which pays such strong lip service to the notion of Canadian economic autonomy, and which pays such strong lip service to the notion of competition in our financial system, would tell us that the only people who can really compete with our Canadian banks, and the only way we can have competition, is not to encourage or make it easier for near-banks—caisses populaires, credit unions and trust companies—to engage in banking activity and become competitive, but to allow in foreign banks.

I suggest that some of the consequences will be to reduce the ability of the government to control outflows of capital at times when outflows of capital are not in the best interests of the country. I suggest to the minister that allowing the arrival of so many foreign banks will limit the ability of the minister to control Canada's economic policy. When we have a Minister of Finance whose view of the market is such that he does not see how he can control the situation, such as the minister we have today, that may not be such a bad thing. When we have a New Democratic minister of finance it will clearly be of some disadvantage to have some 50 or 60 foreign banks that may be subject to the laws of foreign jurisdiction, particularly American corporations.

While I have stirred the minister to life, and I am glad to see that, I think the tendency will be to decrease the ability of the Minister of Finance to exercise some important controls on the economy, and to limit the ability of the government to exercise some important controls on capital flows and capital markets. I think it will tend to make it more difficult for Canadians to form banks, because I think the tendency will be for foreign corporations to skim off the most lucrative foreign investments and foreign business, and the result of that market penetration will be that Canadians who are involved in wanting to form banks, or get involved in banking, will have a far harder time reaching the marketplace. The tendency will be for less competition rather than more.

Finally, I want to say a word about unfair labour practices in the banks. I mentioned at the beginning that these banks come before us looking, as they do, for protection. They are seeking protection and they are seeking regulation in their own interests. However, we have the Canada Labour Board saying in one of its recent decisions involving a bank in St. Catharines, and it follows on a number of decisions, that it has become apparent throughout the organizational attempts at various branches of the employer across the country by several unions, that the employer, and I am referring to the Canadian Imperial Bank of Commerce, Mr. Speaker, has embarked on a campaign designed to discourage its employees from exercising their rights under the Canada Labour Code. The board states that some attempts were blatant and blundering, while others were more sophisticated and subtle. That sounds like the performance of the Deputy Prime Minister and Minister of Finance (Mr. MacEachen) in other matters.

The fact remains that we have our largest financial and, indeed, our largest corporate institutions, coming before this Parliament cloaked in a mantle of some respectability—indeed, we almost all fall on our knees in the face of bank managers, be they large or small—yet we are told by the Canada Labour Board that the Canadian Imperial Bank of Commerce has been engaged in a systematic attempt to subvert the rights of Canadians under laws passed by this Parliament.

I think this is a very fundamental question. Why should we in this Parliament be granting such security and status to our largest financial institutions when they are not prepared to accept, indeed, when they are subverting systematically, to use the words of the Canada Labour Board, the rights of Canadians passed by this Parliament? I must say that that is something that is lost on me and lost on members of this party. We are not prepared to grant banks such security until such time as we can be sure that the rights of employees of the banks are respected and guaranteed, and until such time as the employees working for the banks have the same security as the banks are asking from this Parliament.

I want to end by suggesting to both ministers of finance who are with us today that we look forward to a long, healthy, and vital debate. We realize that this matter has been before this House in one form or another for quite some time. We are also convinced that hasty passage of the bill, and that, if one listens to the rumours one hears on the floor of the House, a refusal to allow the committee to call witnesses or that the Bank Act will be considered in Committee of the Whole and not even referred to the finance committee, would not serve the best interests of Canadians. We give notice to the minister that we will be pressing in committee for the calling of witnesses on the critical questions of corporate concentration, market power, competition, and consumer protection.

• (1740)

I can assure the minister that we will be giving him a list of amendments and that we will be co-operating with him in terms of not letting our guard down, just as I did when the Conservative party was in power and we presented them with amendments on different bills to let them know exactly where they stood and where we stood. We intend to let the minister know, with the changes in the House of Commons which have taken place since 1977 and with the fact that we now have a very large turnover of membership, that we intend to have a close look at this legislation.

In closing, I want to contrast the kind of activity which we expect to take place in the committee with what Mr. George Haig, who was then the general manager of the Bank of Toronto, said in providing a candid description to his fellow Canadians as to how the 1871 Bank Act was written, "Representatives of the chartered banks from all parts of the country sat in conference, day by day discussing the clauses of the proposed act one by one. We sat in one of the committee rooms of the House and discussed the bill with considerable sense of responsibility, being well aware not only that our conclusions would affect the whole banking interests of the country, but every other interest; commercial, manufacturing, industrial, not to speak of the interests of the government itself".

This is not an act which we think is written by banks for banks. This is an act which is written for the people of Canada by the people of Canada to determine the best, safest, most human, fair, and industrious way to use credit and the granting of credit for the benefit of our industry, our small business, our economic sovereignty, and for the benefit of the interests of each and every consumer in Canada. We intend to bring that perspective to the committee in a constructive way.

Indeed, on second reading, we will have a number of speakers who will be going into more depth on the points on which I have only been able to touch. I would like to give the minister a word, not of warning, but of assurance, that we intend to see that this legislation is understandable to Canadians, that it provides them with protection, and that it is a piece of legislation in which they, not simply the banks, will have a great deal of confidence for the next ten years to come.

Hon. Marcel Lambert (Edmonton West): Mr. Speaker, this is the second time that I participate in a go-around on the Bank Act. It is too bad that the hon. member for Broadview-Greenwood (Mr. Rae) has been called away from the chamber because I think perhaps one could offer him, considering his enthusiasm and recent arrival in this House, some words of caution and advice with regard to the Bank Act.

It has been over a year since I have had an opportunity to address this House. I would like to make a few preliminary remarks before I get into a fairly extensive examination of the legislation which is before us and the reports of the committee that laboured very greatly, certainly on the basis of two major parties in the House, in producing the report of the Standing Committee on Finance, Trade and Economic Affairs, which appeared in *Votes and Proceedings* of March 20, 1979.

I find it strange, while I look at the benches across the way, with hon. members dispersed in their own seats, that there is a tendency in this House—and it is not done here as far as I am concerned—for hon. members to gather behind a speaking member in order to background an attendance in the House. We have a TV flying squad. I could not care less how many members there are sitting behind me. If that camera is aimed in this direction, the television will show no members, but myself.

I am passing on my reflection on the matter as a result of a number of years in this House—and I have spoken to other members who have the same feeling—feeling that the appearance of television in this chamber has changed greatly the concept, the behaviour, and so much of this chamber. This is no longer the forum where hon. members speak to fellow elected members. This has become a stage where people with claques respond because an hon. member has risen to ask a simple question during question period. Why? Clapping used to be an ironic gesture at times in support of a member who had risen perhaps 20 times or more in an attempt to catch the eye of Mr. Speaker. There was this ironic cheer that he had finally made it, but now we have a claque. Why?

Is this a stage or a hippodrome where some people are coming on for return so that there must be all this clapping? It seems to me to be a total debasement of this chamber, and it should not be a practice that continues. It is something new in this session, and I will pass my judgment on it. I do not like it, and it is not in keeping with this chamber, nor do I think that these travelling squads are in keeping with the chamber.

The third point which I would like to make deals with a matter which I have raised in committees in the past and which I have discussed privately with a good number of members. That is the practice which has grown up in the past three years of Mr. Speaker occupying the chair primarily for the question period, the votes, and occasionally to come in to deliver a ruling. Mr. Deputy Speaker or the Assistant Chairman of Committee of the Whole—

Mr. Evans: I have a point of order, Mr. Speaker. It is very difficult for me to interrupt the golden oratory coming from the other side of the House, but I fail to see where this commentary has any relevance whatsoever to the Bank Act which is before the House.

Some hon. Members: Hear, hear!

Mr. Lambert: Mr. Speaker, I had indicated that I intended to deliver a few remarks. The hon. member during the last session had an opportunity—

Mr. Evans: Mr. Speaker, on the same point of order, to my knowledge there is no provision in Standing Orders which gives the hon. member the right to make a few remarks that go on for 15 minutes.

Mr. Lambert: I have only been on for four minutes so far. The hon. member is pretty thin, because we listened to him speak out of order *in extenso* last fall on a number of bills. Be that as it may, I do not like the practice of the Deputy Speaker or the presiding officer sitting in judgment in the House, giving rulings on procedure, and then, when the debate is terminated, going out and voting. It is not done.

• (1750)

The Acting Speaker (Mr. Blaker): I have listened with some interest to the hon. member for Edmonton West (Mr. Lambert). I might say, for the benefit of other hon. members, that he indicated before taking the floor that he had an interest in this subject. The last matter he raised was with the Chair itself. It was somewhat hesitant about interrupting his thoughts on that matter. I think he has now placed on the record some observations that may be worthy of hon. members' attention. I can now ask the hon. member if he would address himself to the Bank Act.

Mr. Collenette: I rise on a point of order, Mr. Speaker, I did not want to intervene, but I would think that the remarks just made by the hon. member for Edmonton West (Mr. Lambert) reflect upon the ability of the Chair to continue to preside. Before he continues, I would ask that he withdraw those remarks which cast aspersions on Your Honour.

The Acting Speaker (Mr. Blaker): I do not think that the Parliamentary Secretary to the President of the Privy Council (Mr. Collenette) has raised a point of order. In any event, such comments as have been made by the hon. member for Edmonton West do not, in the opinion of the Chair, cast any aspersions.

Mr. Lambert: That is fine, thank you, Mr. Speaker. I shall just find another way to make the remarks I intend to make on that subject.

This afternoon it is indeed unfortunate, in some ways, that this debate came on. I indicated to the President of the Privy Council (Mr. Pinard) that the change in the order of business caught some of us at an awkward time. There are not too many members of the House who are veterans of the Second World War, and those who are were looking forward to attending the screening of the film, "The Liberation of Holland", which took place at four o'clock this afternoon. However, those of us who have responsibilities in the House regarding this legislation are aware that our rightful place is here, so we had to deny ourselves the opportunity of attending the screening in company with the Minister of Veterans Affairs (Mr. MacDonald) and others.

I, too, Mr. Speaker, would like to join in the sentiments the minister expressed this afternoon regarding the participation of Canadian troops in the liberation of Scotland, an event which will be celebrated at the beginning of the week.

Mr. MacEachen: Scotland!

Mr. Lambert: Holland. I am afraid the Minister of Finance (Mr. MacEachen) would rise in indignation and I apologize to him if I were to suggest that Scotland has ever been subjugated. Maybe some people have felt Scotland has been subjugated, but no Scotsman has ever been subjugated. I do not know if that is a Freudian slip or not, Mr. Speaker—it was just one of those things.

This debate has been twice around the horn, Mr. Speaker. The last debate took place in late 1966 and early 1967. May I say that, based upon the experience of that time, I can assure both the Minister of State for Finance (Mr. Bussières) and the Minister of Finance that there is going to have to be a Bank Act continuation bill.

According to my calculations, if the House does not sit on May 19, June 24 or July 1, then at one minute after midnight on July 10—I may be out a day but it will be one minute after midnight around that date—Canadian banks will not be able to open their doors unless there has been passed by both chambers, and promulgated, a Bank Act continuation bill.

The reason I say that, without even indicating that there is going to be an extraordinarily long debate in this House, is that even with the best of intentions it would not be possible to meet the deadline. There are pages and pages of regulations made under various sections of the act which are published simultaneously with proclamation. Sixty business days are provided in which the public may make recommendations to the government and so too may members of Parliament, I presume, with regard to the regulations. There is no way the banks can operate under a Bank Act with this multitude of regulations in suspense.

For instance, there are regulations with regard to leasing, regulations covering the operations of affiliates and subsidiaries of foreign banks, and any number of other regulations, which, of course, may be modified at committee or as a result of private representations to the government before and after proclamation. In all honesty, Mr. Speaker, I cannot see how anyone can anticipate the date being before November 1. It could be January 1 and that might be better, in order to give the banks the opportunity to conform. Some of them are going to have to modify their positions as a result of this legislation.

The hon. member for Winnipeg North Centre (Mr. Knowles) may remember, as I do, that early in 1967 the Bank Act was passed, and was proclaimed, but was to be effective on July 1, 1967. All this is by way of advice, Mr. Speaker. It would make things much more comfortable for Parliament. Our colleagues on the left, incidentally, are now apparently filled with "wim and wigour", but at committee hearings they distinguished themselves by almost total absence. I do not know whether they have a belated conversion to some views, or what.

The revision of the Bank Act is almost three years over due, and I suggest it will be three and one half years over due before we are through.

During the committee hearings I found a phrase which I think was apposite and I do not apologize for using it. I think

in many ways that what we are doing here is akin to laying down the rules for the manufacture of horse collars in an age of jet propulsion, rockets, and advanced electronics.

We have been putting up a fence to contain the encroachment of foreign banks. If we look at the proceedings of the committee in 1966 we see that I, for one, asked the minister of finance of the day and the superintendent of banks at that time to do something about the comprehensive Bank Act which would allow foreign banks in for competition. We went through a gestation period with one foreign bank at that time, the Mercantile Bank. How that exercised the committee and the country, Mr. Speaker, when all it did was shore up one particular banking operation very soon thereafter! Because the market attracted them and the Canadian banking system did not have the facilities themselves, we had British merchant bankers, representatives of French banks and German banks and, of course, branches, in essence, of American banks.

May I call it six o'clock, Mr. Speaker?

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

At six o'clock the House took recess.

● (2000)

AFTER RECESS

The House resumed at 8 p.m.

Mr. Lambert: Mr. Speaker, at the six o'clock adjournment I was speaking about what the tendency has been on this occasion and in fact on the previous occasion when major revisions of the Bank Act went through, but in particular on this occasion. We are merely legislating to cover deficiencies and anomalies of the past, rather than what I would like to see, and I think that the majority of members on my side of the House would like to see, that is, legislating for the next 25 years in the future with regard to the banking system of Canada. I do not share the views of the now absent New Democratic Party.

Some hon. Members: Oh, oh!

Mr. Lambert: But I want to say this: as they take some views, we take different views—

Some hon. Members: Hear, hear!

An hon. Member: Here is the cream of the crop.

Mr. Lambert: —with regards to the importance of the framework of our financial system here in Canada.

I remember in 1966 insisting upon provisions for merchant banking. The former member for Eglinton, Mr. Sharp, who was then the minister of finance, and the then inspector general of banks, would not hear of it, but we have seen merchant bankers move into our Canadian economy. What we are doing now with this act is trying to put containing fences around them. We are talking about limiting the banks in data processing. We are talking about limiting the banks in the leasing of equipment. In 1966, and 1967, the banks warned us, and we were told by witnesses, that the only way you could, at that time, finance the leasing of major ticket equipment in this country was through major American subsidiaries. Frankly, we had the courage in 1966 of supine individuals with wet noodles for a spine in so far as it came to banking. Today we are doing the same thing.

I have been connected with the examination and the study of our financial system for over 20 years in this House, and I will confess that my early career was as a bank clerk but I could not stand the dull mechanics of it. I put a challenge to this government, as I did to my own administration, and I have here before all of this House the first carbon copy of a letter of my commentaries with regard to the Bank Act on the bill presented by my colleague, the hon. member for St. John's West (Mr. Crosbie), who was then the minister of finance. It is less than it was against that of the hon. member from Shawinigan who was the then minister of finance.

Mr. Kaplan: It was the same bill.

Mr. Lambert: But I simply say—and the Solicitor General (Mr. Kaplan) will know because he was chairman of the committee of which I was a member—that our biggest problem is that we have been too timid with our bank system, our financial system. We do not gear for the future. We are merely trying to shore up for the past; contain the present, and then God help us in the future.

It is alleged that the Canadian Payments Association, or system, is going to provide the necessary vehicle for the electronic transfer of funds. That is nonsense. It is too limiting.

● (2010)

I do not think that what we have in this act provides us with the proper vehicle for the Minister of Finance to discharge his constitutional duties properly where he is given exclusive jurisdiction, or the Parliament of Canada is given exclusive jurisdiction, over money and banking. My old expression of wet noodle courage in 1966 motivated the then administration not to insist upon its exclusive jurisdiction in monetary policy and in banking with regard to deposit insurance and, secondly, with regard to that which is banking.

What is wrong with this act is right at the core, at the guts of it. It refuses to define the business of banking, yet it has the gall to use the phrase "of business and banking". I, as a solicitor, and I do not apologize for the number of solicitors in this House because I think they reflect the right thinking of the Canadian public—

Some hon. Members: Oh, oh!

Mr. Lambert: Jealousy will get no one anywhere.

An hon. Member: You are living proof of that.

Mr. Lambert: If any individual representing financial interests, or an individual trying to put together financial interests, were to come into the office of a solicitor engaged in corporate business practice and say, "We want to carry out certain operations. Can you tell us whether they infringe the restrictions on the business of banking?" An honest solicitor would say, "I cannot tell you because section 295 of the act says that a non-financial affiliate of a foreign corporation cannot engage in the business of banking." Well, what on earth is the business of banking? At 5.30 or thereabouts the hon. member for Broadview-Greenwood quoted from a Manitoba judgment. I think that judgment is out to lunch.

An hon. Member: So are the NDP.

Mr. Lambert: No, the judge was. He said the business of banking is that which bankers carry out. In Alberta we have Alberta treasury branches. They carry out every function that a chartered bank does, and they sell gaming licences. At one time they took your picture for your driver's licence. Are those the functions of a banker? No, no, no.

I invite hon. members to look at the deliberations of the committee on finance which culminated in the March 20 report presented to this House on behalf of the committee by the present Solicitor General. He will admit it is a good report. In fact he pops his vest buttons that it is a good report.

The first item in that report insisted that banking should be defined in the act. I can tell the minister that I went looking for that and I got the recommendations and the testimony from most reputable witnesses on behalf of the Canadian bar, the bankers' association, the manufacturers' association, all types of organizations, and they are not generic when I name those, and private individuals. They said the business of banking had to be defined in the same way that the term deposit has to be defined.

People assume, for instance, that in a deposit with the trust company, that money on deposit with the trust company is on deposit. It is not. It is money left in trust with a trust company. It is not a deposit in the same sense as it is with a bank because those funds cannot be expended for any purpose. They are directly returnable to the individual who left them with the trust company, but the act refuses to define deposits.

These are two fundamental lacunae. I was told that defining the business of banking might excite some of the provinces. I will repeat the argument that I have made time and time again. The fact that a provincial administration incorporates a trust company and that it has jurisdiction over certain credit unions, does not give it jurisdiction over the operations of that institution or that society if that society, institution or corporate body engages in the business of banking, any more than a company incorporated under provincial statute for the operation of aircraft. They all come under the Ministry of Transport. There is not one scintilla of the operations of that company, other than filing its annual return, naming its directors and its shareholders, that a province can control. The same is the case with a broadcasting company. They are incorporated under a provincial charter. They name their directors, they file their annual statements, but again not one scintilla of their operations come under provincial control.

A grain marketing company is incorporated under provincial charter but again not one scintilla of its operations comes under provincial control. Its employees are under the Canada Labour Code. A trucking company that crosses a provincial boundary, again its operations to truck are under sound federal control. Its employees are under the Canada Labour Code. Why, then, do we come around suddenly to recognize that organizations engaged in the business of money and banking incorporated under a provincial charter somehow or other have a totally provincial concept? To my mind, that defeats logic.

● (2020)

When we consider that over 35 per cent of moneys on deposit today, and presumably almost the same amount of chequing operations, are drawn through the near banks and the money lending operations, where is the determination of monetary policy which, under the constitution, is assigned to the Minister of Finance? Where is the determination that money and banking are exclusively jurisdictions of the Government of Canada? I would expect, by the same logic, the provincial governments to insist that education and a few other fields come exclusively within provincial jurisdiction. But with regard to money and banking the position is clear under the Bank Act and associated legislation dealing with monetary policy. I may be a hardliner and I am not too sure that all my hon. friends share this view.

This afternoon we heard the hon. member for Broadview-Greenwood arguing that the Bank Act is a multi-purpose document. I do not recognize it exclusively as a social document, as he and his hon. friends tend to do. In fact I think they are "out to lunch" in opposing *quid pro quo*, as one might say, labour policy against monetary policy. By that, I mean the organization of our monetary institutions. To my mind, it is illogical, it is hare-brained, and destined to failure. I think it is—

An hon. Member: A dangerous move to the left!

Mr. Lambert: Members over there may laugh, but I am bearing in mind the contributions of that group on the left during the last determination of these issues. Perhaps I might quote to them the words of their former financial critic at the time I was finance critic for my party—he is somewhat of a revered institution in that party or, at any rate, he should be to a lot of its younger members. I refer to the former hon. member for Waterloo. He used to say, "Marcel, when you have covered a bill there is nothing much left to say."

Some hon. Members: Hear, hear!

Mr. Lambert: I am going to review these documents at some length, Mr. Speaker. This is an omnibus bill, a huge, massive thing, and for the benefit of the television audience tonight I am going to show it.

An hon. Member: You are not supposed to be talking to the television cameras.

Mr. Lambert: I know. But some of the hon. members here might as well be part of that television audience because, frankly, I do not believe they have looked at this bill in its entirety. It is in four parts.

An hon. Member: Read it.

Mr. Lambert: The hon. member may die of old age—and it is premature old age because he is still young in appearance—and in mentality.

Some hon. Members: Oh, oh!

Mr. Lambert: There is the Bank Act. Incidentally, the Bank Act is not just a general act, it serves as the equivalent of a memorandum of association or letters patent of all existing chartered banks and it is not, therefore, a document to be treated lightly. It is the charter of their operations. Then there are amendments to the Quebec Savings Banks Act which cover only one institution, the Montreal District Savings Bank. Then there are amendments to the Bank of Canada Act, and finally there is part IV which deals with the creation of the Canadian Payments Association. This in itself is a most complex and difficult study because it is the point of departure as far as the whole business of this legislation is concerned.

I do not intend to talk at this moment about part IV, though. I want to talk about the Bank Act and, as I said, I want to talk about the report of the committee of this House tabled a little over a year ago which, incidentally, was about 80 per cent incorporated by the Department of Finance and put together in the presence and with the co-operation of the Inspector General of Banks. A lot of the points were negotiated with him. I can tell you, Mr. Speaker, and the Solicitor General will tell you, that members both on this side and on the other side of the House, in the spirit of putting together a workable document, negotiated privately and arrived at a consensus, a communality of opinion. The administration which took office in June of last year did not entirely share our views in certain respects. They had the benefit of the views of our colleagues in the Senate whose opinions may have varied from ours. We do not claim we have a monopoly on sagacity. But we believe we arrived at a pretty fair solution. I should like to outline to the House the areas in which we take issue with the present bill and the former administration.

First, as to the business of banking. I have often looked upon government on the national scene as though it were a referee in a hockey game—I understand there are some hockey games starting just about now. We have all watched professional hockey, and we have always known that if the referee in the first period is lackadaisical and allows elbows, high sticks, boarding, and generally rough play, by the second period the boys are into the act and the situation is no longer under control. The situation has got beyond him, and we have precisely the same situation here.

By the refusal of the Parliament of Canada to define the business of banking we have allowed chaos to pile upon chaos, and precisely for those policies that the New Democrats would like to see, the Government of Canada is as impotent as a eunuch to act because there has been a refusal to define the business of banking and the word "deposit". So the Government of Canada says, "This is the jurisdiction with regard to money and banking. Let it be known." It has been sniped at, it has been pulled at, and, frankly, what have we got? Oh, the chartered banks' operations work rather well, but I invite the hon. minister to go into Montreal, Toronto, Calgary, Edmonton or Vancouver—I think I have named the five principal financial centres in the country—to see the foreign banks operating, from one extent—the suitcase operators—all the way through to the 15 or 18 branches of the Bank of America in Newfoundland, not under the name of the Bank of America but the First America.

● (2030)

[*Translation*]

What do we say about the Bank of Paris in Montreal, Calgary and maybe elsewhere?

And what do we say about the Bank of The Netherlands and the Bank of Switzerland in Montreal? Mr. Speaker, I do not object to the operations of those people.

[*English*]

One of my colleagues is going to talk about the financing of heavy construction equipment and the foreign bank agency which was the only one which was able to take it on because it quoted a lower price. That is competition, and a number of managers in our chartered banks have told me they were beat out on this deal or that deal by representatives of foreign banking interests. The problem there is that neither side is protected. It is the black market of finance. Neither is the foreign banking operator protected by supervision, and particularly by the representatives from the left who seem to think that everything has to be on the tabletop so they can examine all the guts. I do not know what visceral satisfaction they get out of it, but they cannot see the operations of these foreign banking interests.

Our Canadian clients are not protected. You do not know what sort of deal they are in, and when I look at foreign banking interests and talk to them, as I have done with the Swiss, I ask, "What protection have you got here? You are not under any act. You do not have section 88. You have nothing except taking action in one of our courts against possibly a man of straw".

"Yes", they say, and I say, "All right, and how does that affect your interest rate?"

"Well, we protect ourselves against that". So therefore where do you think bridging loans or factoring gets to except at higher interest rates, which are a protection against risk? And who supports the bottom line? The Canadian enterpriser, who has to resort to that. And who then picks up the real bottom line but the Canadian consumer?

This policy with regard to banking is about as stupid, illogical and unenlightened as our energy policy, where we subsidize Canadians to buy more of our disappearing energy resources so that we depend upon more foreign offshore resources on which we pay subsidies. Out of whose pocket? The Canadian. Talk about lunacy and idiocy! The Canadian economy has been put through the wringer of lunacy during the past few years on this particular score. It is the Canadian consumer who is paying for it all the way through, and now we are asking for a continuation. It is not quite so expensive. We are not spending $3.5 billion to subsidize the consumption of foreign oil at the expense of Canadians and Canadian companies—western Canadian companies primarily—and to subsidize United States tourists who daily fill up foreign air carriers which tank up.

Here are a few million dollars or a few hundred million dollars. Here is more, but it all adds up to a policy that is equivalent to that of the old Roman empires. Give the mobs bread and circuses, and they will elect you; until the Roman mob ate up the Roman emperors. We are doing it.

I want a banking system which will take care of the needs of Canadians financially. I want there to be Canadian merchant bankers. I want our chartered banks to be strong, and not just here in Canada. I want them to be able to go abroad without penalty and on the basis of reciprocity. We cannot expect other than that, but why hamstring our people? We have a Canadian characteristic that if a Canadian operation is satisfactory and making money, the best thing to do is to go out and hamstring it, either through the tax system or some other way. We have that niggardly spirit when it comes to our Canadian presence.

● (2040)

I am not going to point the political finger, but I can assure you that every step that is taken to penalize the initiative of Canadian corporate businesses or individuals is in the direction of giving the outsider encouragement and strength. In so far as the Canadian individual is concerned, he is condemned to ulcers, high blood pressure and worry, and then the ultimate knacker's axe because that is the way we consider Canadian initiative and enterprise, that is the way our tax system is designed.

People complain about the loopholes that apply to foreign corporations. God, I wish they would turn their attention to the damage that they do to our Canadian enterprise. Therefore I say that in so far as our Canadian banks and trust companies are concerned, and here I include federations and the credit unions because they have now reached the stage—I want to talk to them about their chartered bank which has its headquarters in my home city—they draw their funds in part from pension funds and credit unions. That is the Canadian Commercial. Then there is the Northland branch which is, frankly, a far more overt outlet into the banking field of funds accumulated by the federations and the other groupings of credit unions. That is where real money is made. Those two banks, in the discussion of whose charters I participated, are good money makers, and so is the Bank of British Columbia, once we got the government of British Columbia off it. They are good and they are doing the job. They are three out of the four which have been incorporated since 1968. I appeal to hon. members in the House that we do not put unnatural hobbles on our financial system.

We are going to be able to consider a lot of amendments in the committee, I trust, but I do not see that many changes between this bill and the bill that was before us in December. Yes, there are a few changes, for instance, foreign banks having to go to cabinet—their minister having to go to cabinet—in order to establish another branch. That is nonsense. It is the Inspector General who should look after this. Why do you hire a watchdog and then do your own barking? Cabinet is too busy and has too many things on its plate, and it is ill-qualified by reason of the complexity of the work that it faces to be able to arrive at the right decision.

Let us say the Bank of America, which has many branches in Newfoundland, wants to establish another one in Nova Scotia in a shopping mall or in one of the major towns. Does it have to come to cabinet here? What utter nonsense! Let us take the case of Barclay's or the First National Bank of Seattle with its branch in Edmonton. It wants to establish another branch in Calgary. Why should it have to come to cabinet? That is one of the things we want to talk about in committee. It will require the mere change of one word, but the government went against the opinion of the committee on this.

There are some other matters about which we want to talk. I want to mention the fact that 8 per cent of Canadian assets of Canadian banks is the ceiling beyond which foreign banks cannot penetrate. What is so magical about 8 per cent? The committee proposed 10 per cent. I saw the government's reasoning in this regard, and, frankly, I do not buy it. We are not legislating for today with inflation at this high level, and we are not legislating for yesterday. Again we have this foolish nonsense of containment. Le me say to the minister, through you, Mr. Speaker, that we are legislating for the next 15 to 20 years. Why do we limit ourselves?

The Inspector General of Banks is the watchdog for government, and, thank goodness, in this act he is finally being given an active role. In the previous act—and I complained about it—he was the mere recipient of reports, a toothless dog. He admitted it, but the government of the day would not do a damn thing about it. Now, thank goodness, we have a more activist concept in the role of the Inspector General of Banks. In part we are meeting a social need. I am not one who believes that every group of self-appointed consumer activists should have the right to sit on the board of a bank or on the Canadian Payments Association. Gracious me, they do not realize that the chaos and the delays they cause ultimately add up to $2 on the bottom line where $1 had been the price before, but it gives them some self-satisfaction! Perhaps they love to see it in the headlines, I do not know, but it does not go that way.

Now I come to the question of incorporation. Until now it has been necessary to incorporate through a private bill. In many instances that is tough, but let me assure you that in the case of the Continental Bank, which is IEC's application, thank God it had to go through the sieve in the Commons committee. Our friends across the way, on the recommendation of the then inspector general of banks, allowed this through, with which I disagreed, and I am not recognized as a leftwinger in this House—

Some hon. Members: Oh, oh!

Mr. Lambert: I found some things in that application that were absolutely repulsive, such as, for instance, that four directors of the Royal Bank were going to be directors of the Continental Bank. There was a whole bunch of things. Of course we sent them peddling their fish very quickly. My colleague from Nova Scotia says I must not peddle fish. The act was cleaned up, and I am glad to say that the Continental Bank is well launched today and in operation. I wish it every success in the world.

● (2050)

That pointed out the validity of an examination of the explanation by the Commons committee. If it had been passed merely on the examination by the Inspector General of Banks of the day with a recommendation to somebody, as he recommended to our colleagues in the Senate, we would have ended up with a Frankenstein monster.

It is now proposed that the letters patent route shall be used involving the Department of the Secretary of State and then the Inspector General of Banks. However, anybody and everybody can comment on such an application, but the Inspector General is not authorized to hold public hearings to obtain the pros and cons.

Any branch of the public service is the creation of legislation and holds only those powers granted to it by statute. The Inspector General cannot hold public hearings on the application of a bank. Anyone could comment, make smears, or we could even have an application such as the original Continental Bank application, yet the Inspector General has no power to receive representations in making an examination.

My colleagues on this side of the House and a sufficient number from the government side agreed with me on this point and we made such a recommendation in our committee report. Lo and behold, that has been one of the most sterile recommendations made.

The Inspector General of Banks must have the power to hold public hearings and to examine representations being made in respect of the incorporation of any bank, and in respect of the registration of any foreign bank. Surely that is fundamental. I can assure you, Mr. Minister, if my colleagues and I do not get our way in this regard, the passage of this bill will be a lot slower. We insist that there shall be the right of public examination, as we had under the parliamentary route, and we insist that there shall not be the quiet bureaucratic route.

The present Inspector General might well be the man who would want to do this the most, but he does not have the power to do so. His powers are defined by statute, and if the power is not defined there he cannot do it. I see the minister nodding his head and I assume he has taken note of my point. I would commend it to him as I am sure we are going to hear a great deal more in the future about the incorporation of banks.

I do not want to talk at length about co-operatives, as my colleague from Winnipeg will do so, but there are certain restrictions imposed upon co-operatives. I do not think that co-operatives today, whether combined or in any other form, should have the right to have directors on the board of a bank. The members of any other financial institution do not have that right to be directors of a bank.

The committee made recommendations to tidy up this aspect of the act. I hope to meet with representatives of co-operative societies in the next few days. I hope they do not misunderstand my point of view in this regard. I want to treat co-operatives as mature financial institutions, which they are. If they want to participate in the Canadian Payments Association, along with the big boys, they are going to behave like big boys. They insist that bank directors shall not be directors of trust or mortgage companies. The same should apply to directors of co-operative federations. Co-operative federations are financial organizations and their members cannot be directors of banks. What special status do they claim? Certainly the director of a federally incorporated trust company cannot be a director of a bank, and I agree with that principle. That must also be so in respect of the directors of co-operative federations such as caisses populaires and credit unions.

I have another bone that sticks in my craw. Why must Le Mouvement Desjardins own 25 per cent, or perhaps 27 per cent, of the share capital of the Banque Provinciale, when no other shareholder in the world is allowed to own more than 10 per cent of the shares of any of our chartered banks?

The bill provides for a grandfather clause. I would go much further than the hon. member on the other side on a personal basis. I do not want a grandfather clause. Le Mouvement Desjardins must be subject to the same treatment as the Dutch bank and the Mercantile. They should reduce their interest over a period of years because we cannot have this type of situation.

[*Translation*]

What does that mean now, the Mouvement Desjardins in the new National Bank? I am not familar with the distribution of shares but what does their proportion of 25 per cent to 27 per cent and here I am not entirely certain about their share in the Banque Provinciale—what does it mean, "in the National Bank?" Remember the National Bank is no longer the Banque Provinciale active only in Quebec but perhaps the bordering areas of Ontario, but in my riding there are branches of the National Bank which eventually would have reopened links with the French-speaking communities in our western cities for the former Bank Canadian National. So, Mr. Speaker, we need to have justice here. I said justice—no, rather equality. In

committee I will be moving an amendment to the act on the proportion of shares of a bank owned by a federation or any co-operative movement. After all, they would be the first one to object to a bank or a trust company having by any means 25 or 27 per cent equity in a co-operative movement. Those people are not kids. And I do not want to see them subjected to a floor or ceiling because the co-operative movement and the caisse populaires were set up primarily to fill a gap. There was healthy expansion and now they are very serious people. All the better for them but we have reached a point where the rules of conduct are the same for everyone except that they do not have the rights of the chartered banks nor do they have their responsibilities.

• (2100)

[*English*]

I see that the Inspector General of Banks has delivered his undertaking to the committee that there shall be adequate provision, in section 156(4), for the storage of computer data so as not to hamstring a great number of Canadian operators in this field. I think that the amendment which he has put forward is quite satisfactory. The committee simply said, "To define this precisely is impossible." They simply said that the presence of the data shall be disclosed to the inspector general and shall be readily accessible to him at all times, whether or not it is in the United States in data banks of a peculiar nature that cannot be duplicated, simply because we do not have the financial resources. The operations are too big. There are only two in North America. However, if the Inspector General of Banks knows where the data is and has access to it, then fine, because all the banks will agree on the matter. I would think that the provision has been adequate.

I do not wish to talk at great length about leasing. It is a subject that has excited a great deal of interest on both sides of the House. All I will simply say is that I think that, notwithstanding the regulations published in October, we have already seen efforts by some of the chartered banks, and presumably successfully, to get around the situation. The idea of the banks engaging in the business of leasing passenger vehicles and trucks up to a certain commercial weight will not fly, period. There is plenty of scope in the big ticket items because there is no way that we will continue that parody of earlier years, where people who are buying big ticket items were having to finance them through American financial institutions or having to go to the United States.

A 14½ yard front-wheel loader used in the oil business today can cost over half a million dollars a copy. One D-10 tractor is worth $650,000 in Canada today. Will we condemn our Canadian operators to leasing that equipment? In many instances it pays a great deal more to finance through a leasing agreement than having to purchase such a unit. If we throw the baby out with the bath water and prohibit the banks from engaging in leasing operations, we will merely drive Canadians who require this kind of equipment to financing through American resources and that, to me, has to be the height of stupidity.

I can agee with regard to ordinary automobiles and trucks up to a certain weight. I believe that the automobile dealers, the banks and the government, will ultimately agree on a ceiling figure. It may be 18,000 pounds, 9,000 kilos or so many tonnes capacity, but not a dollar value. Those unroad vehicles shall be limited to dealers to finance. They have done a good job. I can see where some of the abuses are coming up with regard to some of the projected operations of the chartered banks. That is enough on that field.

I would like to turn now to a last item because I wish my colleague from Mississauga to have an opportunity to address the House. It is believed that there is a grandfather situation right here, that there is no way that we can tell any foreign bank to get out of the country, providing, Mr. Minister, that the country of its domicile is prepared to enter into reciprocal agreements with us. The reciprocal agreement is the bottom line. There are many Japanese interests that want to enter into Toronto and western Canada, but Canadian banks, which have been knocking on the door of Japan for many years, must be able to enter on a reciprocal basis.

[*Translation*]

It is the same, but I believe that things are going rather well in France and also reasonably well in Switzerland. In Germany as well things are going fine because certain Canadian banks have purchased German banks and we have common interests. In the United States, the situation can vary; certain states are somewhat more difficult than others, but in general, things are going well.

However, as concerns other countries, I believe that if we developed this question of mutual interests among equals and if the inspector general were in a position to make a request in this regard and present a recommendation to the minister—and I do say a recommendation to the minister because I recognize that this must be done at the ministerial level—it is quite possible—and I have no doubt that my colleague from Esquimalt-Saanich shares my views on this subject—that financial relations would have an impact on foreign affairs. Therefore, there could be liaison at the ministerial level between external affairs and the Minister of Finance.

In this regard, I believe that the activity should remain at the ministerial level and not go any higher because in issues of this type we need flexibility instead of rigidity and all kinds of orders and regulations.

• (2110)

[*English*]

Mr. Simmons: Mr. Speaker, I wonder if the hon. member would permit a question?

The Acting Speaker (Mr. Blaker): Order, please. The hon. parliamentary secretary.

Mr. Simmons: I am especially interested and, indeed, intrigued by what the hon. member for Edmonton West (Mr.

Lambert) said a few moments ago about the need, in his view, to define—

The Acting Speaker (Mr. Blaker): Order, please. Is the hon. parliamentary secretary raising a point of order?

Mr. Simmons: No, I was going to raise a question, Mr. Speaker. I believe the hon. member yielded to my request to put a question.

The Acting Speaker (Mr. Blaker): The hon. parliamentary secretary should realize that he may put his question and receive his answer with the unanimous consent of the House and consent of the hon. member.

Some hon. Members: Agreed.

Mr. Simmons: I was saying that I was quite interested in what the hon. member for Edmonton West had to say about the need to define "bank" and to have a definition in the legislation. The hon. member will agree, I am sure, that the bill before us is almost identical to Bill C-14, introduced by his colleagues in the Tory administration last fall. In view of the fact that they are so identical, will the hon. member for Edmonton West tell the House, and me in particular, if the lack of a definiton of "bank" is as glaring an omission as he says it is, and would he tell the House if he made this point then as well as he has tonight? Did he make it as eloquently then to his Tory colleagues when they were drafting Bill C-14? If he did, then did they subscribe to his logic? If they did not, could he indicate to the House why that was the case?

Mr. Lambert: Mr. Speaker, I am prepared to answer that. I did raise the question. I am not going to disclose in what endearing terms I couched my criticism. May I say, however, that I do not think it was in terms any more constrained than I would have made to the present Minister of Finance. Perhaps the hon. member does not know me, but if I am going to call someone an s.o.b. on one side of the House I will call—

Mr. Evans: Mr. Speaker, a point of order—

Mr. Lambert: Come on! The hon. member for Ottawa Centre (Mr. Evans) should sit down. If I am going to call anyone in those terms—

The Acting Speaker (Mr. Blaker): Order, please. I allowed the question and I am perhaps sorry to say that the hon. member for Ottawa Centre has raised a point of order.

An hon. Member: He thought he heard his name taken in vain.

The Acting Speaker (Mr. Blaker): I have to recognize the hon. member for Ottawa Centre.

Mr. Evans: Mr. Speaker, my only question is about the term s.o.b. I think the interpretation of that expression is quite well known and would be unparliamentary.

An hon. Member: Withdraw!

Mr. Lambert: I want to tell the young hon. member for Ottawa Centre that in the department of defence an s.o.b. is known as a "substitute order of battle".

Some hon. Members: Hear, hear!

The Acting Speaker (Mr. Blaker): The Chair does not mind these interruptions as long as hon. members accept the fact that there ought to be some order in the proceedings. If the hon. member for Edmonton West wants to go on with his definition, that is up to him, but in due course I shall have to rule one or the other or both out of order.

Mr. Lambert: I think the hon. member for Ottawa Centre recognizes that he was entirely out of order. I will give him another definition of s.o.b. As my colleague, the hon. member for Central Nova (Mr. MacKay) says, it is "serene old boy".

An hon. Member: Quit while you are behind.

Mr. Lambert: Mr. Speaker, I am interested in the Bank Act. I do not care who was on the receiving end of the criticism. It is constructive criticism, and it is well-known criticism. I am satisfied that it was received in the spirit it was given—on a constructive basis. I am satisfied that the Minister of Justice (Mr. Chrétien), when he was minister of finance in a former government, received this type of criticism from me in the spirit in which it was offered. I trust that the Minister of Finance today will receive the suggestion in the same way, and I think the hon. member need not worry on that score.

I shall continue my speech, Mr. Speaker, and if I have time at the end, I shall answer the hon. member.

Mr. Simmons: One further question—

Mr. Lambert: No. I want to leave time for one of my colleagues, and I have just a few minutes left.

The last point I wish to make concerns the Canadian Payments Association. It is a new departure, and I am not personally satisfied as to its import. I have a feeling that it is just another facet of the interventionist philosophy of this government. I think that is because the Canadian Payments Association will be under the chairmanship of some employee of the Bank of Canada, named by the Bank of Canada. How else could they get their finger in the pie? Until the present time the Canadian Payments Association or a clearing system has worked very well through the chartered banks. As a former employee of a bank I know that no system is any more strictly policed than it is. One of the difficulties is that the near banks have to clean up their act. Their administration is sloppy; that is why they are cavilling against some of the strictures of the clearing association.

If the idea is to substitute the Canadian Clearing Association so that some of the near banks feel that they can pay the cost of participation in clearing on their own account and can meet their responsibilities, that is fine, they have matured. At the time of the committee hearings, however, it was our information that not one of the organizations, apart from the chartered banks was prepared to enter into the clearing system

as independents, yet they wanted seats on the board of directors. I simply say that if they want a role in the policy determination of an organization, they should pay their dues and assume their responsibilities. There is no free ride for these things. I have an intimation that there are some of the near banks which in the last three years have now grown to a point where they are prepared to come in. Fine, we will see. I hope this will come up.

● (2120)

In closing this particular stage of my intervention with regard to the Bank Act, basically I commend this act to this House. There are some difficulties in some of the provisions. I think I have made the House aware of some of them. I trust we can get a flexibility on the part of the administration where it will be prepared to accept amendments. This is one of the biggest problems with the Canadian committee system that ministers enter committees with their minds made up: thou shalt not yield one inch. Of course, it makes a mockery of the whole operation. The opposition are not out to do dirt to the administration of Canadian affairs. If we have a good idea, and God knows government does not have a monopoly on good ideas, but whether a good idea comes from the New Democrats or whether a good idea comes from this side for an amendment to the legislation, then a sensible minister should be prepared to accept it.

I hope that I have been pretty strong in some of my criticism tonight but may I assure the Minister of State for Finance (Mr. Bussières), and the Minister of Finance that I and my colleagues on this side, in so far as the Bank Act is concerned, are motivated by the best interests of the country at large.

In closing I ask: will the ministry please at this stage consider the calling of a royal commission on banking and financial institutions at the earliest possible date? The Hon. John Turner accepted my proposal personally in 1972 but he could not get his colleagues to agree. The net result is that we have been legislating for the manufacturing of horse collars. Let us legislate the next time around—I do not expect that I will be here, but the good Lord might inflict me on you—

Some hon. Members: We will be here.

Mr. Lambert: —but let this House be in a position the next time it is considering the Bank Act to base its consideration upon a fulsome document based on the requirements of this country for the next 25 years, and not merely to shore up the deficiencies of the past, put up containing fences, and therefore do half a job.

I thank the House for its consideration in hearing me for this rather lengthy period, but may I assure you, Mr. Speaker, that if there has been anything that has been near to my heart all these years in this House of Commons, it is having proper banking and financial legislation. We are far from it now, but God willing we will get to it.

Some hon. Members: Hear, hear!

Mr. Roger Simmons (Parliamentary Secretary to Minister of State for Science and Technology and Minister of the Environment): Mr. Speaker, I should like to say a few words on this particular bill. As I mentioned in my question to the hon. member for Edmonton West (Mr. Lambert), I was rather intrigued by his comments on the need for a definition of banking in the legislation. I listened for some time, indeed throughout his entire speech, hoping that we would hear from him, with his undoubted knowledge in the area, something by way of his version of the definition; in other words, what it ought to be in his view. Of course, we did not hear it.

It is very easy to point the finger and talk about what is wrong with something. It is a little more difficult, and it requires a little more responsibility to offer an alternative. I heard no alternatives in the comments of the hon. member for Edmonton West during the past hour or so. He did admit in responding to my question a few moments ago that he had no more success, that his batting average was as abysmally poor with the Tory minister of finance as it was with the former Liberal minister of finance, the hon. member for Saint-Maurice (Mr. Chrétien), and as abysmally poor, I assure him, as it is going to be with the present Minister of Finance (Mr. MacEachen).

In the very eloquent statements made by the hon. member for Edmonton West there are a few glaring holes and a few weaknesses in the arguments that need to be addressed. When the hon. member calls so piously for a definition to be incorporated in the act, he does not pursue it. He does not analyse what some of the ramifications will be.

Mr. Lambert: Do you want me to go for another hour?

Mr. Simmons: Not particularly, I say to the hon. member. But if in that hour we could get a definition, then at least that hour would be much more profitable than the last hour and a half. I invite him to speak. I am prepared to suspend the rules if other members will. I invite him to get up if he has a definition.

An hon. Member: Enough is enough.

Mr. Simmons: I agree enough is enough, but a little suffering, as my friend from St. John's says, is short-term pain for long-term gain, and I suppose we could endure him for another hour if it meant that we got a definition that has eluded us and eluded legislators for 110 years.

Mr. Baker (Nepean-Carleton): Have you got it?

Mr. Simmons: Not only has he got it, Mr. Speaker, but he hoards it. He will not give it to us. Second, he may well be prepared to—I would hope indeed that he is prepared to—but he is not giving us his point of view in terms of what some of the ramifications will be.

For example, I ask him the question what will be the implications if we incorporate in the Bank Act a definition, as he advocates, for the trust companies? Does he want to throw the trust companies, the caisses populaires in Quebec, the

credit unions, into chaos? Does he want now, by bringing into the Bank Act a definition of banking, to remove the provincial jurisdiction as it relates to trust companies, credit unions, caisses populaires? Is that what he is saying? If so, I hope his leader is listening. Because what he is saying in effect is that in matters of banking, in matters relating to credit unions, caisses populaires and trust companies, he wants to fly in the face of the stated policy of his party of giving it all away to the provinces. On this one he wants to do an about face. He does not want to pursue the stated and demonstrated policies of his leader and his party of giving more and more to the provinces, to the point where one wonders if the Tory administration had existed in power for another year or so if we would have had anything left to call a federation.

I wonder if at times when the hon. gentlemen opposite were in office, if they ever grasped the difference between a common market—a free association of a number of states for economic reasons—the difference between a common market and a federation. What they were talking about and demonstrating on a number of points had nothing to do with a federal system whatsoever.

• (2130)

Now there is a peep of hope, a little glimmer from the hon. member from Edmonton West. He tells us all is not lost in the Tory party, at least in the matter of banking, trust companies, caisses populaires and credit unions. He wants the Tory party to step back from the brink, to become a little more centralist. He wants the Tory party to remove from provincial jurisdiction their present ability to give life to licence, to authorize the operation of caisses populaires and credit unions. He wants to do away with that.

He wants to put a definition of banking in the act that would in effect have the federal power, as provided for in the BNA Act in our constitution, have the federal power declared in effect as it is in the words of the constitution right now. That is what he is advocating. That perhaps is one of the very good reasons why he really skirted the issue and never did talk about a definition.

Mr. Lambert: Come to the committee and I will talk to you.

Mr. Simmons: I will be glad to talk to the hon. member in Committee. I promise him I will be there. He may not remember, but he and I talked a couple of years ago in August when we tripped up to Fort MacMurray during the parliamentary conference. He and I had a good conversation then about a number of matters. I got some insight into the tar sands, thanks to him. I am sure if I talk to him I will get a fair amount of insight into banking. I will not assure the hon. member I will listen to everything he says. I may not agree with all he says, but I will do something more than his colleague just behind him is doing. I will listen to him. I will at least listen to what he is saying.

That is more than the Tory party did to him when they were in power and when they were drafting Bill C-14. They might have listened, but they did not heed very much. They might have listened. Courtesy knows some real strains. One has to do a lot in the name of courtesy. Did they heed the advice? If so, I say to the hon. member for Edmonton West, where is the proof? I invite him to dig up Bill C-14 introduced by the Tories last fall during that mercifully brief period they were in power. Dig it up.

Mr. Lambert: The hon. member knows that the bill that was introduced by the former minister of finance—

Some hon. Members: Order!

Mr. Simmons: Mr. Speaker, of course I will permit a question.

Mr. Deputy Speaker: The hon. member for Edmonton West wishes to ask a question.

Mr. Lambert: If hon. gentlemen would not close their ears, I ask the hon. member did he compare the bill presented by the hon. member from Shawinigan, now the Minister of Justice (Mr. Chrétien), when he was minister of finance, with the bill that was presented in December by the hon. member for St. John's West (Mr. Crosbie) and then take as abridged the committee report, and he will see that the Conservative bill accepted 80 per cent of the recommendations of the committee of the House? Then he may ask the Solicitor General (Mr. Kaplan), who is the inspiration for most of the changes in the original bill as represented by the committee report—my colleagues and I—

Mr. Deputy Speaker: Order.

Mr. Simmons: Mr. Speaker, I will be glad to respond to the question, such as it was. I heard the hon. member ask, among other things, whether I had compared the bill of the now Minister of Justice which he sponsored as minister of finance in 1976 with Bill C-14 of the Tory administration last December. I say to the gentleman from Edmonton West that in 1976 I was so terribly busy in the Newfoundland House of Assembly trying to keep his now colleague, the hon. member for St. John's West, straight, that I frankly admit that, no, I did not compare the two pieces of legislation.

Some hon. Members: Hear, hear!

Mr. Lambert: That was in 1978.

Mr. Simmons: I am here just barely. I was here a few days in December and seven days after "you shut her down on me". I have been here fourteen days as of tonight in this session, twice as long. I just want to give my friend a chance to hear himself.

Mr. Deputy Speaker: The Parliamentary Secretary has the floor. Would he continue with his speech?

Mr. Simmons: I cannot tell the hon. member for Edmonton West who was the inspiration. I can tell him I had a chat with the Solicitor General and I know who was not the inspiration, but that is another issue. This bill before the House compares

almost identically to Bill C-14 which the Tories introduced in December, almost identically.

Mr. Rose: Are you proud of that?

Mr. Simmons: What I want to know from the hon. member for Edmonton West, if he suggests that he indeed was the inspiration, is why his inspiring argument about definitions for banking did not get through to the Tory minister of finance. To hear him talk tonight, that seems to be the central problem with our banking legislation, a lack of definition. I hope in time he will provide the House with an answer to that particular question.

My friends in the instant solution party—

Mr. Rose: Nice to see you recover.

Mr. Simmons: That is more than I can say for the hon. member. My friend in the party of instant solutions scoffs because there are a lot of similarities in the two bills.

Mr. Rose: I didn't.

Mr. Simmons: I said almost identical.

Mr. Rose: You are damn right.

Mr. Knowles: Order.

Mr. Simmons: This bill does take into account most of the considerations of the House committee and Senate committee. We have heard in the last two or three years all kinds of representations on the white papers and the previous revisions of the act. There has been exhaustive consultation, negotiation and modification. As the hon. member for Edmonton West says, he was an integral part of that consultation. He was on that particular committee. He provided a very important voice on that committee.

I come for a moment to the question of foreign banks. It should be pointed out, when we talk about foreign banks, that they are not under federal control as such because we have not asserted our power which is in the constitution with respect to banking; banking is clearly a federal area of jurisdiction. They are operating in Canada, but they are not under federal control. They are under provincial control.

The Bank Act, to which we are proposing revisions tonight, will ensure uniform federal control without, at the same time, I say to the hon. member for Edmonton West, cutting the legs under trust companies, caisses populaires and credit unions. That is not nor will it be our policy. We will listen to the hon. member for Edmonton West, but we will not follow his advice on that matter. We cannot afford to do so. We will not cut the legs under the credit unions and trust companies. We shall not do it no matter how eloquently, how loudly, how endlessly he talks.

This revision will have the effect of increasing banking competition, and I believe it will lead to better service for business borrowers. It will mean that our banks will have access to foreign markets. I hope everyone in this House is proud of the degree to which the Canadian banking system, because of its stability, because of its international recognition—

● (2140)

Mr. Skelly: Loans to Cuba!

Mr. Prud'homme: I do not think they are proud of them over there.

Mr. Simmons: Well, I am proud that our banks are providing leadership around the world. I don't expect the socialists to be proud of it, though. In fact I have yet to find very much that they are proud of. They are so busy knocking everything that they have no time, anyway, and if they are not knocking things they are advancing instant solutions to things—tonight, the interest rate, tomorrow, inflation or something else.

An hon. Member: You have said that before.

Mr. Simmons: Yes, and I want to say it again because it takes a little time for the people I am talking about to understand it.

Mr. Blaikie: You have learned nothing in 113 years.

Mr. Simmons: Mr. Speaker, allow me abjectly to apologize for all my sins in the last 113 years. Now the hon. member wants me to carry on my shoulders all the problems of the last 113 years. Talk about instant solutions!

An hon. Member: You never change.

Mr. Simmons: We change, Mr. Speaker. We have changed in Newfoundland. We rooted out the socialists down there. We did the same thing in Nova Scotia, and we are going to do it out west.

Some hon. Members: Hear, hear!

Mr. Knowles: Your speech was funny the first time I heard it.

Mr. Simmons: The hon. member was awake the first time he heard it.

Mr. Knowles: This is the third time. It is losing its punch.

Mr. Prud'homme: How did you remain here for so long?

Mr. Simmons: I thank the hon. member for coming back so often to hear me. He likes it so much that this is the third time, he says.

This legislation allows easier access into the banking system. I believe it will lead to greater competition and that it will allow existing financial intermediaries to widen their scope and compete more effectively in the marketplace. Do hon. members of the socialist party say this should not be the case, that these financial intermediaries should not have wider scope and be able to compete? Are they against that, now?

Mr. Prud'homme: Of course. They are against everything.

An hon. Member: Clarify that.

Mr. Simmons: There are many aspects of the bill which commend themselves to the House.

Mr. Baker (Nepean-Carleton): Mention some of them.

Mr. Simmons: For example, the provisions dealing with leasing. The proposed legislation calls for leasing to be restricted to the equivalent of credit. I am told this will satisfy the auto dealers and others who have expressed concern over this matter. I am sure all members have received representations from the auto dealers' lobby across the country.

Then again, the question of the disclosure of consumer transactions is addressed positively in the legislation. This is another provision which I commend to hon. members. I agree that the federal regulations ought to be as strong as the provincial legislation in matters of banking or, in the case of the provinces, of near banks. Extensive federal-provincial consultations on this subject have been going on for some time. There has been a good dialogue, and I do not want to see progress of this kind destroyed by such hare-brained schemes as we heard tonight from the hon. member for Edmonton West. I do not think anybody in his party subscribes to his suggestion that we assert power federally to the point at which we place in jeopardy the whole of the near-banking operation which is now proceeding under provincial licence and jurisdiction.

The policy we prefer is one of consultation rather than railroading. This does not mean acquiescence. The former prime minister equated consultation with acquiescence. Consultation does admit to the possibility of disagreement, but it is consultation nevertheless. Had the right hon. gentleman learned the lesson that there was a difference between consultation and acquiescence we would not find ourselves in the mess which exists today in terms of the Loto Canada arrangements, for example.

We recognize that as this process of consultation with the provinces continues and brings about further resolution and benefits, there will be need for further modification in the regulations made under the Bank Act. That is why, in the wisdom of the draftsmen, certain latitude is left to the regulations. This has to be done in legislation of this sort which comes up for review after a fixed term. There is all the more need, then, for flexibility in making the regulations.

Mr. Speaker, I rose mainly because I felt the House was being misled, not deliberately, I admit, on a very important point, namely, the need for a definition. If one is going to address himself to an area as complex as that, he at least owes it to the House to give hon. members an inkling of the implications involved. I hope that in the course of this debate we shall hear from various members on that point.

● (2150)

I hope the opposition House leader will tell us why the administration of which he was a part rejected what appears to be a very logical suggestion from his colleague, the hon. member for Edmonton West. I invite the hon. member for Nepean-Carleton (Mr. Baker) to rise in his place and give us the benefit of his knowledge on this subject.

Mr. Whelan: That won't take long.

Mr. Simmons: Finally, I commend the provisions of this bill to hon. members. I hope we can put to bed very soon the entire subject of a definition of banking or, if not put to bed, at least keep it awake and alive in some sensible framework.

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

I am intrigued by the instant knowledge of the hon. parliamentary secretary of this legislation, but has he examined the testimony of almost all of the witnesses who were questioned on the point of the definition of banking, and has he studied their answers? I would say they were 99.9 per cent in agreement with me, and there were some definitions worked on, but I am prepared to work—

Mr. Deputy Speaker: Order. The hon. member has asked his question. He has previously been recognized.

Mr. Simmons: Mr. Speaker, first I will respond to the hon. member's preamble in which he lauded my instant knowledge. I thank him for that. Second, I will tell him that I do not have and do not profess to have very much expertise on banking or banking legislation. If we in this House get to the point where the only people who can rise on an issue are those who are recognized experts in their particular fields, we are going to have a pretty sterile debate.

Some hon. Members: Hear, hear!

Mr. Simmons: What I do bring to this debate—and I defend my right to do so—is the concern of ordinary Canadians I represent that the banking legislation we put through this chamber be the kind that can serve them best, and for that reason I make no apologies to the hon. member for Edmonton West for the kind of knowledge I have about banking.

Some hon. Members: Hear, hear!

Mr. Simmons: The hon. member asked me if I have examined the transcripts and the questions put to the witnesses, and their answers. He also asked me whether I am in agreement. No, he said it another way. He asked if I knew that some 90 per cent were in agreement with him. Here is my response to his question, in two parts: The first part of the answer is no, I have not read the transcript. I do not know what it says, and I probably would not understand it if I did read it. That is number one.

Number two, and more important, if the hon. member listened to me carefully he would not have heard me imply that I was even in disagreement with him on the need for a definition of banking. I do not quarrel with him on that subject. All I invite him to do is tell the whole story, and if he is going to advocate what sounds just like motherhood, namely, that there ought to be a definition, I agree with him that there

ought to be, and nobody in this House would disagree on that. There ought to be a definition. Of course there ought to be. All I have done is to invite him to tell the whole story.

If the hon. member advocates a definition, he should at least give some of the reasons why, for 110 years, we have not been able to get a definition. I also invite him to tell the House what the implications of putting that definition in the act would be.

Mr. Rose: Mr. Speaker, I have a question. Since the hon. member's time has elapsed, would the hon. member permit a question?

Mr. Simmons: Sure.

Mr. Rose: I was very interested in the *mea culpa* of the hon. member who just spoke and in his loud defence of ignorance.

Mr. Deputy Speaker: Would the hon. member ask his question, please.

Mr. Rose: The hon. member spoke in defence of the legislation now before us, and I agree with him that our party—

Some hon. Members: Question.

Mr. Rose: The House is committed to the lay examination of any legislation before it.

Mr. Deputy Speaker: The hon. member for Mississauga South (Mr. Blenkarn).

Mr. Rose: I wonder if I could repeat my question, please.

Mr. Deputy Speaker: The hon. member for Mississauga South.

Mr. Simmons: It was a good question, anyway.

An hon. Member: What is the answer?

Mr. Don Blenkarn (Mississauga South): Mr. Speaker, I have a number of remarks to make, but preliminary to what I would like to say in this session on this bill I remind hon. members that this bill has been before this House on a number of occasions. In the Thirtieth Parliament Bill C-15 was analysed in detail by a committee of this House. That committee held innumerable meetings and finally came up with a report in March of 1979. Ten members of that committee are no longer members of Parliament. There have been two federal elections since that time, and consequently there are a number of new people in this House, perhaps particularly from the New Democratic Party—although I do not speak on their behalf—who will want to question people and go over the evidence which was taken by the committee in the Thirtieth Parliament.

It is important in a matter of banking legislation that we do not forever hash and rehash, just because there is a change in the make-up of Parliament, evidence which was brought before committees. I think it is important when we consider this bill in committee that, before we even think of calling witnesses, every member of Parliament on the committee review the testimony already heard by a committee of Parliament on a bill very similar to this one, Bill C-15, so that we do not waste the time of Parliament and of the people of Canada going over old straw.

Before I get to a number of things I want to say, I remind hon. members that the hon. member for Broadview-Greenwood (Mr. Rae) earlier today indicated an attitude on the part of the New Democratic Party which I thought was less than fair to this piece of legislation. He indicated that the banks have grown awfully rich. He said they doubled their profits between 1969 and 1979. Well, of course they have. We have had more than double inflation. The value of a dollar is considerably less today, less than half of what it was in 1969. Of course profits would have to be more than doubled, just to stay even. Members of the New Democratic Party know as well as anyone else that the profits of the major banks have in fact declined in the past year.

Mr. Blaikie: Not true.

Mr. Blenkarn: The hon. member for Broadview-Greenwood said this act should deal with interest rates. The hon. member knows full well that there is an Interest Act in our statutes. That Interest Act should be replaced. It should be amended. Many things should be done with respect to interest rates and the definition of interest, but certainly that is not a question which is properly in a bank act which is, as the hon. member for Edmonton West (Mr. Lambert) said, a charter for banks. That is another issue the New Democratic Party has been trying to flail before this House as an indication that it should stand in objection to a statute which, depending on the ability of our financial institutions to build the stability of our country, needs to be passed.

Finally, and even more important, the New Democratic Party came up with the proposition that because one of the chartered banks, in the opinion of a labour board, was unfair to its employees, this legislation should be blocked as a form of secondary boycott, as so often happens in labour relations matters, to hold up the business of Parliament, to hold up the financial arrangements of this country, and to damage the interests of depositors and of everyone. The secondary boycott concept is the kind of proposition that I was embarrassed to hear coming from the hon. member for Broadview-Greenwood, for whom normally I have a high respect. May I call it ten o'clock, Mr. Speaker?

● (2200)

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

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

FISHERIES—OVER-THE-SIDE SALE TO FOREIGN FISHING FLEETS

Hon. Elmer M. MacKay (Central Nova): Mr. Speaker, I asked a question of the Minister of Fisheries and Oceans (Mr. LeBlanc) on April 28 concerning the ramifications of over-the-side sales of fish. I consider this to be a topic of sufficient interest and I would like to pursue it further this evening.

First of all I would like to say to the parliamentary secretary—I do not see the minister here tonight—that I would be the first to concede that not all over-the-side sales of fish products are bad, but it is very important, to use a phrase coined by my colleague, the hon. member for St. John's West (Mr. Crosbie), in the financial sense, not to sacrifice long-term gain for short-term pain.

I would like to explore with the minister or his representative the possible ramifications of what could happen if the concept of over-the-side sales of fish is not proceeded with very carefully. Not all over-the-side sales are bad. There are many situations where the quality of fish cannot be maintained unless frozen at sea. Examples of species which fall into this category are: mackerel, silver hake, and argentine. If we, as Canadians, wish to participate in these fisheries, we will have to freeze at sea, since local plants cannot process the fish or handle the volume that can be caught. In this situation, over-the-side sales are justified. However, if over-the-side sales are used as a price fixing mechanism, which could be the case, it could lead to a disruption in the Canadian fishing industry. Let me explain.

As I understand it, there are guarantees being paid to Joint Trawlers Limited for mackerel at 12.3 cents per pound or $270 per ton, which must be one of the highest prices paid anywhere in the world for this type of product. This could ensure that Canadian processors who wish to develop the finished product and get into the world market for mackerel cannot compete. Since there is a tremendous market in Germany for smoked and canned mackerel, the Canadian industry could get into this market if it could purchase mackerel at a realistic price, having regard to general world market conditions.

Under the present policy we may have difficulty in developing our own capacity to process mackerel. However, there is a catch 22 involved here as well because, as I understand it, the federal Department of Fisheries is attempting to develop an off-shore purse seine fishery for mackerel in the Gulf of St. Lawrence. They do not want the small boat fishermen to complain about the development of this fishery. It is possible that they do not want any large factory freezer-trawlers in the gulf as they feel the offshore fishery would lead to less fish coming inshore. This is just another consideration.

Over-the-side sales to factory freezer-trawlers is a demonstration of the need—and this is one of the main points of our Canadian fishing industry. We need these vessels to get into quality markets, and once we are into these markets we can bring into the world market some of our lesser quality fish. World markets in the processing industries are beginning to stabilize after the extension of jurisdiction, and unless Canada develops a capability to participate in the high quality markets, the opportunity is not going to exist forever and we may have great difficulties later, which is what I meant when I spoke about sacrificing short-term gain for long-term pain.

In summary, I believe that a couple of points should be made for the purpose of debate. As I said, we should not necessarily condemn the concept of over-the-side sales. They are only justified, I believe, when the off-shore capability is not available to handle the fish and quality cannot be maintained. I believe that such sales as a price fixing mechanism or the commensurate benefit concept, as the minister referred to it in this chamber the other day, are not necessarily the best thing for the Canadian fishing industry, and providing guarantees to foreign fishing nations or joint venture firms such as Joint Trawlers Limited could be a form of a price fixing mechanism.

● (2205)

In 1980 it is serving a dual purpose, perhaps, of offsetting or anticipating the complaints of inshore fishermen about off-shore catches of mackerel. If the worst comes to worst, and we do not neglect our opportunities, we can add to our Canadian fishing capability a few modern freezer trawlers. It is a fallacy to suggest that these vessels have to strain our total allowable catches or that they could not fish, if needs be, because they have the capability, far away from Canadian shores. There are other areas in the world that they can fish if they find difficulty in catching enough fish in our own quota waters. If we do not do this, the capacity Canada has to exploit the fishing markets of the world is not going to be realized.

I would like to continue these remarks with the minister on another occasion because I am sure he is aware, and he has the reputation of being aware, that there has to be a balance between the needs and opportunities of both inshore and offshore fisheries. In my own province of Nova Scotia, as I have already told the minister, there is a very great need to look at the licensing, and other considerations, that are presently existent, and to get young, capable fishermen into an area where they can not only earn a living but can do this country a great deal of good in catching and utilizing a very valuable product that is now going to foreign fleets.

It is for this reason that I open this subject tonight and invite the Minister of Fisheries and Oceans, or his capable parliamentary secretary, to let us have the benefit of the justification for some of these policies that involve over-the-side sales of fish.

Mr. George Henderson (Parliamentary Secretary to Minister of Fisheries and Oceans): Mr. Speaker, regarding the direct sales arrangement in the maritimes, Joint Trawlers will provide five freezer vessels to purchase approximately 3,500 metric tons of gaspereau at a price to fishermen of seven cents per pound, and approximately 9,000 metric tons of mackerel at 12.3 cents per pound. This is an over-all increase in price of 11 per cent in the 1980 contract with Joint Trawlers compared to a similar contract in 1979.

Under the agreement with Joint Trawlers, the foreign vessels will be from countries which have a bilateral fisheries agreement with Canada. The vessels will be stationed at

various times in a number of maritime ports during the next four months to purchase gaspereau and mackerel.

In return for the commitments given by Joint Trawlers, to supply five freezer vessels for a number of months and purchase the fish at a predetermined price, the Department of Fisheries and Oceans has agreed, as an extension of its commensurate benefits policy, that Joint Trawlers will receive a direct allocation this year of 6,200 metric tons of species which have not been traditionally fished offshore by Canadians, including grenadier and Greenland halibut in the Davis Strait in Canadian waters, mackerel or silver hake, and a small amount of squid. No contract has yet been signed with Joint Trawlers and exact quantities of each species are still being discussed. The harvesting of this direct allocation will generate revenues of approximately $125,000 to the Government of Canada as the foreign vessels will be subject to all foreign access and fishing fees in accordance with Canadian regulations.

We cannot be absolutely certain where the fish that are the subject of this arrangement will end up being marketed but, as the offshore allocation and the inshore program are mostly composed of mackerel, it will likely be sold in east European and West African countries.

In 1979 revenue to fishermen from over-the-side sales accounted for less than 1 per cent of the total value of fish landed on the Atlantic coast. Departmental officials met at the request of the minister with processors and fishermen in the maritimes earlier this year. The processors were not prepared to make firm commitments on prices and quantities of gaspereau and mackerel. On the other hand, the offer from Joint Trawlers is for at least 9,000 metric tons of mackerel, at a price of 12.3 cents per pound. I ask hon. members to compare the alternatives. The facts speak for themselves. There are many areas in the maritime provinces—

• (2210)

Mr. Deputy Speaker: Order, please. The hon. member for Mississauga South (Mr. Blenkarn).

IMMIGRATION—TIMOTHY LEARY—ENTRY INTO CANADA—HOTEL ENGAGEMENTS

Mr. Don Blenkarn (Mississauga South): Mr. Speaker, April 21, I had occasion to ask certain questions of the Minister of Employment and Immigration (Mr. Axworthy) about one Timothy Leary. Mr. Leary is a citizen of the United States and was convicted of certain offences, which make him an unacceptable person to Canada unless he obtained, prior to coming to this country, permission from the minister through a minister's permit by order in council.

Apparently, Mr. Leary, through his agents and lawyer, applied for permission to come to Canada. He had previously applied on other occasions and had been turned down by previous ministers. Mr. Leary apparently applied, according to the minister's statement in reply to a question by me in this House, on April 23rd, because he wanted to come to Canada to perform in Ottawa, Toronto and Montreal.

Strangely enough, Mr. Leary turned up in Winnipeg as his first port of call. The minister, unfortunately for him, is a limited partner in a hotel in Winnipeg which is managed by his brother, and the minister is responsible to the people of Canada in exercising his quasi judicial ministerial responsibility. I asked the minister a number of questions, and I was not satisfied with his answers. In one of his answeres the minister said that his officials had prepared the material. This left me with the impression, and I am sure the House as well, that instead of making the decision himself as to who should come into the country, he had left the matter in the hands of his officials.

In so doing the minister abrogated his ministerial responsibility by delegating his authority. Probably this is what happened, because I am sure that the minister, knowing him as I do, would not have deliberately exercised his authority to deliberately cause Mr. Leary to come to Canada to look after his brother's hotel. The problem, however, is the minister's, and according to the act he is responsible and not allowed to delegate his authority. Therefore he must stand responsible for what in fact has happened.

What happened was that a ministerial responsibility was exercised and clearly, a concrete explanation is necessary. It may well be properly explained in that the minister may have been deceived by his officials. If that is the case, then the minister should have no particular reason not to file the application which was originally presented in order to have Mr. Leary considered this time around for entry into Canada. Neither should the minister have any concern in tabling in the House, because this is a serious matter, the details of the application.

However, when the minister was asked in this House to table these documents on April 21, the minister refused or did not offer to file the material. On April 22 a question of privilege was raised by the minister, and there was a reference to the Standing Committee on Privileges and Elections. However, that reference is not clear as to whether it refers to the Leary matter or another matter which the minister himself brought to the attention of the House with regard to certain grants paid to the same hotel with respect to employment of handicapped people. I admire the efforts that have been made in existing statutes to encourage the employment of handicapped people and of all unemployed people.

• (2215)

One of the concerns of this House must be the detail and specific requirements of section 16 of the Senate and House of Commons Act. It may be that when the legislation was drawn in 1878 the section was appropriate, but it is totally inappropriate in today's situation where all sorts of statutes of Canada provide for payment to individuals of Canada or corporations of Canada, of money from Canada. Members have been known to collect the old age pension; their wives have been known to collect baby bonuses, and members have been known

to receive money for the shipment of their grain, their oil, their milk and so on. There are a number of statutes including those relating to manpower and taxes, that were never contemplated in 1878 when this section was introduced into legislation. It may well be that we need a clear definition of this in committee, and that is something to which we can look forward.

I should like to have an assurance from the minister or his representative tonight that, in addition to the matter he raised concerning handicapped people or the use of a manpower grant by the hotel in Winnipeg, he will provide details on the Leary case to the committee, and that it will be one of the principal matters before the Standing Committee on Privileges and Elections. It is a question that brings up the whole problem of ministers and ministerial responsibility. I must say that I suspect the minister did not go out of his way—and I do not wish him any ill will at all—to do certain things with respect to administering his portfolio. Perhaps the burden placed on ministers under the terms of the Immigration Act is too great. The fact remains that there is a responsibility and the minister is seized with it. I think it is essential that the matter come before the Standing Committee on Privileges and Elections.

Mr. George Henderson (Parliamentary Secretary to Minister of Fisheries and Oceans): Mr. Speaker, I have looked at the responses already given by the minister to this question, and have only the following comments to add.

I wish to remind hon. members that it is the policy of this government to recognize freedom of expression in Canada and the free circulation of ideas.

With the realization of the good sense and maturity of the Canadian population, our government believes there is no need to inhibit the free circulation of ideas. Consequently it has been our policy to facilitate entry of those who otherwise would be inadmissible under immigration law, but who have been invited by Canadians to speak or perform, provided we are certain their presence in Canada will not endanger the health, safety and good order of Canadian society.

Mr. Timothy Leary has in the past been refused entry as a visitor to Canada to guard against his advocating to students the use of LSD and other drugs. This time the Minister of Employment and Immigration (Mr. Axworthy) concurred with his officials to allow Mr. Leary time for the specific purpose of presenting a comedy night club act.

The hon. members may note that when the minister's decision was taken on March 6, 1980, Mr. Leary intended to present his comedy act only in Toronto, Ottawa and Montreal. It was only after his engagement in Ottawa was cancelled that immigration officials gave him permission to perform also in Winnipeg. The minister, may I add, was not informed of this change.

Adjournment Debate

NATIONAL DEFENCE—DEFENCE PROCUREMENT CONTRACTS—ALLEGED DISCRIMINATION IN AWARDING

Mr. Ray Skelly (Comox-Powell River): Mr. Speaker, my concern tonight relates to a question I addressed to the Minister of National Defence (Mr. Lamontagne) and to which I received what I considered to be a totally inadequate answer. The basic question dealt with the allocation of industrial benefits that were generated by government procurement, specifically procurement of defence equipment, and the impact that this procurement would have on national unity.

● (2220)

Specifically, I mentioned the F-18 project in which industrial benefits according to the latest figures we have—and we do not believe those to be the latest figures—show that 47 per cent of those benefits accrue to the province of Quebec, 41 per cent to the province of Ontario, and 12 per cent to the rest of Canada, for a total of 88 per cent of those benefits winding up in central Canada.

Our information is that further figures have shifted even more of those benefits into central Canada. I would point to one example of a G.E. components plant in the lower mainland of British Columbia which was moved. These remarks were generated particularly by the minister's comments last Friday on the frigate program. This is another indication that benefits would accrue in the province of Quebec without a fair share being considered for the Pacific coast, British Columbia, and Atlantic Canada. I would point out that it is extremely important in the interests of national unity that industrial benefits be generated in those areas, especially in natural areas such as shipbuilding and the allied trades.

Mention was made also of the truck acquisition program. The purchase of about 2,500 to 2,800 trucks at a cost of roughly $200 million was announced by a Liberal government member, and work for this program would also accrue in central Canada, particularly in the province of Quebec.

I would point to some other things that concern us seriously about the benefits generated by the Government of Canada and the effect on the rest of the country and national unity. For example, the automotive industry program has in the past seen great benefits accrue in central Canada. Prebuilding of the pipeline and the steel industries will see those benefits largely accrue there. We wonder how allocations will be made in the future to the fishing vessel acquisition program that will probably run around $90 million. That information is very difficult, if not impossible, to acquire.

There is an announcement on refitting the coast guard, in the amount of $250 million. Where will those programs come from? In particular, I would like to comment on the cutbacks concerning the Minister of National Defence, in his role as co-ordinator of search and rescue. In the SARCUP program, which will see only 11 of 14 helicopters provided with the modifications necessary to do the job, I would ask the minister if he would not mind commenting why the other three, one of which is on the Pacific coast and two on the Atlantic coast, are not included in the SARCUP program.

It would appear to me that the government's program for procurement of equipment is being allocated on the basis of political patronage, particularly in the province of Quebec where big promises are made to people. Rather than help, I would suggest that they simply aggravate the issue of national unity; in other words, promises, then betrayals. Clearly we need an industrial strategy, particularly in the shipbuilding industry and allied trades. Government procurement must be used to enhance that strategy. This method in the long run will be far fairer and seem to benefit everybody in this country, including the province of Quebec.

I would appreciate a more detailed comment from the minister than the one I received today in the House.

Mrs. Ursula Appolloni (Parliamentary Secretary to Minister of National Defence): Mr. Speaker, I am indeed touched by the deep interest in things military on the part of a member of the NDP. It is unfortunate he cannot share his interest with his Ontario colleagues.

The minister's answer in the House this afternoon was very clear and totally adequate. This government aims to share the benefits of its activity in all regions of our country. However, I must remind the hon. member that, without abdicating any extremely important defence responsibilities, contract negotiations are the responsibility of the Minister of Supply and Services (Mr. Blais), and industrial benefits are within the authority of the Minister of Industry, Trade and Commerce (Mr. Gray). The Minister of National Defence (Mr. Lamontagne) is, of course, deeply concerned with these matters in that it is he who ensures that military needs and specifications are met. Therefore the matters raised by the hon. member are the subject of close co-operation among all three departments.

However, especially at this moment in our history I believe the hon. member does himself, his party, and certainly his country no service in misinterpreting the remarks or the intentions of the minister which were made clear in the House today.

● (2225)

The Liberal government negotiated a good deal, indeed a great deal, for Canada, for all Canadians in the new fighter aircraft program. McDonnell Douglas is committed to place at least 60 per cent of the offsets in the aerospace and electronics sectors of Canadian industry. Some specific projects are planned for specific regions, but most benefits are not specifically apportioned by region. The contract includes incentives to promote the distribution of benefits to areas of high unemployment and underindustrialization. The result will be wide distribution of benefits favouring those companies and regions which most aggressively pursued specific contracts with McDonnell Douglas and subcontractors to McDonnell Douglas.

Canadian shipyards from the west to the east coast, including Quebec shipyards, are in a position to compete for the building contracts for the frigate program. Once a decision has been reached on finalists to enter a competitive contract definition, shipyards on both coasts and in Quebec will, no doubt, be negotiating production proposals with the prime contractors representing the industrial group finalists.

[*Translation*]

Mr. Deputy Speaker: Order, please. The motion to adjourn the House is now deemed to have been adopted. Accordingly, this House stands adjourned until tomorrow at 11 a.m.

Motion agreed to and the House adjourned at 10.26 p.m.

HOUSE OF COMMONS

Friday, May 2, 1980

The House met at 11 a.m.

• (1105)

ROUTINE PROCEEDINGS

[*English*]

REGIONAL ECONOMIC EXPANSION

AID TO NEWFOUNDLAND UNDER DREE PROGRAM—MOTION UNDER S.O. 43

Hon. John C. Crosbie (St. John's West): Madam Speaker, I rise on a matter of urgent and pressing necessity under the provisions of Standing Order 43.

In view of the fact that, for the first time since the inception of DREE, Newfoundland does not have a forestry agreement with Ottawa, that the cash flow under DREE agreements with Newfoundland will decline from approximately $60 million a year to under $40 million during this year, that the Forestry 2 agreement, a land survey and mapping agreement, an amendment to the Nordco agreement and a new Nordco agreement have been ready for execution for months, with a coastal Labrador agreement pending as well, I move, seconded by the hon. member for Hamilton West (Mr. Alexander):

That the Minister of Regional Economic Expansion attend to urgent matters in his department, including correspondence and telexes from the premier of Newfoundland, and that the minister sign immediately the Forestry 2 agreement, the land survey and mapping agreement, the Nordco amendment and new Nordco agreement, and the coastal Labrador agreement so that work can commence in Newfoundland and Labrador under these agreements immediately, supplying needed facilities and creating needed employment.

Madam Speaker: Such a motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

PUBLISHING

GRANTS FOR PROMOTION AND MARKETING OF CANADIAN BOOKS—MOTION UNDER S.O. 43

Miss Pat Carney (Vancouver Centre): Madam Speaker, I rise on a matter of urgent and pressing necessity under the provisions of Standing Order 43.

Since companies which receive grants under the Canadian book publishing program do not have to show how these moneys are spent, and since the Secretary of State has already issued a cheque for nearly $300,000 to Macmillan of Canada under this program, I move, seconded by the hon. member for Hillsborough (Mr. McMillan):

That this House instruct the minister to take immediate steps to ensure that the money will be used for the aggressive promotion and marketing of Canadian books now that the company has been sold to Gage Educational Publishing.

Madam Speaker: Such a motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

AIR TRANSPORT

EASTERN PROVINCIAL AIRWAYS—ATLANTIC CANADA SERVICE—MOTION UNDER S.O. 43

Mr. Les Benjamin (Regina West): Madam Speaker, I rise, under the provisions of Standing Order 43, on a matter of urgent and pressing necessity.

In light of the fact that the president of Eastern Provincial Airways has said that the airline may have to shut down some of its local routes, that the reason given was the Canadian Transport Commission's decision to extend CP Air's service to Halifax, that the former temporary prime minister and his party overwhelmingly supported CP Air's application to extend service to Halifax, and that these Atlantic communities depend on EPA's regional carrier service, I move, seconded by the hon. member for Winnipeg-Birds Hill (Mr. Blaikie):

That the Minister of Transport guarantee to the residents of Atlantic Canada the continuation of EPA's regional carrier service to all communities presently receiving these services, and that EPA be granted the Halifax-Toronto route instead of Canadian Pacific Airlines.

Madam Speaker: Such a motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

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TRANSPORT

REQUEST THAT GRAIN TRUCKING OPERATIONS NOT BE CURTAILED—MOTION UNDER S.O. 43

Hon. Jake Epp (Provencher): Madam Speaker, in view of the success of trucking grain from Manitoba to Thunder Bay,

especially in creating an alternative to the railroads in grain handling and transportation and, further, that this development has increased the grain transportation capacity in our region, I move, seconded by the hon. member for Portage-Marquette (Mr. Mayer):

That trucking operations not be curtailed through the imposition of government regulations which would make the trucking of grain from Manitoba to Thunder Bay impossible.

Madam Speaker: Such a motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

ENERGY

PROJECTS FOR EASTERN CANADA—MOTION UNDER S.O. 43

Mr. Howard Crosby (Halifax West): Madam Speaker, I rise, under the provisions of Standing Order 43, on a matter of urgent and pressing necessity.

Despite the government's admission of the danger of dependence upon foreign oil as the source of energy generation in east coast provinces, alternate energy projects like Cape Breton coal development and construction of the eastern extension of the natural gas pipeline are being delayed. I move, seconded by the hon. member for South Shore (Mr. Crouse):

That this House direct the Minister of Energy, Mines and Resources to prepare and present immediately a plan to implement alternate energy projects in eastern Canada and include a schedule for the construction of the natural gas pipeline extension to reduce eastern Canada's dependence on foreign oil.

Madam Speaker: Such a motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

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ATOMIC ENERGY CONTROL BOARD

DISPOSAL OF RADIOACTIVE WASTE—MOTION UNDER S.O. 43

Mr. Bob Wenman (Fraser Valley West): Madam Speaker, I rise on a matter of urgent and pressing necessity pursuant to the provisions of Standing Order 43.

In view of the decision yesterday by the British Columbia Supreme Court to award $458,700 damages to three firms in Surrey, British Columbia, who were deceived into buying radioactive waste while under the impression that it was land fill, and in light of the fact that the award was given because this material was considered harmful, yet more of this waste exists on other property in Surrey but cannot be removed because an appropriate disposal site has yet to be found, I move, seconded by the hon. member for Surrey-White Rock-North Delta (Mr. Friesen):

That this House immediately authorize the Atomic Energy Control Board to remove this waste to the Atomic Energy of Canada Limited waste site at Chalk River.

Madam Speaker: Such a motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

● (1110)

FISHERIES

VESSEL SUBSIDIES—FORMS REQUIRED TO BE COMPLETED BY FISHERMEN—MOTION UNDER S.O. 43

Mr. Terry Sargeant (Selkirk-Interlake): Madam Speaker, I rise, under the provisions of Standing Order 43, on a matter of urgent and pressing necessity.

Recently, the government changed the requirements for fishermen receiving vessel subsidies from the federal government. Whereas it is now necessary for fishermen in western Canada to fill in a myriad of bureaucratic forms which previously were unnecessary, and whereas in light of these developments many fishermen in remote communities may be discouraged or prevented from purchasing new vessels, I move, seconded by the hon. member for Nanaimo-Alberni (Mr. Miller):

That in the opinion of this House the government should take immediate steps to eliminate these needless bureaucratic requirements and to ensure that the procedures for necessary vessel subsidy will be the same as they were prior to the 1980 fiscal year.

Madam Speaker: Such a motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

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EMPLOYMENT

STUDENT SUMMER EMPLOYMENT GRANTS—STATUS OF APPLICATIONS—MOTION UNDER S.O. 43

Mr. Harvie Andre (Calgary Centre): Madam Speaker, I rise to move a motion under the provisions of Standing Order 43. Given that when the Canada West Foundation phoned the office of the Minister of Employment and Immigration two days ago to determine the status of their application for a student summer employment grant, the minister's officials stated delays were due to tardiness by the member of Parliament, and given that I returned my analysis of the applications prior to the minister's deadline, I move, seconded by the hon. member for Northumberland (Mr. Hees):

That this House calls on the Minister of Employment and Immigration to tell his officials to stop fallaciously blaming the MPs for their own bureaucratic incompetence.

Madam Speaker: Such a motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

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POST OFFICE

CALL FOR IMPROVED SUBURBAN SERVICE—MOTION UNDER S.O. 43

Mr. Mark Rose (Mission-Port Moody): Madam Speaker, I also rise under the provisions of Standing Order 43. In view of locating postal lock-boxes as far as two blocks' distance away from a householder and calling this "suburban service" which is a misnomer of Orwellian proportions, and since older subdivisions receive doorstep letter carrier service while new residential areas are condemned to suburban service, and since awarding of an inferior service to one set of taxpayers and a superior one for their neighbours is unjust and discriminatory, I move, seconded by the hon. member for Prince Albert (Mr. Hovdebo):

That this House urge the Postmaster General to halt the expansion of suburban service forthwith and to proceed with letter carrier delivery as rapidly as possible.

Madam Speaker: Such a motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

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VETERANS AFFAIRS

OBJECTION TO PROPOSED MOVE OF DVA TO PRINCE EDWARD ISLAND—MOTION UNDER S.O. 43

Mr. Tom Cossitt (Leeds-Grenville): Madam Speaker, I rise on a matter of urgent necessity concerning branches of the Canadian Legion in eastern Ontario and throughout Canada with regard to the proposed move of the Department of Veterans Affairs to Prince Edward Island announced a year ago by the Liberal government, which constitutes blatant political patronage that the Progressive Conservative administration was saddled with. I move, seconded by the hon. member for Parry Sound-Muskoka (Mr. Darling):

In view of the objections of dozens of Canadian Legion branches across Canada to this completely unjustified action, that this House requests the government to immediately cancel all plans for the movement of DVA to Prince Edward Island, leaving the department where it now is and where it is better located to serve the veterans of this country.

Madam Speaker: Such a motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

IMMIGRATION

LANDED IMMIGRANT STATUS FOR MENNONITES—MOTION UNDER S.O. 43

Mr. David Orlikow (Winnipeg North): Madam Speaker, I would like to move a motion under the provisions of Standing Order 43. In view of the concern and sympathetic position which Canada has already taken toward refugees, as most recently demonstrated in the case of the Indo-Chinese refugees, I move, seconded by the hon. member for Winnipeg-Birds Hill (Mr. Blaikie):

That the Mennonite families of Canada who are now facing deportation, even though their parents were born in Canada and moved to Mexico, where these families were not informed of the regulation that they would have had to state their intention prior to their twenty-fourth birthday to remain Canadian citizens, be given the same consideration as other refugees and be granted Canadian landed immigrant status on compassionate grounds.

Madam Speaker: Such a motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

● (1115)

AGRICULTURE

TARIFF TO PROTECT BRITISH COLUMBIA POTATO GROWERS—MOTION UNDER S.O. 43

Mr. Thomas Siddon (Richmond-South Delta): Madam Speaker, I rise, under the provisions of Standing Order 43, on a matter of urgent and pressing necessity concerning the plight of potato producers in British Columbia.

In view of the fact that the actions of successive Liberal governments have virtually eliminated the french fried potato industry in British Columbia, thus destroying a major market for B.C. potatoes, and in view of the fact that potatoes imported from Washington state and Oregon are undermining Canadian producers by flooding the B.C. market with cheap potatoes from large factory farms, I move, seconded by the hon. member for Fraser Valley West (Mr. Wenman):

That the government move immediately to impose a seasonal tariff to protect British Columbia potato farmers from low-cost, imported spuds, by implementing the fast track method which was devised by the previous Progressive Conservative minister of agriculture and announced by him on October 22 of last year.

Madam Speaker: Such a motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

ORAL QUESTION PERIOD

[*English*]

ENERGY

COST OF IMPORTED OIL—SOURCE OF ADDITIONAL MONEYS

Mr. J. M. Forrestall (Dartmouth-Halifax East): Madam Speaker, I have a question I would like to have addressed to the Minister of Finance. In his absence, I will direct it to whoever would presume to be the acting prime minister.

Given the notice by Saudi Arabia and Mexico in the last few days of their intention to significantly increase oil prices, and recognizing that this will immediately cancel out the $1 billion that we now understand the government has found a way to secure from the total oil dollar package, can the acting prime minister indicate to the House today where it is he intends to find and pay for this lost $1 billion which, of course, will result from the pending increases in oil that we will learn about on May 7 from OPEC?

[*Translation*]

Hon. Pierre Bussières (Minister of State, Finance): Madam Speaker, the hon. member knows quite well that all negotiations on the domestic oil price are under way, that the Minister of Energy, Mines and Resources has been doing considerable work in that field, that the Minister of Finance has begun a preliminary consideration of the next budget, taking into account those negotiations as well as their results in the preparation of that budget. The hon. member will then obtain a more explicit answer to his question.

[*English*]

Mr. Forrestall: Madam Speaker, I think I would prefer the "Stengelese" of the Minister of Transport, who in fact is the acting prime minister, to that kind of gobbledygook, because the question is very important.

I want to find out from this government whether before the Minister of Energy embarked on his tour—for which we wish him well—as he visits the provinces, if advice given to him included advice to seek the support of the non-producing provinces for further increases in the total oil dollar that is now available. What I am seeking is information as to how the government intends to replace the $1 billion that has been wiped out in the last 24 hours.

Hon. Jean-Luc Pepin (Minister of Transport): Madam Speaker, I have been reflecting on and admiring the quality of the answer that was given by the Minister of State.

Some hon. Members: Hear, hear!

Mr. Pepin: One might refer to the fact that we had a discussion on that yesterday in this very House. A number of possibilities were indicated. The Minister of Energy, Mines and Resources—rightly, in my humble view—has repeatedly said that he is not going to comment on a daily basis on the consultations in which he is presently involved.

Mr. Forrestall: Madam Speaker, I do not know whether it occurs to the acting prime minister, humble though he would lead us to believe, that it is a fact that Atlantic Canada is dependent upon a significant amount of imported oil.

We would like to know from what source the government intends to raise the money to pay for this oil and thus enhance the possibility of secure oil supplies for that part of Canada. This is a very serious question. We now face a $4.3 billion oil compensation deficit. Where is the government going to get the money to pay for it? How can we in Atlantic Canada feel assured that we can afford to buy the imported oil that we require to sustain ourselves?

• (1120)

Mr. Pepin: I can understand the hon. member's curiosity, but the answer to his query will be given in due course.

ASSISTANCE PROGRAM FOR ATLANTIC REGION

Mr. Howard Crosby (Halifax West): Madam Speaker, I have a question which might have been directed to the Deputy Prime Minister and Minister of Finance, but since it involves general policy I will direct it to the acting prime minister.

The hon. gentleman is no doubt aware that the budget introduced in December, 1979, contained a special provision pertaining to Atlantic Canada's dependence on foreign oil as a source of electrical generation. Under this special provision, Nova Scotians would have been protected from additional costs of electrical generation caused by oil price increases through federal grants which would have exceeded, in total, $300 million.

Does the acting prime minister agree that such an assistance program is justified, and will he assure the House that his government will provide the same or a similar assistance program when his made-in-Canada price is established?

Hon. Jean-Luc Pepin (Minister of Transport): Madam Speaker, I will pass the question to the Deputy Prime Minister and Minister of Finance, and to the Minister of Energy, Mines and Resources, but I cannot help underlining at this point that the record of the government in terms of protecting consumers, particularly in the importing provinces, is an exceptional one.

Some hon. Members: Hear, hear!

Mr. Crosby: I appreciate the difficulties under which the acting prime minister operates in this field, but these are matters of great concern to the people of Atlantic Canada.

In Nova Scotia and Prince Edward Island, the premiers have announced that if this program of assistance is continued, the price of electrical energy can be maintained in 1980 and 1981 despite increases in the price of oil. I should like to know whether the acting prime minister, or anybody else on the government side, can assure us that this assistance will be continued and that electrical prices will not be increased, as they would not have been increased under the Progressive Conservative budget.

Mr. Pepin: Because of his very special interest in that area, the Deputy Prime Minister and Minister of Finance will obviously bear that in mind when he prepares his budget.

* * *

HOUSING

ACTION TO SOLVE PROBLEMS OF RENTERS

Mrs. Margaret Mitchell (Vancouver East): Madam Speaker, my question is addressed to the minister responsible for CMHC. Since Canada is suffering the most serious housing shortage in recent history, with a drop of 17 per cent in housing starts predicted for 1980, and since those who are suffering most are tenants who will never be able to own a home, will the minister tell us what action he intends to take to solve this housing problem, particularly in regard to renters who are paying well over 30 per cent of their incomes for shelter?

Hon. Paul J. Cosgrove (Minister of Public Works): Madam Speaker, I had the opportunity, at the beginning of this week, of speaking to the minister responsible for housing in the province of British Columbia and assessing at first-hand some of the problems in the riding of the hon. member who raised this question.

I certainly share her concern. I intend to speak with all the provincial ministers with whom I have not yet spoken, and I can assure the hon. member that the question of the supply of rental accommodation is high on the priority list of both my department and of the corporation.

Mrs. Mitchell: I appreciate that the minister was in British Columbia and listening intently to the concerns of the west last weekend, with no commitments being made. However, his own CMHC report shows that Vancouver has the worst housing crisis in North America, and that cities like Calgary and Victoria are not far behind. In Vancouver, over a quarter of the population has housing problems: some 11,000 people, for example, have inadequate housing and there is a minus zero vacancy rate and a migration of 25,000 to that region.

• (1125)

Will the minister be specific and tell us what measures he plans to take to alleviate these problems in cities which are suffering from huge migration?

Mr. Cosgrove: Madam Speaker, as I indicated, the problem is not necessarily one which can be addressed by the federal government or by the corporation itself. The whole question of housing, as hon. members can well appreciate, is one which involves many jurisdictions. For example, I am heartened to see that in the province of Alberta this week, that province redirected $60 million from its surplus toward addressing problems in some of the tight market areas there.

As I indicated—and I will repeat it— I am working with the ministers from the provinces. I hope there will be a federal response, but the response will be one in co-operation with the provinces.

REQUEST SOCIAL HOUSING ALLOCATIONS BE INCREASED

Mrs. Margaret Mitchell (Vancouver East): Madam Speaker, in the absence of the Prime Minister or the Minister of Finance, my final supplementary is to the acting prime minister, who, I believe is the Minister of Transport.

Given the fact that the minister responsible for CMHC a week or so ago tabled information showing that this government has failed by some 9,000 units of housing to meet the demand of Canadians for non-profit and co-operative housing, and that this housing is essential as a first step in dealing with our housing crisis, and since co-operative and non-profit housing groups—

Madam Speaker: Order, please. Will the hon. member please come quickly to the question?

Mrs. Mitchell: Will the acting prime minister reverse this cutback policy, go to the cabinet and insist on an increase in government allocations for social housing in 1980?

Hon. Jean-Luc Pepin (Minister of Transport): Madam Speaker, I will pass the message on to the Prime Minister and I am sure he will consult with the minister responsible for Canada Mortgage and Housing Corporation. I am quite sure the minister himself has borne all factors in mind in his decisions.

URGENCY OF SOLVING PROBLEMS OF RENTERS

Miss Pat Carney (Vancouver Centre): Madam Speaker, I have a question for the Minister of Public Works. In view of his answer in this House this morning, would he explain why in the Vancouver *Sun* earlier this week he is quoted as saying that he identifies the problem of rental housing as second in urgency?

Hon. Paul J. Cosgrove (Minister of Public Works): Madam Speaker, the answer is quite apparent. The answer is that I was asked in this House upon taking my portfolio to respond to

the needs of people facing mortgage renewals. It is history that this government has responded to that very serious problem, and that was our initial response.

* * *

ADMINISTRATION OF JUSTICE

SAFETY OF PERSONS LIVING IN PROXIMITY OF PENITENTIARIES

Mr. Alex Patterson (Fraser Valley East): Madam Speaker, my question is directed to the Solicitor General. In view of the murder of a local citizen, allegedly by an inmate from the Mountain prison in British Columbia, can the minister advise this House and the community what measures or changes in policy he is contemplating to ensure the safety of the residents of that area?

Hon. Bob Kaplan (Solicitor General): Madam Speaker, I have asked for a report on that particular incident, but I have learned in the meantime that the Mountain penitentiary has only a single fence around it to protect it. Double fence was intended to be built, but it had been delayed because of a decision about construction inside the yard. I have ordered a second fence to be built, and that is currently being built.

In view of the incident referred to, that news is small comfort but, as hon. members will be aware, the escaped inmate has been captured by the RCM Police.

Mr. Andre: And he will be out on the weekend with a pass.

Mr. Patterson: Considering the series of incidents involving inmates from penal institutions in the Abbotsford-Matsqui area, including the abduction and murder of a female employee of an all-night store, allegedly by an inmate, has the minister ordered a full inquiry into all these incidents in order that the legitimate fears and growing resentments of the communities may be allayed, and confidence in the Canadian penitentiary service restored?

• (1130)

Mr. Kaplan: Madam Speaker, I would agree with the hon. member if there had been an increase in the rate of escapes across the country or in any particular region. That is not the case. I am still concerned about every incident and, as hon. members know, I have received a report on each of the escapes. However, I do not think the situation justifies a general investigation of the problem which is no more serious now than it has been in the past. I am approaching them on a case-by-case basis.

* * *

ENERGY

EXPORT TAX ON HYDROELECTRICITY—DISCUSSION WITH PROVINCES

Hon. Jake Epp (Provencher): Madam Speaker, I should like to direct my question to the acting prime minister, in the absence of the Minister of Energy, Mines and Resources, and ask him whether the government is considering the imposition of an export tax on hydroelectric sales from Canadian provinces to the United States. If this is the case, has the government passed this intention on to the provinces or given any indication to the provinces that they want to enter into negotiations on the imposition of such a tax?

Hon. Jean-Luc Pepin (Minister of Transport): Madam Speaker, I find it somewhat unfair—because this question has been around for so many years—that the hon. member should ask me, in the absence of the Minister of Energy, Mines and Resources, to answer it. It is not a new matter at all. I am not aware of an intention such as the one the hon. member refers to, but I suggest that the hon. member for Provencher ask the Minister of Energy, Mines and Resources on Monday.

Mr. Epp: The acting prime minister might take some small comfort from his words, but he is acting prime minister and he is speaking on behalf of the government in this House today.

Some hon. Members: Hear, hear!

An hon. Member: Where are the rest of them?

An hon. Member: Inform yourself.

Mr. Epp: I should like to ask the acting prime minister the following question: The Prime Minister keeps insisting that the federal government will realize the same amount of revenue from its total energy package as that contained in the December 11 budget, while at the same time not imposing any excise tax and keeping the price of oil to the $4 a barrel level.

I should like to ask the acting prime minister whether the government is considering imposing such an export tax on hydroelectric sales to the United States, and whether such contemplated revenue is part of the total package of revenue which the federal government is considering?

Mr. Pepin: Madam Speaker, I think I should protest to a certain extent: this is somewhat unfair.

Some hon. Members: Oh, oh!

Mr. Pepin: If the government were going to change their policy to any extent on this important matter, it would not be announced by the acting prime minister or the acting minister of energy, mines and resources on a Friday morning. My hon. friend is not being fair in pressing for an answer at this very moment.

Right Hon. Joe Clark (Leader of the Opposition): My supplementary question is for the acting prime minister. What does he do here?

Some hon. Members: Oh, oh!

SALE OF 25 PER CENT INTEREST OF PETROCAN IN ARCTIC PILOT PROJECT

Mr. Peter Ittinuar (Nunatsiaq): Madam Speaker, in the absence of the Minister of Energy, Mines and Resources, I should like to direct this question to the Minister of Indian Affairs and Northern Development.

It was recently announced that PetroCan would sell a 25 per cent interest in the Arctic pilot project to private interests led by Dome Petroleum. Can the minister tell the House why the decision was made to reduce our national oil company's interest in this project despite a commitment to expand its role in frontier development, and was this a full cabinet decision?

Hon. John C. Munro (Minister of Indian Affairs and Northern Development): Madam Speaker, I know from speaking to the chairman of PetroCan that it is very much his desire to carry out government policy and to diminish foreign ownership in this whole vital resource area. That sale was undoubtedly designed to afford further capital for PetroCan to invest elsewhere and still maintain majority ownership.

Mr. Ittinuar: Madam Speaker, I think the minister is ad libbing in his answer. Can he give the House an unequivocal assurance that the reorganization of this project will not lessen Petro-Canada's control over all aspects of the project, and especially that the dialogue between the people of eastern Arctic and PetroCan on socioeconomic issues will not be disrupted or impeded in any way?

Mr. Munro (Hamilton East): Madam Speaker, I am encouraged to hear the hon. member indicate that PetroCan has been carrying on a useful dialogue with the native population in the territories. I feel very certain that PetroCan will maintain control of the project to which the hon. member referred.

* * *

REGIONAL ECONOMIC EXPANSION

INCLUSION OF NORTHUMBERLAND IN EASTERN ONTARIO SUBSIDIARY AGREEMENT

Hon. George Hees (Northumberland): Madam Speaker, I have a question for the Minister of Regional Economic Expansion. On several occasions I have drawn to the minister's attention since this session began, the very real need for including the county of Northumberland in the Eastern Ontario Subsidiary Agreement.

As this need has recently become even more urgent by the moving of the Eldorado plant to northern Ontario and the closing down of the very large Winchester-Western plant in Cobourg, would the minister advise the House what progress he is making in bringing the county of Northumberland into the Eastern Ontario Subsidiary Agreement?

Hon. Pierre De Bané (Minister of Regional Economic Expansion): First, Madam Speaker, I should like to pay tribute to the dedication of the hon. member for Northumberland, because he has made extensive and repeated representations to me about the plight and the problems facing his constituency. Second, I should like to assure the hon. member that within two weeks, at the most, I will try to reach a decision about his representation. Third, perhaps I could appeal to members in all corners of the House, including the Prime Minister and all other ministers and the official opposition, to help me arrive at means to help Canadians, wherever they live, achieve equal opportunity.

We have to decide where our priorities lie. Should we restrict expenditures, or will we have the means to help Northumberland county and other ridings facing economic problems? I have looked at the economic indicators in the riding of Northumberland and have found them to be very close to the indicators for the province of Ontario as a whole. However, I understand that Northumberland county has specific problems, and I will try to deal with them and give the hon. member an answer within two weeks at the most.

Some hon. Members: Hear, hear!

ACTION TO IMPROVE ECONOMY OF NEWFOUNDLAND

Hon. John C. Crosbie (St. John's West): Madam Speaker, my question is for the Minister of Regional Economic Expansion. Does the minister realize that, for the first time since his department was created, there is no DREE forestry agreement entered into with Newfoundland, that the cash flow from DREE agreements in Newfoundland has declined from $60 million, on an average, for the last five years to something like $30 million, and that the forestry agreement, the land mapping survey agreement, the Nordco agreement and the coastal Labrador agreement are all waiting for his attention and have been waiting now on DREE, passed by the Treasury Board in the last two or three months?

Will the minister also explain to the House why he is not replying to correspondence from the premier of Newfoundland, who is also the minister of intergovernmental affairs, on these questions? When are we going to get some action? Does the minister realize that Newfoundland is still regionally disadvantaged and has not yet come into its great millenium?

Hon. Pierre De Bané (Minister of Regional Economic Expansion): Madam Speaker, I am quite surprised by the approach taken by the hon. member. I can assure him that I know of the plight and the need of the province of Newfoundland. He has referred to some areas where his own government, the former Conservative government, rejected appeals put to them by the province of Newfoundland.

I do not want to deal with regional disparities in a partisan way. I have said that the member of Parliament for each region, whatever his party, will be my privileged partner in the fight against disparities, and the hon. member can rest assured that because Newfoundland may be the most needy part of the country, it will have my closest attention.

Mr. Crosbie: Madam Speaker, I have not a doubt that the minister has very good intentions, but what Newfoundland is waiting for is some action. The agreements to which I referred were approved and passed through Treasury Board months ago and still have not been executed. The government of Newfoundland cannot even get any response to their correspondence or telexes from the minister's department.

● (1140)

I do not know whether this is a partisan matter, or what the matter is, but it is a matter that requires immediate attention because this year the cash flow of DREE in Newfoundland is cut in half so far, and all of these agreements are to be attended to. Can the minister give the House an assurance that there will be some action taken in the next week or two to deal with these very pressing matters, because employment opportunities are just vanishing in Newfoundland, with its very heavy unemployment this year and a very low construction program?

Mr. De Bané: Madam Speaker, the budget with which I am dealing for the moment is to all practical extents the one that was decided by the preceding administration.

Mr. Crosbie: There is no money for that either.

Mr. De Bané: For instance, take the Nordco one: it was the Treasury Board of the previous administration which rejected the appeal put by the provincial government of Newfoundland for an extension of the money.

Some hon. Members: Oh, oh!

Mr. De Bané: So, I am really very strapped with the financial constraints I have. Even if we do not answer or do not take one more commitment, the financial resources of the department now are stretched to the limit. I have barely enough just to honour the commitments that were made by our administration before and the hon. member's administration.

What I am saying is that we must decide our priorities, all of us. Are we going to give the means to help those poor areas of Canada which desperately need economic development? Give me the means, and my job is to answer positively to all of those requests.

Some hon. Members: Hear, hear!

* * *

[*Translation*]

HOUSE OF COMMONS

PRESENCE IN GALLERY OF SECRETARY GENERAL OF NATO

Madam Speaker: I should like to draw the attention of the House to the presence in our gallery of the Secretary General of NATO, Dr. Joseph Luns, whom I thank for his visit.

Some hon. Members: Hear, hear!

[*English*]

AGRICULTURE CANADA

PROPOSAL TO CONSTRUCT HIGHWAY THROUGH LANDS IN OTTAWA

Hon. Walter Baker (Nepean-Carleton): Madam Speaker, I should like to direct a question to the Minister of Agriculture of which I have given notice. As the minister knows, there is growing public concern in areas of the city of Nepean, notably Manordale, Woodvale, Trend Village, Arlington Woods, Merivale Gardens and other areas, concerning the proposed extension of the Knoxdale-Hunt Club arterial which will necessarily cut through lands owned by Agriculture Canada. There is a proposal that that be done.

Has an agreement been made between the Government of Canada and the regional municipality or any other local government group which would allow that extension to be carried forward?

Hon. E. F. Whelan (Minister of Agriculture): Madam Speaker, there has been no agreement whatsoever as far as our department is concerned, and no notice whatsoever as far as our department is concerned.

I would be surprised if the province of Ontario would be allowing that kind of thing to take place, to construct a four-lane expressway through the agriculture research station that we think is also important. We will be doing some further checking, but so far we have not found anything at all.

* * *

IMMIGRATION

LANDED IMMIGRANT STATUS FOR MENNONITES

Mr. David Orlikow (Winnipeg North): Madam Speaker, I should like to direct a question to the Minister of Employment and Immigration. Since Canada has shown a great deal of sympathy for refugees in recent years—as most recently demonstrated in the case of Indo-Chinese refugees—would the minister consider showing the same concern for the Mennonite families now in Canada who have come here from Mexico?

They are able to find work or they have jobs promised to them if they are permitted to work, yet they are facing deportation even though their parents were born in Canada or moved from Mexico years ago. These families were not informed of the regulation that they had to state their intention prior to their twenty-fourth birthday to remain Canadian citizens. Would the minister consider giving landed immigrant status to these people and to other Mennonite families who were not informed of the regulations, on compassionate grounds?

Hon. Lloyd Axworthy (Minister of Employment and Immigration): Madam Speaker, as the hon. member knows, this is a long-standing case which has been with us many years. What we are doing with the Mennonite workers who are presently in Canada is indicating to them that if they wish to apply for

status in this country and to apply under the Citizenship Act to redeem their citizenship, we will stay any deportation orders or any proceedings against them.

Also, they have full access under the act to apply for refugee status. However, the act indicates that if they want to apply for landed immigrant status—that is a very different set of categories—they would have to leave the country and apply from their country of origin. But we are now looking at the case and we have forestalled any action on deportation at the present moment.

Mr. Orlikow: Would the minister consider permitting them to go just to the closest United States port of entry and applying for a landed immigrant status from there, rather than going all the way back to Mexico, as they probably have to do?

Mr. Axworthy: Madam Speaker, there is absolutely no restriction on our part as to where an individual may apply for landed status. If they are able to do so from the United States, that is certainly permissible with us. But as the hon. member knows, we have had some difficulty with the United States in recent months in using the border stations as a place for application. I know the Secretary of State for External Affairs has raised that issue with his American counterpart. It is under negotiation and we hope to have that problem solved, but certainly we are prepared at any point to accept their application.

* * *

ENERGY

FORMULA FOR BLENDED PRICE OF OIL

Hon. Marcel Lambert (Edmonton West): Madam Speaker, my question is directed to the acting prime minister. In this connection the acting prime minister certainly has had a role in determining such a vital point of government policy as the blended price.

Will he kindly inform the House or give us some sort of intelligent interpretation of how the blended price or the fair return element to oil companies of the blended price is being arrived at? Will we see the oil producing industry as well as the gas industry set up under some form of public utility control so that each individual company whose costs are different from others will still be entitled to that fair return?

Hon. Jean-Luc Pepin (Minister of Transport): Madam Speaker, I was here a few days ago when the Prime Minister explained all that.

Some hon. Members: Oh, oh!

Mr. Pepin: Being only the Minister of Transport, I am sure that I cannot do better than he can.

An hon. Member: Do you understand it?

Mr. Pepin: We will leave it at that. I will send a copy of the answer to my hon. friend wherein the Prime Minister explained the blended price.

Mr. Lambert: I have heard what the Prime Minister attempted to do, shall we say his flights in cloud cuckooland when it comes to the oil industry—

An hon. Member: Low blow.

Mr. Lambert: —and his ideas with regard to what are costs and the facilities and difficulties of establishing costs for individual fields, individual producing companies—all of this. Oil production is not running across the prairies on a pogo stick and simply making a hole and expecting oil or gas to come out of it. That is what the Liberal policy looks like.

Some hon. Members: Question.

Mr. Lambert: Would the minister who took part in establishing this policy tell us what he considers to be the method they will use for establishing a fair return?

Mr. Pepin: Madam Speaker, my hon. friend was probably not in the House a few minutes ago—

Mr. Lambert: I was.

Mr. Pepin: —when I answered a similar question. At that time, I simply said that it has been the policy of the Minister of Energy, Mines and Resources not to comment on the development of negotiations now ongoing with the provinces, the producers and others. The remarks my hon. friend has just made are really a good introduction to the speech he will obviously make when the subject comes up for debate in the House of Commons.

An hon. Member: That is truly Paul Martin.

Mr. Pepin: He was a good man.

* * *

EMPLOYMENT

PROGRAMS TO CREATE JOBS

Mr. Maurice Foster (Algoma): Madam Speaker, my question is directed to the Minister of Employment and Immigration. In view of the importance of direct employment programs in high unemployment areas, especially Ontario, and considering that the former Progressive Conservative government cut off this program last fall, I wonder if the minister will be instituting such a program this fall for the high unemployment areas.

Hon. Lloyd Axworthy (Minister of Employment and Immigration): Madam Speaker, as we indicated very clearly in the Speech from the Throne, we intend to announce new job-creation programs as soon as the proposals are examined by cabinet. After we undertake consultation with the provinces,

and some of the employers and union groups, we will be in a position to make announcements in this House that will correct the actions taken by the previous government in cancelling the direct work programs.

* * *

● (1150)

THE ENVIRONMENT

ACID RAIN—LACK OF DISCUSSION WITH ONTARIO

Hon. John A. Fraser (Vancouver South): Madam Speaker, I direct my question to the Minister of the Environment. Yesterday, the minister appeared in this House and made reference to the initiatives of the Ontario government, through the Ontario minister of the environment, Dr. Parrott, and his new control order for Inco. The hon. minister had said that this was an important and courageous stand. At the same time, the leader of the Liberal party in the province of Ontario was referring to the same "important and courageous stand" as pathetic.

There are those in the United States who do not want an abatement of the acid rain situation and who will seize upon any disagreement in Canada to add to their arguments against the very efforts which the hon. minister is making. Can the minister explain to this House why it is that he had no consultations with Dr. Smith, the Liberal leader in the province of Ontario, and whether since yesterday he has spoken to his colleague in the province of Ontario and straightened him out?

Hon. John Roberts (Minister of State for Science and Technology and Minister of the Environment): Madam Speaker, I think as a general rule that political battles at the federal level should be fought out here, and that political battles at the provincial level should be fought out at the provincial level.

Mr. Fraser: Madam Speaker, given the fact that any open conflict between the federal government and the provinces in these very important months of negotiation to get agreement with the United States is very dangerous, and I know that the minister has been working to make sure that such a thing does not happen, can the minister assure this House that he will consult with his Liberal counterparts in the provincial parties to make sure that the minister and the federal government are not scuttled in their negotiation attempts with the United States?

Mr. Roberts: Madam Speaker, I intend to consult very widely. I know that the steps that were taken yesterday will be welcomed by those in the United States who are fighting to achieve the same objective that we are trying to reach in Canada, that of considerably reducing these dangerous emissions. I know that the hon. member is very interested in this issue and I welcome the kind of concerns that he has expressed.

I can tell the hon. member that I will be consulting very widely and that I will be making the case as effectively as I can to our American counterparts. I know they feel that the steps which were taken yesterday, both in Ontario and those announced here, will help them in their struggle to improve the situation in the United States.

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TRADE

PACIFIC RIM CONFERENCE—GOVERNMENT POSITION

Mr. John Thomson (Calgary South): Madam Speaker, I direct my question to the Minister of State (Trade). Our government had undertaken plans to hold a Pacific area trade conference this year. Can the minister advise me whether or not it is his government's intention to proceed with those plans?

Hon. Ed Lumley (Minister of State, Trade): Madam Speaker, in order to help achieve the industrial objectives of western Canada, this government is paying attention most favourably to the recommendations concerning the Pacific Rim conference. There are, however, a few changes which I would like to have made to the original format. I will be discussing these changes with my colleagues and announcing our decision to the House in due course.

* * *

INDUSTRY

AID TO CHRYSLER CANADA—IMPACT ON ECONOMIC DEVELOPMENT OF CANADA

Hon. Michael Wilson (Etobicoke Centre): Madam Speaker, my question is for the Minister of Industry, Trade and Commerce. Last Friday, I asked the minister whether any aid to Chrysler Canada would have an adverse impact on the economic development programs of this country. I received a very ambiguous answer. Something has come to my attention quite recently which illustrates the importance of this concern.

For some months CAE Industries has been working with General Motors on an aluminum casting plant for transmission cases for GM's new energy-efficient X cars. A relatively small amount of financial assistance was required for the project. The Ontario government has said that they would provide this assistance. It only requires some action by the federal government to get the project in motion. The project would mean 200 to 400 jobs and $20 million to $30 million a year in business for a strong, growing Canadian—

Some hon. Members: Order.

Madam Speaker: Order, please.

Mr. Wilson: My question to the minister is: Why did it take a notification from CAE Industries that they had lost this business before he would take action and notice the urgency of

this matter? Would the minister advise the House whether or not his preoccupation with the Chrysler Canada decision has caused him to ignore the plight of Canadian-owned companies?

Hon. Herb Gray (Minister of Industry, Trade and Commerce): Madam Speaker, as my speech last night to the automotive parts manufacturers indicated—and it received a very favourable reception—I am giving due attention to all segments of Canadian industry, in particular the automotive parts manufacturers and generally to the Canadian-owned segment of our economy.

The whole matter with respect to the CAE application was under consideration before any statements were made by them about their relationship with General Motors as it presently stands. The matter was under consideration and it remains under active consideration. I hope to have an answer on the matter very soon.

* * *

EMPLOYMENT

SUMMER YOUTH EMPLOYMENT PROJECTS—REASON FOR DELAY IN APPROVING APPLICATIONS

Mr. Bill Blaikie (Winnipeg-Birds Hill): Madam Speaker, I have a question for the Minister of Employment and Immigration. It has been reported to me by people in Manitoba that a delay in approving the Summer Youth Employment projects scheduled for that province, as well as other provinces, has caused people suited for these jobs to seek other employment, and that this has put back the scheduling of the summer programming of the groups concerned.

Can the minister tell the House whether or not some changes or announcements are pending related to these delays, and when these groups can expect to have this uncertainty cleared up?

Hon. Lloyd Axworthy (Minister of Employment and Immigration): Madam Speaker, the only reason for delay is the change of government and the requirement to re-establish some of the criteria for the Summer Youth Employment program. All the applications from the provinces are now being processed as quickly as possible. Announcements are being made. Several provinces have already received, or will be receiving, their announcements this week. I expect that any further announcements about the matter will be made very soon.

There really is no delay. Announcements are on time according to the schedule we announced in a press release some time in early April.

Mr. Blaikie: Madam Speaker, the groups to whom I spoke this morning had every expectation that they would hear whether or not their project was approved this past Wednesday. It seems to me that there has been a delay, but the delay is not a problem in and of itself. I am asking the minister, why the delay, and when can these groups expect to hear whether or not their programs will go forward?

Mr. Axworthy: Madam Speaker, I realize that there are always very high expectations, but we did indicate very clearly that we would be aiming at a May 15 target date for the announcement of these projects in those provinces from which we have received applications, from both the groups involved and also on the advice of members of Parliament, which is a system we reintroduced.

As far as I understand the situation, the hon. member for Winnipeg-Birds Hill and other members of the New Democratic Party from that area have not submitted their advice, and that is one of the reasons why we have had problems.

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CANADIAN WHEAT BOARD

TWO-PRICE WHEAT SYSTEM—INQUIRY WHETHER AMENDMENTS PROPOSED

Hon. Don Mazankowski (Vegreville): Madam Speaker, my question is directed to the Minister of Transport in his capacity as spokesman for the Canadian Wheat Board. I am sure the minister is aware that under the current pricing structure as it is outlined in the two-price wheat act, wheat sold for domestic, human consumption is considerably below the export marketing price, resulting in rather extensive subsidies provided by the producers to the consumers. These subsidies can amount to as much as $1 million per week.

Would the minister tell the House whether or not his government is giving any consideration toward amending the two-price system so that it will more accurately reflect the increased costs of production and more accurately correspond with world prices.

Hon. Jean-Luc Pepin (Minister of Transport): Madam Speaker, I had a conversation with the Minister of State for the Canadian Wheat Board on that very subject yesterday. If there are announcements to be made in the coming weeks, they will be made by him. I can assure the hon. member that he is looking into the matter.

Mr. Mazankowski: Madam Speaker, having regard to the fact that the act under which this two-price system was introduced is scheduled to expire on July 31, 1980, could the minister indicate whether or not he has had discussions with the minister responsible for the Canadian Wheat Board as to the disposition of the act? Will another act be introduced, or will the existing act be extended?

Mr. Pepin: Madam Speaker, I have had discussions with the minister. However, this matter falls under his jurisdiction and any announcements should first come from him.

Privilege—Mr. Nielsen

PRIVILEGE

MR. NIELSEN—ALLEGED DELETION IN OFFICIAL REPORT

Hon. Erik Nielsen (Yukon): Madam Speaker, I rise now in the hope that I can contribute to getting this session off on the right foot as far as alterations to *Hansard* are concerned. Because the Prime Minister (Mr. Trudeau) is not in his seat today I intend to raise the question in detail on Monday, but in order to afford you, Madam Speaker, the officers of the House, *Hansard* and the staff of the Prime Minister the opportunity to check the substance of the question I intend to raise on Monday, I might refer them to page 598 of yesterday's *Hansard*. In the right hand column, the last paragraph but one, the Prime Minister is recorded as having said:

● (1200)

We believe that the companies themselves and the producers themselves have some contribution to make in this.

Now, there has been the deletion of two words. Two entire words have been deleted from that sentence. I heard them clearly and the hon. member for St. John's West (Mr. Crosbie) heard them clearly, but so that there would be no doubt, the tapes of yesterday's proceedings were checked today. The two words that were deleted are "the producing" so that the sentence would have read: "We believe that the companies themselves and the producing the producers themselves have some contribution to make in this."

Madam Speaker, I think we should get this session off to the proper start with respect to significant deletions, alterations to *Hansard*. It may be that the Prime Minister and his staff did not make this deletion. It may be that *Hansard* themselves made it. But it is my belief and the belief of those of us on this side that whatever is said in this House should be recorded faithfully, completely and accurately.

Madam Speaker: I suppose the hon. member will be giving me written notice of the question of privilege.

[*Translation*]

Hon. Yvon Pinard (President of the Privy Council): Concerning that kind of innuendo, of course I would rather let the Prime Minister (Mr. Trudeau) give the necessary details on his return from Montreal where he is today delivering an important speech on the unity of this country which we all want united and strong. My colleague should understand that, in spite of the many innuendoes heard during question period about the absence of the Prime Minister, his absence is justified indeed. We all know that the Prime Minister is now speaking to the Montreal Chamber of Commerce to plead the cause of Canada. As for the hon. member's comments about the answer given by the Prime Minister to a question put to him yesterday, I am sure that the Prime Minister will be in a position at the first opportunity to give the necessary explanations and remove any doubt resulting from the remarks made by my colleague.

[*English*]

MR. BLAIKIE—SUMMER YOUTH EMPLOYMENT—DENIAL OF DELAY IN SUBMITTING PROJECTS BY NDP MEMBERS

Mr. Bill Blaikie (Winnipeg-Birds Hill): I rise on a question of privilege, Madam Speaker. The Minister of Employment and Immigration (Mr. Axworthy) has implied that the delay in the approval of Summer Youth Employment projects is because of the failure of New Democratic Party members of Parliament to take their responsibilities seriously vis-à-vis the minister's recommendations that members submit indications of which projects in their ridings they would deem worthy of funding.

The minister knows full well that members of this party are not in a position where they have delayed approval of projects, but they have made representations to the minister that he change the way in which approval is given for funding. The minister asked that there be input from members of Parliament as to which projects should be worthy of funding, but did not, on the one hand, give members any final say so that they would be responsible for the input they gave into the funding process, nor, on the other hand, did he make provision for any sort of community input.

We made representations to the minister that if he was willing to set up a community participation process for input, if he was willing to set up committees at the community level, we would be willing to go ahead with that.

This would have been consistent with all the rhetoric about community participation that the Minister of Employment and Immigration was so fond of indulging in prior to his election to government.

We did send in our forms and we indicated to the minister what our position was on this. There is no way that our actions have in any way delayed approval of these projects; if anything, they should have speeded it up because he did not have to go through the process of sorting out what the input of the various members of Parliament was with regard to projects in our ridings.

The implication of what the minister said with regard to our carrying out our responsibilities is wrong. It misleads the people of Manitoba, it misleads this House, and it does not do justice to the facts. I submit this should be regarded as a question of privilege, Madam Speaker.

Hon. Lloyd Axworthy (Minister of Employment and Immigration): Madam Speaker, in all honesty, I think the hon. member for Winnipeg-Birds Hill (Mr. Blaikie) may have a certain difference of opinion, but he certainly does not have a question of privilege. I would just like to point out to him certain facts that would support my case.

The first is that when this government took office the procedure by which consultation would take place on a local level through members of Parliament had been totally cancelled. The previous government had decided for its own reasons not to allow any form of consultation on the local level. At that point the Summer Youth Employment program was already in progress. The announcements had already been

made, the advertisements had already gone out and applications were already being submitted.

It was our feeling, based upon a very strong commitment to the notion, that before deciding on Summer Youth Employment programs there should be some avenue by which the local community is represented and priorities judged. The best way to do that is to consult with the member of Parliament concerned. It may be that the hon. member for Winnipeg-Birds Hill does not have the same respect for the role of the member of Parliament as we on this side.

I should like to point out that one of the reasons a person is elected is to speak for his or her community. There was certainly no prohibition whatsoever in the instructions or information we sent out that would have prevented the hon. member or any of his colleagues from consulting with groups in his own community in order to set up whatever form of procedure he wanted to follow.

I should also like to point out that the matter only came to my attention in a letter that I received, I believe yesterday or it may have been the day before, from the hon. member for Winnipeg North (Mr. Orlikow), indicating that members of the New Democratic Party caucus were not going to participate in that consultative feature.

Where the delay occurred was simply that we were waiting for them to come in. It is certainly their right if they do not want to participate or give advice and there is no compulsion for them to do so; but we were waiting for those applications. Now that we know they are not going to submit them, we will proceed with the evaluation and assessment without that kind of input.

As I say, Madam Speaker, it is their right to do that and I was not suggesting they were doing anything wrong. But the procedure was set up and we were only informed a few days ago that they would not be participating.

[*Translation*]

Madam Speaker: The hon. member for Winnipeg-Birds Hill (Mr. Blaikie) has raised a question of privilege to indicate his disagreement with a reply given to him by the Minister of Employment and Immigration (Mr. Axworthy). He should know that the question of privilege cannot be used for that purpose. What we have here is indeed a divergence of opinion with the minister and the contents of his reply; that is quite clear, I think. Therefore, I would ask the hon. member to raise that question under different circumstances. For the moment I must rule that there is no ground for a question of privilege.

[*English*]

I recognize the hon. member for the Yukon (Mr. Nielsen), as long as he is not speaking on the question of privilege that I have just ruled upon.

Hon. Erik Nielsen (Yukon): Madam Speaker, the question that was raised by the hon. member for Winnipeg-Birds Hill (Mr. Blaikie) was an important one that I had intended to rise on and address before you quickly ruled upon it.

Some hon. Members: Order, order.

An hon. Member: You are questioning the Speaker.

Mr. Nielsen: The accusation comes from the opposite side, from the Parliamentary Secretary to the President of the Privy Council, that I am questioning the ruling of the Speaker. He is not telling the truth because that is not what I am rising on. What I am rising on is a question that affects the privileges of all members of the House.

• (1210)

Mr. Chénier: Kick him out.

Mr. Nielsen: The hon. member for Timmins-Chapleau (Mr. Chénier) says "kick him out". I am sure an opposition is a bit of a nuisance, as described by his leader from time to time, and he would like to get rid of it entirely. But we do not operate in Canada yet as they do in Ghana, although the hon. member would like that to happen. The question that I raise affects the privileges of all members of this House and it affects the responsibilities of the minister involved in the previous question.

Even if there were a constituency advisory group, the final decision on these matters still rests with the minister. It was the practice of the Liberal government that preceded us, when asking for opinions from members of Parliament, that once the selections were made—if the member for Timmins-Chapleau will be patient he will hear the question of privilege that I am raising.

An hon. Member: He just has a big mouth, that is all.

Mr. Nielsen: The only time he opens his mouth is to change feet.

The privilege involved here is that the Liberal government that preceded us, after it had received the advice of members of Parliament on this side, would write a letter to the successful applicant for assistance saying that the minister was pleased to make that grant, making no mention of the participation of the member of Parliament. He would write to all of the unsuccessful applicants and tell them that their applications had been rejected after having consulted with their respective member of Parliament, and name him, so that the member of Parliament on this side was blamed for these rejections. That is what affects the privileges of the members of this House, and that perhaps explains the delay in the minister having these forms returned.

Perhaps the minister could rise in his place today and give his assurance as a member of the cabinet, as an hon. member of this House, that he will not follow that odious practice and blame members of Parliament on this side—I am sure that it did not happen over there—for the rejections. He might then find more co-operation. Will the minister give us that assurance? If he does not, it gives rise to a very serious question of privilege.

Madam Speaker: The minister is entitled not to reply to this intervention if that is his choice.

Does the hon. member want to speak on a question of privilege? I will not entertain any more interventions on that question of privilege because I have already ruled on it. I am sorry, but I cannot accept further representations from the hon. member.

Mr. Svend J. Robinson (Burnaby): Madam Speaker, with great respect I must rise on a question of privilege respecting my rights and duties as a member of Parliament in serving my constituents. Some of my constituents are aware of the proceedings of this House and if those constituents read the proceedings of today's House with respect to this very important question of the youth employment program, I have a university and an institute of technology in my constituency, and I and all other members of Parliament, at least in this party, have submitted applications—

Madam Speaker: Order, please. I believe that if the electors of the hon. member's constituency read *Hansard* they will have the full benefit of the discussion that has taken place in the House and they will be able to judge—

[*Translation*]

—whether they have been deprived of their rights, whether the electors have been deprived of their rights or whether the hon. member himself has been. I think that it is quite clear, judging by the interventions from both sides of the House, that this is matter of divergent opinions between one or several members and the minister who replied to statements made. I do not think that there are grounds for a question of privilege.

ROUTINE PROCEEDINGS

[*Translation*]

NATIONAL DEFENCE

TABLING OF FINAL REPORT OF TASK FORCE ON UNIFICATION OF ARMED FORCES

Hon. J. Gilles Lamontagne (Minister of National Defence): Madam Speaker, I have the honour of tabling in the House, pursuant to Standing Order 41(2), in both official languages, the final report of the Task Force on Unification of Armed Forces of Canada.

[*English*]

PRIVILEGE

MR. McKINNON—LACK OF OPPORTUNITY TO DEBATE TASK FORCE REPORT ON UNIFICATION OF ARMED FORCES

Hon. Allan B. McKinnon (Victoria): Madam Speaker, I rise on a question of privilege concerning the document which the minister has just tabled. The practice of never hearing a statement on motions from a minister is infringing upon the privileges of members of this House. This particular minister has managed to choose a new fighter aircraft and has signed the largest contract ever signed in Canada without a statement on motions or giving members an opportunity to discuss the matter. Now we have this very important report commissioned by the former administration submitted to this minister six weeks ago tabled without comment.

This report is of great interest to the people of Canada, to the people in the armed forces and to this House. If we are not going to be given an opportunity to understand the government's position on this report, then the normal debate that is so healthy for our democracy is going to cease happening here. What we get are press releases and it is most difficult to debate things through a press release issued by the minister somewhere, some time and replied to somewhere, some time, by the opposition.

I would like to point out that the minister, who unfortunately left the House when I rose, would have had an opportunity to indicate the government's position on this report in reply to my raising this question of privilege. There are some 30 recommendations in the report. Perhaps he could say whether he accepts half of them or all of them or when he is going to accept them. At the very least he could have said he would refer it to the Standing Committee on External Affairs and National Defence for consideration.

If the important business of the government is going to be conducted in this clandestine manner without public debate in this chamber, I feel that it infringes upon the privileges of all members and of Canadians.

[*Translation*]

Hon. Yvon Pinard (President of the Privy Council): Madam Speaker, because of the intervention of the hon. member, I think it is important to define a few things at this point. All of this is covered in our standing orders. What the Minister of National Defence (Mr. Lamontagne) has just done is to make public and table a report. Nothing forces him to make a statement. Standing Order 15(3) stipulates that a minister "may", in French the word is *peut*, make a statement or announcement. The Minister of National Defence chose not to make one today. It is his privilege, his right to so choose; it is quite in order for him to do so.

The colleague who rose on a question of privilege, which it really is not, will have many opportunities of putting questions to the Minister of National Defence. He can do so during the oral question period that will follow tabling of this report, and

also in committee when the estimates come up for study. Moreover, between now and December 10, the opposition will have 18 days allotted to them for the discussion of the topics of their choosing. In light of this, it is unfair to claim that the opposition is being deprived of the opportunity to discuss the report tabled today by the Minister of National Defence. On the contrary! All that is in the standing orders: As a matter of fact, they are most generous and provide the hon. member and his colleagues with ample opportunities to put questions and debate the subject dealt with in the report the Minister of National Defence tabled today. In closing, Madam Speaker, this is definitely not a matter of privilege and I think hon. members should see to it that this procedure of bringing up questions of privilege should be not be abused lest it no longer be taken seriously.

It may happen on occasion that hon. members' rights are really infringed upon. I would hate to see the day—because hon. members are developing the habit of getting into all sorts of political argument under the guise of questions of privilege—when our rights are really infringed upon and the question of privilege be ruled out of order because abuse will have been too obvious in the past.

[*English*]

Mr. Harvie Andre (Calgary Centre): Madam Speaker, I feel that I must object to what was an extraordinary statement made by the President of the Privy Council (Mr. Pinard) and government House leader. He stated in essence that members of his government feel obliged to cater to the democratic responsibilities of this institution only when the rules specifically demand them; otherwise we can resort to press releases and that type of debate. That is absolutely unacceptable and it certainly infringes on the privileges of the entire nation as well as members of this House.

● (1220)

Mr. Terry Sargeant (Selkirk-Interlake): Madam Speaker, I rise on the same question of privilege. I find myself in the unusual position of agreeing with two speakers from the Conservative party on this question of privilege. In both instances in the last few weeks that the Minister of National Defence (Mr. Lamontagne) has brought forward two very important positions on national defence, they have not been brought before the House. We are in a position right now where there are some very important questions to be answered with regard to the future of our armed forces, and the minister brings them in, tables them and does not allow us to debate the matter in this House.

The President of the Privy Council (Mr. Pinard) said that we are raising these questions of privilege so often that they will not be taken seriously. I submit that by the type of action the Minister of National Defence has carried on in the last few weeks, Parliament will not be taken seriously in the future if we are not allowed to debate important issues, issues that will make a major difference to our armed forces in the future.

There are some very important questions asked in this task force report. These are questions that must be answered very soon. Members of this House as the representatives of the people of Canada must be allowed to debate these questions and try and find some good solutions and answers to the problems. I urge that this question of privilege be upheld, that the minister make a statement and that we be allowed to question him on it.

Madam Speaker: The rules are quite clear. They stipulate that the minister may make a statement when he is tabling documents. That has to mean that he may decide not to make a statement when tabling documents, if he so chooses. That may be wise or unwise; it is not for the Chair to decide. The Chair cannot force a minister to make a statement when tabling a document.

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[*Translation*]

PETITIONS

REQUEST FOR SUBSTANTIAL INCREASE IN PENSIONS OF SENIOR CITIZENS

Madam Speaker: I have the honour to inform the House that the Assistant Clerk of the House has laid on the Table the third report of the Clerk of Petitions stating that he has examined the petition presented by the hon. member for Winnipeg North Centre (Mr. Knowles) and finds that it meets the requirements of the Standing Orders as to form.

* * *

[*English*]

ADULT OCCUPATIONAL TRAINING ACT

MEASURE TO AMEND

Hon. Lloyd Axworthy (Minister of Employment and Immigration) moved for leave to introduce Bill C-23, to amend the Adult Occupational Training Act.

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

* * *

[*Translation*]

FEDERAL-PROVINCIAL FISCAL ARRANGEMENTS AND ESTABLISHED PROGRAMS FINANCING ACT, 1977

MEASURE TO AMEND

Hon. Pierre Bussières (Minister of State, Finance) moved for leave to introduce Bill C-24, to amend laws relating to fiscal transfers to the provinces.

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

* * *

[*English*]

BUSINESS OF THE HOUSE

PROCEDURE RESPECTING INTRODUCTION OF PUBLIC BILLS ON ORDER PAPER

Madam Speaker: May I refer at this point to the balloting practice which has been followed to determine the precedence for the introduction and first reading of Private Members' Public Bills. On today's order paper there are listed some 395 bills standing in the name of various hon. members.

It was not practical or possible for the Chair to review the provisions of each of those bills. Might I therefore suggest to the House that we adopt the procedure which was agreed upon in the past several sessions; namely, that we proceed to the introduction, first reading and orders for the printing of these bills so that each may be scrutinized between now and its being called for second reading in order to allow the Chair to consider whether there is any defect in the bills in respect of the practices and usages of the House.

I suggest that, by unanimous consent, all the Private Members' Public Bills listed for introduction on today's order paper be deemed to have been introduced, given first reading, ordered to be printed and to stand for second reading at the next sitting of the House, subject, as always, to a subsequent examination as to the regularity of each bill.

In order to ensure that bills at the top of the list will not have to stand because they have not been printed and distributed when called, I am requesting the Deputy Speaker, with the co-operation of the Table officers, to give the necessary instructions to ensure that printing and distribution priorities will reflect the order determined in the draw and, to that effect, the word "printed" will be added to the order paper entry for each bill when received by the distribution branch.

Is the procedure to which I have referred agreed to by the House?

Some hon. Members: Agreed.

PRIVATE MEMBERS' PUBLIC BILLS

[*English*]

INTRODUCTION AND FIRST READING

Bill C-201, An Act to amend the Holidays Act.—Mr. Herbert.

Bill C-202, An Act to amend the Federal Court Act (disclosure of documents).—Mr. Oberle

Bill C-203, An Act to amend the Canada Labour Code.—Mr. Gamble.

Bill C-204, An Act to amend the National Energy Board Act (provincial representation and sunlight provisions).—Mr. Waddell.

Bill C-205, An Act to amend the Unemployment Insurance Act, 1971 (maternity benefits—waiting period).—Mr. Caccia.

Bill C-206, An Act to amend the Canada Labour Code (maternity leave).—Mr. Benjamin.

Bill C-207, An Act to amend the Arctic Waters Pollution Prevention Act.—Mr. McMillan.

Bill C-208, An Act to amend the Canada Elections Act (publication of results of opinion polls).—Mr. Shields.

Bill C-209, An Act to amend the House of Commons Act (vacancies).—Mr. Malone.

Bill C-210, An Act to promote the use of renewable energy.—Mr. Schellenberger.

Bill C-211, An Act to readjust the representation of Ontario in the House of Commons and to readjust the electoral districts in Ontario.—Mr. Foster.

Bill C-212, An Act to amend the British North America Act, 1867 (native status, treaties, and aboriginal rights).—Mr. Allmand.

Bill C-213, An Act to amend the Criminal Code (reporting names of accused).—Mr. Dick.

Bill C-214, An Act to amend the Official Languages Act (supremacy of the Act).—Mr. Gauthier.

Bill C-215, An Act to amend the criminal law (punishment of certain offences).—Mr. Munro (Esquimalt—Saanich).

Bill C-216, An Act to amend the Criminal Code (abortion).—Mr. McKnight.

Bill C-217, An Act respecting the official designation of "Nova Scotia".—Mr. Nowlan.

Bill C-218, An Act to amend the Atomic Energy Control Act.—Mr. Gurbin.

Bill C-219, An Act to amend the Criminal Code (parental abduction of children).—Mr. Friesen.

Bill C-220, An Act respecting the national anthem of Canada.—Mr. Stewart.

Bill C-221, An Act to provide for the establishment of an authority for public use of all abandoned railway lines in Canada.—Mr. Watson.

Bill C-222, An Act to provide for a national referendum on capital punishment.—Mr. Lawrence.

Bill C-223, An Act respecting representation in the Canadian House of Commons.—Mr. Towers.

Bill C-224, An Act to amend the Broadcasting Act (educational use of programs).—Mr. McKenzie.

Bill C-225, An Act to promote profit sharing by employees in business.—Mrs. Hervieux-Payette.

Bill C-226, An Act respecting minerals and hydrocarbons in submarine lands adjoining the Province of Nova Scotia.—Mr. Crosby (Halifax West).

Bill C-227, An Act to amend the Railway Act (fences).—Mr. Fisher.

Bill C-228, An Act to amend the Income Tax Act.—Mr. Lambert.

Bill C-229, An Act respecting nuclear control and administration.—Mr. Andre.

Bill C-230, An Act to amend the British North America Act, 1867 (national capital of Canada).—Mr. Isabelle.

Bill C-231, An Act to establish a Bill of Rights for children.—Mr. Robinson (Burnaby).

Bill C-232, An Act to amend the Post Office Act.—Mr. Robinson (Etobicoke-Lakeshore).

Bill C-233, An Act to encourage the role of the voluntary sector in Canadian society.—Mr. McLean.

Bill C-234, An Act to provide for the employment of handicapped persons in the federal Public Service, federal government agencies and private industries under federal jurisdiction.—Mr. Rae.

Bill C-235, An Act respecting legal tender (Braille numbers).—Mr. Mayer.

Bill C-236, An Act respecting the acquisition of land by non-Canadians.—Mr. Stollery.

Bill C-237, An Act to amend the Canada Elections Act.—Mr. Clarke (Vancouver Quadra).

Bill C-238, An Act to amend the Criminal Code (invasion of privacy).—Mr. Baker (Nepean-Carleton).

Bill C-239, An Act to amend the Public Service Staff Relations Act and the Canada Labour Code to provide for the establishment of sector bargaining.—Mr. Jelinek.

Bill C-240, An Act to give political rights to public servants below the rank of deputy minister.—Miss Jewett.

Bill C-241, An Act to amend the Broadcasting Act (licences).—Mr. Rose.

Bill C-242, An Act to prohibit discrimination on grounds of sexual orientation.—Miss Carney.

Bill C-243, An Act to amend the British North America Act, 1867 (abolition of the Senate).—Mr. Knowles.

Bill C-244, An Act respecting the international land boundary between Canada and the state of Alaska.—Mr. Fulton.

Bill C-245, An Act to repeal the Prairie Farm Assistance Act.—Mr. Neil.

Bill C-246, An Act to amend the Official Secrets Act.—Mr. Cooper.

Bill C-247, An Act to amend the Statistics Act (penalty provisions).—Miss MacDonald (Kingston and the Islands).

Bill C-248, An Act establishing a moratorium on the continued development of nuclear power in Canada for the purposes of establishing a public inquiry into nuclear power that is followed by a national referendum.—Mr. Blaikie.

Bill C-249, An Act respecting metric measurement (voluntary adaption).—Mr. Scott (Hamilton-Wentworth).

Bill C-250, An Act to amend the Divorce Act (alimony and maintenance orders).—Mr. Huntington.

Bill C-251, An Act to amend the Public Service Staff Relations Act (prohibiting right to strike).—Mr. Gamble.

Bill C-252, An Act to amend the constitution of Canada (federal general elections).—Mr. Malone.

Bill C-253, An Act to amend the Juvenile Delinquents Act.—Mr. Allmand.

Bill C-254, An Act to create the territories of Nunavut and Dene-Mackenzie.—Mr. Allmand.

Bill C-255, An Act to amend the Railway Act (half-fare railway tickets for senior citizens).—Mr. Gamble.

Bill C-256, An Act to amend the Bank Act (qualification of directors).—Mr. Herbert.

Bill C-257, An Act to amend the Criminal Code (abortion).—Mr. Oberle.

Bill C-258, An Act to amend the Immigration Act.—Mr. Gamble.

Bill C-259, An Act to amend the Canadian Wheat Board Act (renewable energy).—Mr. Schellenberger.

Bill C-260, An Act to amend the Canada Shipping Act (pollution).—Mr. Friesen.

Bill C-261, An Act to amend the Resources and Technical Surveys Act (renewable energy).—Mr. Schellenberger.

Bill C-262, An Act to amend the Canada Elections Act (publication of the result of opinion polls).—Mr. Coates.

Bill C-263, An Act respecting the use of social insurance numbers.—Mr. Friesen.

Bill C-264, An Act to amend the Criminal Code (abortion).—Mr. Siddon.

Bill C-265, An Act to amend the Income Tax Act (non-discrimination against single workers).—Mr. Waddell.

Bill C-266, An Act to amend the Railway Act (movement of western grain).—Mr. Benjamin.

Bill C-267, An Act to amend the Canada Labour Code.—Mr. Oberle.

Bill C-268, An Act to change the name of the electoral district of Saint-Hyacinthe.—Mr. Ostiguy.

Bill C-269, An Act to provide for collective bargaining rights for employees of the House of Commons.—Mr. Waddell.

Bill C-270, An Act respecting nuclear control and administration.—Mr. McMillan.

Bill C-271, An Act respecting the televised advertisement of beer and ale.—Mr. Friesen.

Private Members' Public Bills

Bill C-272, An Act to amend the Transport Act (transportation, storage and disposal of hazardous substances).—Mr. Siddon.

Bill C-273, An Act to amend the House of Commons Act.—Mr. Lambert.

Bill C-274, An Act to amend the Canadian Radio-television and Telecommunications Commission Act.—Mr. Robinson (Burnaby).

Bill C-275, An Act respecting the official use of the former residence of the late Rt. Hon. John G. Diefenbaker.—Mr. Towers.

Bill C-276, An Act to stabilize the representation in the House of Commons.—Mr. Ellis.

Bill C-277, An Act respecting financial disclosure of corporations applying for rate increases.—Mr. Waddell.

Bill C-278, An Act to amend the Criminal Code (sexual offences).—Mr. Robinson (Burnaby).

Bill C-279, An Act to amend the Criminal Code with respect to capital punishment.—Mr. Lawrence.

Bill C-280, An Act to amend the Canada Pension Plan (contributors).—Mr. Caccia.

Bill C-281, An Act to amend the Unemployment Insurance Act.—Mr. Robinson (Burnaby).

Bill C-282, An Act to amend the Unemployment Insurance Act, 1971 (maternity benefits).—Mr. Anguish.

Bill C-283, An Act to amend the Canada Pension Plan (disability pension).—Mr. Caccia.

Bill C-284, An Act respecting environmental assessment and review.—Mr. McMillan.

Bill C-285, An Act to extend the present laws of Canada that provide access to information under the control of the Government of Canada and to amend the Canada Evidence Act, the Federal Court Act and the Statutory Instruments Act.—Mr. Waddell.

Bill C-286, An Act respecting National Heritage Day.—Mr. Allmand.

Bill C-287, An Act to recognize aboriginal title in Canada.—Mr. Waddell.

Bill C-288, An Act to grant a pardon to all persons convicted of certain offences (Louis Riel).—Mr. Waddell.

Bill C-289, An Act to amend the Food and Drug Act and the Consumer Packaging and Labelling Act (nutritional contents on labels).—Mr. Allmand.

Bill C-290, An Act to provide for the establishment of a Nuclear Electricity Export Authority.—Mr. Watson.

Bill C-291, An Act to amend the British North America Act (1867) and the Canada Elections Act (proportional representation).—Mr. Allmand.

Bill C-292, An Act to amend the Canada Elections Act (permanent electoral list—election period—election expenses).—Mr. Allmand.

Bill C-293, An Act to amend the Criminal Code (abortion).—Mr. Beatty.

Bill C-294, An Act to create an international wilderness park for the Northern Yukon (Thomas R. Berger Park).—Mr. Waddell.

Bill C-295, An Act to establish a sunset law for Canada.—Mr. Gamble.

Bill C-296, An Act to amend the Motor Vehicle Safety Act (mandatory installation of air bags in passenger vehicles).—Mr. Crosby (Halifax West).

Bill C-297, An Act to amend the Public Service Employment Act and the Public Service Staff Relations Act (political rights).—Mr. Benjamin.

Bill C-298, An Act to amend the Hazardous Products Act.—Mr. Robinson (Burnaby).

Bill C-299, An Act to promote the use of solar heating.—Mr. Schellenberger.

Bill C-300, An Act to amend the Canadian Bill of Rights.—Mr. Robinson (Burnaby).

Bill C-301, An Act to amend the Royal Canadian Mounted Police Act.—Mr. Robinson (Burnaby).

Bill C-302, An Act to amend the Canada Labour Code (eleven general holidays with pay).—Mr. Knowles.

Bill C-303, An Act to amend the British North America Act, 1867 (tenure of Senators).—Mr. Herbert.

Bill C-304, An Act to amend the Senate and House of Commons Act (limitations of sittings on Mondays).—Mr. Crosby (Halifax West).

Bill C-305, An Act to amend the National Capital Act (recognition of provincial capitals).—Mr. Crosby (Halifax West).

Bill C-306, An Act respecting restrictions on foreign aid.—Mr. Gamble.

Bill C-307, An Act to develop and to promote co-generation potential of all sources of thermal electric generating stations.—Mr. Gurbin.

Bill C-308, An Act to amend the Criminal Code (punishment for murder)—Mr. Kushner.

Bill C-309, An Act to amend the Criminal Code (abortion)—Mr. Herbert.

Bill C-310, An Act to compensate the Sekani Indians for the damages suffered as a result of the construction of the W.A.C. Bennett Dam—Mr. Waddell.

Bill C-311, An Act to amend the Broadcasting Act (advertising on children's programs)—Mr. McGrath.

Bill C-312, An Act respecting confidential communications between elected representatives and their constituents.—Mr. Howie.

Bill C-313, An Act to amend the British North America Act (1867) (protection for language rights).—Mr. Allmand.

Private Members' Public Bills

Bill C-314, An Act to amend the Canada Elections Act (election posters).—Mr. Robinson (Etobicoke—Lakeshore).

Bill C-315, An Act to amend the Resources and Technical Surveys Act (map quality control).—Mr. Corbin.

Bill C-316, An Act to amend the Public Staff Relations Act.—Mr. Robinson (Burnaby).

Bill C-317, An Act to amend the Canada Labour Code (safety of employees).—Mr. Nystrom.

Bill C-318, An Act to amend the Broadcasting Act (prohibition of anonymous comment).—Mr. Crosby (Halifax West).

Bill C-319, An Act to regulate the disposition and development of oil and gas rights.—Mr. Andre.

Bill C-320, An Act to provide for the establishment of an average retail price for electrical energy in Canada.—Mr. Crosby (Halifax West).

Bill C-321, An Act respecting the political affiliation of Members of Parliament.—Mr. Malone.

Bill C-322, An Act to establish a referendum on nuclear power—Mr. Blaikie.

Bill C-323, An Act to amend the Criminal Code (offences relating to rape).—Mr. Joyal.

Bill C-324, An Act respecting the televised advertisement of beer and ale.—Mr. McGrath.

Bill C-325, An Act to amend the Canada Council Act (Killam-Dunn).—Mr. Forrestall.

Bill C-326, An Act to amend the Citizenship Act (time off without loss of pay).—Mr. Knowles.

Bill C-327, An Act to amend the Public Service Staff Relations Act.—Mr. Joyal.

Bill C-328, An Act to amend the Criminal Code (capital punishment).—Mr. Jelinek.

Bill C-329, An Act to amend the Criminal Code (reinstatement of capital punishment). Mr. Guay.

Bill C-330, An Act to amend the Canada Pension Plan (survivor's pension).—Mr. Howie.

Bill C-331, An Act to amend the Veterans Land Act.—Mr. Rose.

Bill C-332, An Act to provide for the accountability to Parliament of Crown agencies.—Mr. Gamble.

Bill C-333, An Act to provide for pension benefits for veterans of the Spanish Civil War.—Mr. Rae.

Bill C-334, An Act to amend the Government Organization Act, 1978.—Mr. McMillan.

Bill C-335, An Act to amend the Canadian Human Rights Act.—Mr. Robinson (Burnaby).

Bill C-336, An Act respecting the disclosure of financial interests by senators, members of the House of Commons and certain other persons.—Mr. Waddell.

Bill C-337, An Act to provide for the constitution of a federal transport commission of inquiry (impartial investigation of transport accidents).—Mr. Forrestall.

Bill C-338, An Act to insure compensation for damages incurred through marine accidents involving carriers of noxious cargoes.—Mr. Munro (Esquimalt-Saanich).

Bill C-339, An Act respecting Crown corporations (not agents of Her Majesty).—Mr. Herbert.

Bill C-340, An Act to amend the Canadian Human Rights Act.—Mr. Dick.

Bill C-341, An Act to amend the Electoral Boundaries Readjustment Act in the province of Quebec.—Mr. Ittinuar.

Bill C-342, An Act to amend the Statutory Instruments Act.—Mr. Robinson (Burnaby).

Bill C-343, An Act to amend the Motor Vehicle Safety Act (crash restraint protection devices).—Mr. Friesen.

Bill C-344, An Act respecting the international airport at Ottawa.—Mr. Isabelle.

Bill C-345, An Act to provide for the protection of news sources (press privilege).—Mr. Waddell.

Bill C-346, An Act to amend the Public Service Employment Act and the Public Service Staff Relations Act (political rights).—Mr. Murphy.

Bill C-347, An Act respecting the cost of publishing public reports.—Mr. Herbert.

Bill C-348, An Act to provide for collective bargaining rights for employees of the House of Commons.—Mr. Robinson (Burnaby).

Bill C-349, An Act to amend the Narcotic Control Act, the Food and Drug Act and the Criminal Code.—Mr. Robinson (Burnaby).

Bill C-350, An Act respecting confidential information.—Miss Jewett.

Bill C-351, An Act to amend the Official Languages Act (notices and advertisements).—Mr. Gauthier.

Bill C-352, An Act to amend the Criminal Code (death sentence).—Mr. Mitges.

Bill C-353, An Act to amend the Canadian Human Rights Act.—Mr. Waddell.

Bill C-354, An Act respecting a referendum on the metric conversion programme in Canada.—Mr. Towers.

Bill C-355, An Act to amend the Canada Elections Act (deposit).—Mr. Dionne (Northumberland-Miramichi).

Bill C-356, An Act to amend the Unemployment Insurance Act, 1971 (labour dispute).—Mr. Orlikow.

Bill C-357, An Act to promote the use of alternative automobile fuels.—Mr. Schellenberger.

Bill C-358, An Act to amend the Canada Elections Act.—Mr. Robinson (Burnaby).

Bill C-359, An Act to encourage the growth of the reserve force of the Canadian Forces.—Mr. Robinson (Etobicoke-Lakeshore).

Bill C-360, An Act to amend the Income Tax Act (capital gains tax).—Mr. Siddon.

Private Members' Public Bills

Bill C-361, An Act respecting the use of import duties and sales taxes.—Mr. Rose.

Bill C-362, An Act to divide the calendar year into three parliamentary semesters.—Mr. Friesen.

Bill C-363, An Act to amend the Energy Emergency Supplies Act, 1979.—Mr. Andre.

Bill C-364, An Act respecting the recovery of alimony and maintenance.—Mrs. Hervieux-Payette.

Bill C-365, An Act to amend the Environmental Contaminants Act.—Mr. McMillan.

Bill C-366, An Act to amend the Canada Evidence Act (incriminating statements)—Mr. Waddell.

Bill C-367, An Act to establish a 200-mile coastal environmental control zone.—Mr. Fulton.

Bill C-368, An Act respecting employment with the Government of Canada not covered by the Public Service Employment Act.—Mr. Orlikow.

Bill C-369, An Act to promote the development of a strong high-technology industrial sector and to better protect workers from negative employment effects.—Miss Jewett.

Bill C-370, An Act respecting the national anthem of Canada.—Mr. McMillan.

Bill C-371, An Act to amend the Indian Act (Indian government).—Mr. Allmand.

Bill C-372, An Act to amend the Canada Elections Act (partisan poll officers).—Mr. Dick.

Bill C-373, An Act respecting the continental shelf.—Mr. McGrath.

Bill C-374, An Act to amend the Unemployment Insurance Act, 1971.—Mr. Oberle.

Bill C-375, An Act to amend the Canada Elections Act (permanent voters list).—Mr. Buchanan.

Bill C-376, An Act to amend the Consumer Packaging and Labelling Act.—Mr. Gamble.

Bill C-377, An Act to amend the Canada Elections Act (publication of the result of opinion polls).—Mr. Herbert.

Bill C-378, An Act to amend the Criminal Code (obscene broadcasting).—Mr. Herbert.

Bill C-379, An Act to promote solar energy use.—Mr. Gurbin.

Bill C-380, An Act respecting protection of animals (scientific purposes).—Mr. Rose.

Bill C-381, An Act to amend the Transfer of Offenders Act.—Mr. Robinson (Burnaby).

Bill C-382, An Act to amend the Combines Investigation Act to provide for the standardization of warranties and to define the minimum provisions thereof.—Mr. McKenzie.

Bill C-383, An Act respecting the designation of a day to commemorate the holocaust.—Mr. de Corneille.

Bill C-384, An Act respecting farm equipment emergency repair parts.—Mr. Cardiff.

Bill C-385, An Act to amend the British North America Acts, 1867 to 1975 (duration of House of Commons).—Mr. Howie.

Bill C-386, An Act to amend the Prisons and Reformatories Act.—Mr. Robinson (Burnaby).

Bill C-387, An Act to amend the Railway Act (half-fare railway tickets for senior citizens).—Mr. Knowles.

Bill C-388, An Act to establish a press council for Canada.—Mr. Scott (Victoria-Haliburton).

Bill C-389, An Act to amend the Criminal Code (death sentence).—Mr. McKnight.

Bill C-390, An Act to amend the Criminal Code (parental abduction of children).—Mr. Waddell.

Bill C-391, An Act respecting the national anthem of Canada.—Mr. Herbert.

Bill C-392, An Act to establish a universal emergency telephone number.—Mr. Waddell.

Bill C-393, An Act to amend the Canada Elections Act (enumeration and other electoral procedures).—Mr. Siddon.

Bill C-394, An Act to amend the Bank Act (sale advertisements).—Mr. Gauthier.

Bill C-395, An Act to promote the electrification of railways.—Mr. Robinson (Etobicoke-Lakeshore).

Bill C-396, An Act to amend the Indian Act.—Mr. Joyal.

Bill C-397, An Act to amend the Parole Act.—Mr. Robinson (Burnaby).

Bill C-398, An Act to amend the Official Languages Act.—Mr. Joyal.

Bill C-399, An Act to amend the Criminal Code (cruelty to animals).—Mr. Friesen.

Bill C-400, An Act to amend the Canada Shipping Act (twin screws and double hulls on all vessels carrying oil in Canadian waters).—Mr. Manly.

Bill C-401, An Act to promote the use of biomass energy.—Mr. Schellenberger.

Bill C-402, An Act to change the name of the electoral district of Sarnia.—Mr. Cullen.

Bill C-403, An Act respecting the termination and evaluation of existing programs, regulations and agencies of the Government of Canada.—Mr. Beatty.

Bill C-404, An Act to amend the Criminal Code (capital punishment).—Mr. Neil.

Bill C-405, An Act to amend the Unemployment Insurance Act, 1971 (benefits to adopting parent).—Mr. Benjamin.

Bill C-406, An Act to amend the Criminal Code (sexual exploitation of children).—Mr. Friesen.

Bill C-407, An Act to amend the Criminal Code (cruelty to animals).—Mr. Clarke (Vancouver Quadra).

Bill C-408, An Act respecting the international maritime boundary between Canada and the state of Alaska.—Mr. Fulton.

Private Members' Public Bills

Bill C-409, An Act to repeal the War Measures Act.—Mr. Robinson (Burnaby).

Bill C-410, An Act to amend the Criminal Records Act.—Mr. Allmand.

Bill C-411, An Act respecting the payment of wages during bankruptcy and receivership procedures.—Mr. Yurko.

Bill C-412, An Act to amend the Canada Elections Act (campaigning by non-residents).—Mr. Rose.

Bill C-413, An Act to amend the Broadcasting Act (equal time to opposition parties).—Mr. Orlikow.

Bill C-414, An Act to provide for the establishment of a commission to review proposed legislation involving the rights and benefits of public servants.—Mr. Crosby (Halifax West).

Bill C-415, An Act respecting appointments to federal boards and agencies.—Mr. Thacker.

Bill C-416, An Act to amend the Canada Shipping Act (pollution).—Mr. Friesen.

Bill C-417, An Act to amend the National Energy Board Act (renewable energy).—Mr. Schellenberger.

Bill C-418, An Act to establish a universal emergency telephone number.—Mr. Robinson (Etobicoke-Lakeshore).

Bill C-419, An Act to amend the Immigration Act (entrepreneur-trainees).—Mr. Allmand.

Bill C-420, An Act respecting a permanent Speaker for the Canadian House of Commons.—Mr. Towers.

Bill C-421, An Act respecting the preservation and surrender of constituency records.—Mr. Dick.

Bill C-422, An Act respecting old age security benefits in the Northwest Territories.—Mr. Ittinuar.

Bill C-423, An Act to readjust the representation of Quebec in the House of Commons and to establish the electoral district of Kativik.—Mr. Allmand.

Bill C-424, An Act to amend the Public Service Employment Act (denial of political rights).—Mr. Robinson (Burnaby).

Bill C-425, An Act respecting age of retirement.—Mr. Mitges.

Bill C-426, An Act to provide a posthumous pardon for Louis Riel.—Mr. Benjamin.

Bill C-427, An Act to permit the recall of a member of Parliament by constituents.—Mr. Waddell.

Bill C-428, An Act to amend the Penitentiaries Act.—Mr. Robinson (Burnaby).

Bill C-429, An Act to amend the Immigration Act.—Mr. Stollery.

Bill C-430, An Act establishing a public inquiry into nuclear power.—Mr. Blaikie.

Bill C-431, An Act to create the territories of Nunavut and Mackenzie.—Mr. Ittinuar.

Bill C-432, An Act to amend the Citizenship Act.—Mr. Stollery.

Bill C-433, An Act to promote an energy self-sufficient agricultural sector.—Mr. Schellenberger.

Bill C-434, An Act to amend the British North America Act (representation in the House of Commons).—Mr. Robinson (Burnaby).

Bill C-435, An Act to amend the Indian Act.—Miss Jewett.

Bill C-436, An Act to amend the Indian Act (loss of status).—Miss MacDonald (Kingston and the Islands).

Bill C-437, An Act to enforce the Canadian Human Rights Act provisions dealing with equal pay for equal work and equal pay for work of equal value.—Miss Jewett.

Bill C-438, An Act respecting the designation of the Speaker of the House of Commons as the member for the electoral district of Parliament Hill.—Mr. Knowles.

Bill C-439, An Act to amend the Interest Act.—Mr. Robinson (Etobicoke-Lakeshore).

Bill C-440, An Act to amend the Criminal Code (right to counsel).—Mr. Howie.

Bill C-441, An Act to amend the Citizenship Act (waiver of requirements).—Mr. de Corneille.

Bill C-442, An Act to amend certain statutes to encourage the employment of the physically handicapped.—Mr. Waddell.

Bill C-443, An Act to provide for the monitoring of the retail price of food and food products.—Mr. Crosby (Halifax West).

Bill C-444, An Act to amend the Canada Elections Act (electoral procedures).—Mr. Ellis.

Bill C-445, An Act to amend the Canada Labour Code.—Mr. Herbert.

Bill C-446, An Act to amend the Canadian Evidence Act (incriminating statements).—Mr. Orlikow.

Bill C-447, An Act to amend the Criminal Code (publication and dissemination of pornographic material).—Mr. Siddon.

Bill C-448, An Act to amend the Official Secrets Act.—Mr. Robinson (Burnaby).

Bill C-449, An Act to amend the Criminal Records Act.—Mr. Stewart.

Bill C-450, An Act respecting the disclosure of financial interests by senators, members of the House of Commons and certain other persons.—Mr. Knowles.

Bill C-451, An Act to amend the Criminal Code (gun control).—Mr. Allmand.

Bill C-452, An Act to amend the Canada Elections Act (publication of opinion polls).—Mr. Siddon.

Bill C-453, An Act to prohibit discriminatory and restrictive trade practices, resulting from foreign economic boycotts.—Mr. de Corneille.

Bill C-454, An Act to create a national park on Southern Moresby Island.—Mr. Waddell.

Private Members' Public Bills

Bill C-455, An Act respecting immigration.—Mr. Waddell.

Bill C-456, An Act to amend the British North America Act, 1867 (National Capital of Canada).—Mr. Herbert.

Bill C-457, An Act to ensure representation of the Canadian labour movement on boards, councils and commissions appointed by the government of Canada.—Mr. Crosby (Halifax West).

Bill C-458, An Act to amend the Canada Labour Code (three weeks annual vacation after three years).—Mr. Knowles.

Bill C-459, An Act to amend the Environmental Contaminants Act (notices of objection).—Mr. Caccia.

Bill C-460, An Act to amend the Criminal Code (capital punishment).—Mr. Siddon.

Bill C-461, An Act to amend the Broadcasting Act (advertising on children's programs).—Mr. Friesen.

Bill C-462, An Act to amend the Unemployment Insurance Act (extension of parental leave provisions).—Miss Jewett.

Bill C-463, An Act to amend the Criminal Code (pornography).—Mr. Friesen.

Bill C-464, An Act to provide for the establishment of the office of Parliament Hill curator.—Mr. Watson.

Bill C-465, An Act to provide for the employment of handicapped persons in the federal Public Service and under federal jurisdiction.—Mr. Waddell.

Bill C-466, An Act to amend the Federal Business Development Bank Act (corporate objects).—Mr. Dick.

Bill C-467, An Act to establish a sunset law for Crown corporations, government programs and agencies.—Mr. Siddon.

Bill C-468, An Act to amend the Canada Elections Act (advertising).—Mr. Robinson (Etobicoke-Lakeshore).

Bill C-469, An Act to amend the Unemployment Insurance Act, 1971 (voluntary contributions).—Mr. de Corneille.

Bill C-470, An Act to amend the Public Service Employment Act (security clearance provisions).—Mr. Robinson (Burnaby).

Bill C-471, An Act to amend the Interest Act.—Mr. Herbert.

Bill C-472, An Act to amend the Canada Labour Code (strike or lockout).—Mr. Jelinek.

Bill C-473, An Act to amend the Canada Labour Code (provision for increased minimum hourly wage).—Mr. Knowles.

Bill C-474, An Act to amend the Criminal Code (abortion).—Mr. Roche.

Bill C-475, An Act concerning the exportation of the growth and produce of Canada.—Mr. Gamble.

Bill C-476, An Act to amend the National Transportation Act.—Mr. Cooper.

Bill C-477, An Act to amend the Canada Evidence Act (evidence not lawfully obtained).—Mr. Howie.

Bill C-478, An Act respecting a northern development plan.—Mr. Murphy.

Bill C-479, An Act to amend the Combines Investigation Act (Restrictive Trades Practices Commission—law on mergers). Mr. Allmand.

Bill C-480, An Act to amend the Pest Control Products Act.—Mr. McMillan.

Bill C-481, An Act respecting family week.—Mr. Corbin.

Bill C-482, An Act to amend the Canada Evidence Act.—Mr. Robinson (Burnaby).

Bill C-483, An Act to amend the constitution of Canada (duration of a House of Commons).—Mr. Stewart.

Bill C-484, An Act to amend the Income Tax Act with respect to handicapped persons.—Mr. Siddon.

Bill C-485, An Act to amend the Unemployment Insurance Act, 1971 (maternity benefits—labour disputes).—Mr. Caccia.

Bill C-486, An Act respecting the exportation of Canadian capital funds.—Mr. Fulton.

Bill C-487, An Act to amend the National Transportation Act and the Railway Act.—Mr. Howie.

Bill C-488, An Act to change the name of the electoral district of Rimouski.—Mrs. Côté.

Bill C-489, An Act to amend the Criminal Code (capital punishment).—Mr. Gamble.

Bill C-490, An Act to amend the Aeronautics Act and the Railway Act.—Mr. Howie.

Bill C-491, An Act to amend the Unemployment Insurance Act (adoptive parents).—Miss Jewett.

Bill C-492, An Act to register lobbyists.—Mr. Friesen.

Bill C-493, An Act to protect individuals, companies and business from the consequences of foreign boycotts.—Mr. Orlikow.

Bill C-494, An Act to provide for the establishment of a Canada-Alaska and Maine corridors authority.—Mr. Watson.

Bill C-495, An Act respecting the registration of lobbyists.—Mr. Robinson (Etobicoke-Lakeshore).

Bill C-496, An Act to amend the Criminal code (abortion).—Mr. Yurko.

Bill C-497, An Act to encourage modification of automobile engines and to develop fuels to provide integration and self-sufficiency for Canada.—Mr. Gurbin.

Bill C-498, An Act respecting the international maritime boundary between Canada and the state of Alaska.—Mr. Waddell.

Bill C-499, An Act to amend the Canada Shipping Act (pollution).—Mr. McKinnon.

Bill C-500, An Act to amend the Railways Act.—Mr. Cooper.

Bill C-501, An Act to amend the Canada Pension Plan.—Mr. Coates.

Bill C-502, An Act to amend the Diplomatic and Consular Privileges and Immunities Act.—Mr. Beatty.

Bill C-503, An Act to encourage appropriate disposal of agricultural waste.—Mr. Schellenberger.

Bill C-504, An Act to amend the Holidays Act.—Mr. McMillan.

Bill C-505, An Act to provide for investigation of complaints and claims of conflict of interest by members of Parliament.—Mr. Crosby (Halifax West).

Bill C-506, An Act to establish a commission to provide an awareness and understanding of the holocaust era.—Mr. de Corneille.

Bill C-507, An Act to amend the Law Reform Commission Act.—Mr. Robinson (Burnaby).

Bill C-508, An Act respecting the protection of whales.—Mr. Clarke (Vancouver Quadra).

Bill C-509, An Act to establish a film and television program import board.—Mr. Rose.

Bill C-510, An Act to amend the Income Tax Act (mortgage interest and property tax credits).—Mr. Siddon.

Bill C-511, An Act to amend the British North America Acts, 1867 to 1975, with respect to the quorum of the House of Commons.—Mr. Knowles.

Bill C-512, An Act to amend the Inland Waters Act.—Mr. McMillan.

Bill C-513, An Act to amend the Public Service Staff Relations Act.—Mr. Orlikow.

Bill C-514, An Act to amend the Combines Investigation Act.—Mr. Shields.

Bill C-515, An Act to establish a sunset law for Canada.—Mr. Forrestall.

Bill C-516, An Act respecting public hearings for federal agencies (sunlight provisions).—Mr. Waddell.

Bill C-517, An Act to amend the Income Tax Act (registered retirement savings paln).—Mr. Siddon.

Bill C-518, An Act to amend the Canada Elections Act (mobile polling stations).—Mr. Munro (Esquimalt—Saanich).

Bill C-519, An Act to amend the Canada Labour Code (secret ballot voting for strike votes).—Mr. Jelinek.

Bill C-520, An Act respecting a national holiday.—Mr. Stollery.

Bill C-521, An Act respecting senior citizens.—Mr. Howie.

Bill C-522, An Act to amend the Air Canada Act.—Mr. Howie.

Bill C-523, An Act to amend the Unemployment Insurance Act, 1971 (maternity benefits—eligibility).—Mr. Caccia.

Bill C-524, An Act to amend the Railway Act (half-fare railway tickets for senior citizens).—Mr. Waddell.

Private Members' Public Bills

Bill C-525, An Act to amend the Members of Parliament Retirement Allowances Act (severance pay).—Mr. Allmand.

Bill C-526, An Act to amend the Public Service Employment Act (partisan activities by ministers' staffs).—Mr. Malone.

Bill C-527, An Act to amend the Criminal Code (rights of accused).—Mr. Howie.

Bill C-528, An Act respecting foreign ownership in Canada.—Mr. Stollery.

Bill C-529, An Act to change the name of the electoral district of Hastings-Frontenac.—Mr. Vankoughnet.

Bill C-530, An Act to amend the Combines Investigation Act.—Mr. Robinson (Burnaby).

Bill C-531, An Act to amend the Energy Supplies Emergency Act, 1979 (assurance of gasoline for employment purposes).—Mr. Crosby (Halifax West).

Bill C-532, An Act respecting a National Energy Bank.—Mr. Andre.

Bill C-533, An Act to assist craftsmen and artisans in Canada.—Mr. Waddell.

Bill C-534, An Act to amend the Criminal Code (off-track betting).—Mr. Allmand.

Bill C-535, An Act to extend the present laws of Canada that protect the privacy of individuals with a right of access to government information relating to themselves.—Mr. Beatty.

Bill C-536, An Act respecting access by deaf persons to televised proceedings of the House of Commons.—Mr. Fretz.

Bill C-537, An Act respecting the use of social insurance numbers.—Mr. Hnatyshyn.

Bill C-538, An Act respecting members who cross the floor of the House.—Mr. Rose.

Bill C-539, An Act to amend the Criminal Code (search warrants).—Mr. Allmand.

Bill C-540, An Act to amend the Canada Elections Act (reduction in federal election period).—Mr. Jelinek.

Bill C-541, An Act to amend the National Defence Act (provisions for independent legal services for members of the Canadian Armed Forces).—Mr. Crosby (Halifax West).

Bill C-542, An Act to amend the Criminal Code (repealing abortion section).—Mr. Robinson (Burnaby).

Bill C-543, An Act to establish a flexible retirement age.—Mr. Allmand.

Bill C-544, An Act to establish a Canada Heritage Day.—Miss Jewett.

Bill C-545, An Act to amend the Citizenship Act (procedure).—Mr. de Corneille.

Bill C-546, An Act to provide for the establishment of the office of archeological curator for Canada.—Mr. Watson.

Bill C-547, An Act to amend the Winding-Up Act (publication of notices).—Mr. Gauthier.

Private Members' Public Bills

Bill C-548, An Act respecting noise in factories.—Mr. Robinson (Etobicoke—Lakeshore).

Bill C-549, An Act to amend the Combines Investigation Act (automobiles).—Mr. Stollery.

Bill C-550, An Act to amend the House of Commons Act and the Canada Elections Act (by-elections).—Mr. Dick.

Bill C-551, An Act to amend the Criminal Code (time limits for prosecution of offences).—Mr. Waddell.

Bill C-552, An Act to amend the Criminal Code (capital punishment).—Mr. Scott (Victoria-Haliburton).

Bill C-553, An Act to amend the Canada Labour Code (reserve forces training leave).—Mr. Robinson (Etobicoke-Lakeshore).

Bill C-554, An Act to amend the Canada Evidence Act.—Mr. Beatty.

Bill C-555, An Act to amend the Canada Elections Act (publication of the result of opinion polls).—Mr. Stevens.

Bill C-556, An Act to proclaim a day in commemoration of Sir John A. Macdonald.—Mr. de Corneille.

Bill C-557, An Act to amend the Canada Labour Code (unjust dismissal).—Mr. Kristiansen.

Bill C-558, An Act to amend the Federal Court Act.—Mr. Robinson (Burnaby).

Bill C-559, An Act to amend the Canada Elections Act (by-elections preceding redistribution).—Mr. Beatty.

Bill C-560, An Act for the control of forms in the public service.—Mr. Hnatyshyn.

Bill C-561, An Act respecting use of social insurance numbers.—Mr. Cooper.

Bill C-562, An Act to amend the Official Languages Act (supremacy of the act).—Mr. Corbin.

Bill C-563, An Act to promote development of agricultural energy sources.—Mr. Gurbin.

Bill C-564, An Act to amend the Electoral Boundaries Readjustment Act.—Mr. Lambert.

Bill C-565, An Act to change the name of the electoral district of Notre-Dame-de-Grâce.—Mr. Allmand.

Bill C-566, An Act to compensate Japanese Canadians for damages done to them by the federal government during the Second World War.—Mr. Waddell.

Bill C-567, An Act to establish a commission to study the electoral boundaries in the Northwest Territories.—Mr. Ittinuar.

Bill C-568, An Act to amend the Criminal Code (gun control).—Mr. Fulton.

Bill C-569, An Act to amend the Statistics Act.—Mr. Robinson (Burnaby).

Bill C-570, An Act to amend the Criminal Code (re-instatement of capital punishment for premeditated murder).—Mr. Taylor.

Bill C-571, An Act to provide for the establishment of Indian-Eskimo Employment Authority.—Mr. Watson.

Bill C-572, An Act to amend the Indian Act.—Mr. Robinson (Burnaby).

Bill C-573, An Act to amend the Broadcasting Act (advertising on children's programs).—Mr. Herbert.

Bill C-574, An Act to amend the Criminal Code (n.s.f. cheques).—Mr. Turner.

Bill C-575, An Act to amend the British North America Act, 1867 (abolition of the Senate).—Mr. Waddell.

Bill C-576, An Act to amend the Criminal Code (abortion).—Mr. Dionne (Northumberland—Miramichi).

Bill C-577, An Act respecting a Public Referendum on capital punishment.—Mr. Kushner.

Bill C-578, An Act to amend the Pension Act, the Compensation for Former Prisoners of War Act, the War Veterans Allowance Act and the Civilian War Pensions and Allowances Act.—Mr. McKinnon.

Bill C-579, An Act to amend the Canada Elections Act (requirements for official addition).—Mr. Crosby (Halifax West).

Bill C-580, An Act to amend the Farm Improvement Loans Act (renewable energy).—Mr. Schellenberger.

Bill C-581, An Act respecting incentives for workers.—Mr. Shields.

Bill C-582, An Act to provide for the establishment of a Canada sea coasts conservation authority.—Mr. Watson.

Bill C-583, An Act to amend the Canada Elections Act (deposit).—Mr. Blenkarn.

Bill C-584, An Act to amend the Criminal Code (capital punishment).—Mr. Domm.

Bill C-585, An Act respecting political freedom for federal government employees.—Mr. Fulton.

Bill C-586, An Act respecting the use of social insurance numbers.—Mr. Gamble.

Bill C-587, An Act to amend the War Veterans Allowance Act (payment of the allowance to veterans over 60 years).—Mr. Crosby (Halifax West).

Bill C-588, An Act to amend the Criminal Code (gun control).— Mr. Thacker.

Bill C-589, An Act to amend the Unemployment Insurance Act, 1971 (maternity benefits—disentitlement for pregnancy).—Mr. Caccia.

Bill C-590, An Act respecting the expenses related to leadership campaigns.—Mr. Nowlan.

Bill C-591, an Act to amend the Canada Elections Act (non-resident voting).—Miss MacDonald (Kingston and the Islands).

Bill C-592, An Act establishing a ten-year moratorium on the further development of nuclear power.—Mr. Blaikie.

Bill C-593, An Act to establish a universal emergency telephone number.—Mr. Friesen.

Bill C-594, An Act to amend the Railway Act (signs, notices and forms).—Mr. Gauthier.

Bill C-595, An Act respecting trafficking in exotic pets.—Mr. Watson.

ROUTINE PROCEEDINGS

[*English*]

QUESTIONS ON THE ORDER PAPER

Mr. D. M. Collenette (Parliamentary Secretary to President of the Privy Council): Madam Speaker, I ask that all questions be allowed to stand.

Madam Speaker: Shall all the questions stand?

Mr. Baker (Nepean-Carleton): Madam Speaker, I rise on a point of order. It is unusual there are no questions being answered. Perhaps there is an explanation. If there is, can the parliamentary secretary indicate to the House why that has happened?

Mr. Collenette: Madam Speaker, in reply to the hon. member for Nepean-Carleton (Mr. Baker), that is a very good point. I would like to assure him that on Monday afternoon we will be giving more answers. It is just the way the answers have come back from the various departments. As hon. members know, we do not have any control over the actual answering; we rely on the process in the government departments.

I would like to point out, Madam Speaker, that I checked the records. The Thirty-first Parliament opened on Monday, October 9, 1979, and the Speech from the Throne occupied eight sitting days. On Tuesday, October 23, 1979, only one order paper question was answered, two weeks after Parliament opened.

I would like to point out that we started to answer questions immediately upon suspension of the throne speech debate, which in this case was only six days. Therefore, I think the government has an excellent record so far. If my friend would look at *Hansard*, the total number of questions answered thus far exceeds the number of questions answered by the government of which the hon. member for Nepean-Carleton was a member.

Madam Speaker: Shall all the questions stand?

Mr. Alexander: Madam Speaker, I do not want to say it is the same old bunch, but I do not think I heard an answer to the question that was put. I now ask the parliamentary secretary if it is his intention to speed up the process whereby the answers that members of parliament require in order to satisfy their constituents can be done in an expeditious way. Never mind this flim-flamming and trying to slip and slide around the House. Answer the question in terms of what the hon. member intends to do in order to see to it that we do not have this embarrassing situation again whereby the parliamentary secretary stands up and says, "We will not be able to answer any questions today." That is unacceptable. Will he kindly answer the question that was put to him by the opposition House leader?

Mr. Collenette: Madam Speaker, the expedition of these questions occupies me constantly. In my previous answer to the hon. member for Nepean-Carleton, I outlined that the government's record so far has been very admirable in answering questions. Certainly it is a much more admirable record than the one of the previous government in the Thirty-first Parliament.

Mr. Alexander: Answer my question.

Madam Speaker: Shall all the questions stand?

Some hon. Members: Agreed.

• (1230)

GOVERNMENT ORDERS

[*Translation*]

TRANSPORTATION OF DANGEROUS GOODS ACT

MEASURE TO IMPROVE PUBLIC SAFETY

Hon. Jean-Luc Pepin (Minister of Transport) moved that Bill C-18, to promote public safety in the transportation of dangerous goods, be read the second time and referred to the Standing Committee on Transport.

He said: For the fourth time in two years, Madam Speaker, a government is calling upon Parliament to adopt transportation of dangerous goods legislation. The Hon. Otto Lang, the then minister of transport, introduced Bills C-53 and C-17 in May and November 1978, respectively. In turn, my immediate predecessor, the hon. member for Vegreville (Mr. Mazankowski) introduced Bill C-25 in November 1979. These three bills, namely, Bills C-53, C-17 and C-25, have fallen victims to the parliamentary timetable.

As I refer to two previous attempts at legislating this increasingly important issue, I cannot gloss over hon. Jean Marchand's contribution. In 1973, he is the one who, as minister of transport, took upon himself to consult the various provincial governments for the purpose of streamlining their respective legislation and regulations concerning the highway transportation of dangerous goods. He is also the one who set up an interdepartmental committee to scrutinize the federal government's legislation and regulations concerning the transportation of goods.

[*English*]

Mr. Speaker, while it is unfortunate that this legislation should have been delayed so long, I believe that each return to square one has resulted in an improved bill. Indeed, each new version has received amendments incorporating suggestions found in submissions and comments made by industry and by provincial governments on the previous attempt. I will identify in committee only, because this is highly technical, the changes in Bill C-18 as compared with the former Bill C-25. On the other hand, other suggestions from industry have not been adopted and I will give reasons for rejecting them, again in the committee.

Another benefit derived from postponement is that more time has been available for informal consultation, particularly with industry, with respect to the development of the regulations which will be promulgated under this legislation. Finally in these introductory remarks—I should have said remarks introductory to my introductory remarks—in the time since the first proposal concerning the transportation of dangerous goods was submitted to this House, a number of accidents involving dangerous goods in transit has focused public attention on the subject. I consequently believe that growing public awareness of such risks will result in increased popular support for this legislation.

Needless to say, Mr. Speaker, I am pleased to be the "minister most likely to succeed" in getting this legislation on to the statute books, because I intend to make safety one of my main preoccupations during my tenure at Transport Canada.

This is not an easy bill, Mr. Speaker. My reading of the proceedings of the previous committee persuaded me there was a great deal of frustration among members of that committee. The very breadth of the subject matter is one of the causes of that frustration. The concept of umbrella legislation is another, because it involves to a great extent the acceptance of much of the status quo as opposed to the entire fresh look which one sometimes finds in legislation. Indeed, in desperation, one of the members of the committee suggested that Bill C-25, the bill which preceded the one in front of us now, was a "do nothing bill" and some members of the public have made the same allegation. Well, then, what is Bill C-18 all about?

[*Translation*]

Let us look first at the situation as it exists now in this field of transportation of dangerous goods. At the federal level, we find all sorts of legislation—the Railway Act, the Aeronautics Act, the Canada Shipping Act, the Nuclear Liability Act, the Oil and Gas Production and Conservation Act, the national ports and harbours bill, the Explosives Act, the Fertilizers Act and so on—a whole series of more or less specialized legislation dealing with particular goods or with general areas.

At the provincial level, we also find a variety of legislation. The Ontario gasoline handling act, the Quebec explosives act, legislation on pressurized containers, prevention and many others, of course.

At the municipal level also, there has been a growing awareness of the risks to public safety caused by the transportation of dangerous goods in urban areas. That led, for example, to the drafting of municipal bylaws dealing with zoning and the transportation of those products. A number of self-regulating bodies—for example those responsible for the operation of bridges, tunnels, canals—are imposing conditions on the transportation of dangerous goods in or on such facilities.

So there is a considerable number of very varied legislation and regulations involving various penalties at the three levels of government.

Now, from a practical point of view, that leads to a lot of confusion and conflicts. I have here a paper from my department commenting on that. It reads, and I quote:

> Manufacturers, distributors and transporters of dangerous goods and their containers must sometimes ignore regulations or in certain circumstances contravene them directly to ensure the movement of those commodities.

The paper goes on to say:

> There is no harmony between policies and enforcement authority, and the strict implementation of existing regulations not only does not ensure security but in certain cases could worsen the damages that could be caused by an accident.

So the point I want to make here is that such an accumulation of unco-ordinated legislation generates untold difficulties for transporters and adversely affects the domestic and international trade of this country.

[*English*]

This confusion is an obvious one. I want to emphasize the confusing maze of regulation varying, according to the means of transport being used, the substance being shipped and the places to or from which the goods are being carried.

Now, Mr. Speaker, believing, unlike Hamlet, that it is nobler in the mind to take up arms against a sea of troubles and by opposing end them, my predecessors in Transport Canada and I found ourselves faced with three possible options. This is really the gist of the matter.

The first option would have been to issue a code to be adopted and enforced by agencies at the federal or at the provincial level, using their own laws and regulations. The government would have issued such a code in the hope that authorities—federal, provincial and municipal—would incorporate these standards in their legislation or regulations.

As a second option, we could through some constitutional means have totally pre-empted the field, rendered all existing laws invalid and introduced a single piece of federal legislation. That would have been a federal takeover of the area using some general power that the federal government has or some emergency power, whatever it is. So that would have been the second way of going at it.

● (1240)

A third way is to adopt a sufficiently broad umbrella legislation which will provide a focus for co-ordinated activity. All my predecessors, and I today, have chosen this third avenue as being the best of three very difficult options.

Clearly, a code of standards would be unlikely to result in uniform regulations or regulations that could be enforced uniformly, since the powers conferred by the various statutes to the implementing agencies are unequal. So are the penalties. In other words, this code would have been implemented differently by different orders of government or under different bills, and in some ways while it might have resulted in some relative progress, it might also have added to the confusion that presently exists. So that was not too good as an option.

The second, the pre-emptive act, would have occasioned a major disruption in the administration, for one thing, because all these agencies would now have been superseded by legislation and, presumably, by an organization of some kind which would have taken over all these responsibilities. Not terribly good either.

Another reason is, of course, the constitutional issue. Each person arrested or sentenced under this pre-emptive law could have claimed that the bill was unconstitutional. He would have taken any number of appeals, going right up to the Supreme Court of Canada. Lawyers would have been very busy, but transportation would not have been helped very much.

The third option is the one which was selected by my predecessors and which is selected now. It is the typical Canadian compromise. It offers an umbrella type of law, an umbrella under which we find a number of basic principles and references to other laws and regulations, trying to incorporate most of it. It is not an easy matter to handle. That is why so much co-operation will be needed on the part of federal and provincial agencies in order to bring the maximum degree of uniformity to this area of regulation governing the transportation of dangerous goods.

I have read the bill a number of times and I, too, find it frustrating. This is why the committee will have to accept the frustration and move as well as it can to get the best common denominator.

I was speaking to a friend the other day. Jean Paul Sartre has just died. As we know, he was the grandfather of existentialism. I referred to this bill as an existentialist one. It will be in constant *devenir*. It will be in constant fabrication in some ways. One does not go to school for so long in his life without wanting others to know about it at one point, and this, presumably, is what I am doing now. I just want to emphasize that there is really, in my view, no other way of going at it.

[*Translation*]

Mr. Speaker, I simply want to give a few basic elements on the contents of Bill C-18, for the benefit of those who are going to read my remarks. As I indicated, the objective is very simple. It is to establish a single legislation under which existing agencies, whether federal or provincial, can apply everywhere in Canada a set of regulations governing standards, procedures and labelling for the handling of dangerous goods by any means of transport.

This bill is an effort to consolidate existing regulations. The legislation establishes three new types of offence. First, the handling, the offer to transport or the transport of dangerous goods which do not comply with the regulations. This is the first offence. The second offence relates to packaging and labelling of dangerous goods which do not comply with the regulations.

A third offence concerns non-compliance with orders given by the minister or his agent in emergency situations.

The bill also provides for the appointment of inspectors who will be authorized to visit the premises, to inspect the goods, the packaging, the means of transport, the facilities and the warehouses, to take any measure deemed necessary or to request that such measures be taken, including the seizure, the removal and the destruction of dangerous products or goods and the evacuation of persons. Of course, these inspectors will also be able to issue tickets and deliver them to the offenders. However, once again, in most cases these inspectors will be those of the agencies already in existence at the various government levels. There is no question of creating a completely new inspection system for the administration of this act. The cost of this would obviously be prohibitive.

The bill also provides that inspectors and others will be able to take corrective action whenever there is an accident involving dangerous goods; it also provides a strict obligation concerning the expenses incurred by Her Majesty in right of Canada to prevent, remedy or repair any resulting damage. In other words, if an offender did not take preventive action before an accident occurs and Her Majesty is forced to repair the damages, Her Majesty will have a right of recourse against this offender. The bill also provides for inquiries to be made in all cases of accidents or incidents involving dangerous goods which have resulted in death or damage to property or the environment.

The minister or his agent can also issue orders to deem foreign standards equivalent or publish decrees in the areas where there are no general standards in Canada. In this way, we can simply adopt the measures which exist elsewhere in the world to use them internally.

The minister can also require information on the chemical composition of goods to determine first aid care to be given in an emergency. Everyone knows what this means. Some of these goods technically involve commercial secrets and if there is an accident, the minister will have the right to ask for the formula to determine the care to be given.

[*English*]

A few more pages, Mr. Speaker, a few words on the subject of regulations, a very popular subject in the last committee.

As I explained at the outset, the range and variety of the regulations attached to existing legislation is enormous. At the instigation of Senator Marchand, to whom I referred a moment ago, an interdepartmental committee was established to attempt to harmonize the regulations during the normal process of keeping them up to date. This exercise was frustrated by traditional practices in the industries affected and by the

diversity of the various enabling acts. I hope I have at least given a clear impression of the diversity, variety and amplitude of the regulations existing in this area. I am trying to create a psychological climate. Much as we want to improve that situation, we have to be very realistic and know that progress will take time. Listening to us, and seeing us work in the committee, as we will, the public must not be possessed by aspirations and expectations which are immensely beyond the capacity of that law.

I am just trying to build a good amount of realism into this so that members of the committee and the public at large will know that, while progress can be made if there is a great amount of co-ordination, there are also a number of principles and rules which have to be firmly established. It will take years before we get the optimum result in this area. That is the practice of the art of the possible; that is what politics is all about.

● (1250)

Just over two years ago, in anticipation of this new legislation the Department of Transport issued a rough draft of the amalgamated regulations. Industrial associations were invited to comment, and since then two more drafts have been produced and circulated. Because of the need to identify some 3,000 individual substances and to regulate the design and construction of packaging containers and transport vehicles in which these products may be carried, the regulations appear bulky. In fact, they are less than half the number of regulations that now apply to the transportation of dangerous goods. A good deal of streamlining has taken place.

I have one more remark which I must make at this point. It is with reference to Mr. Justice Samuel Grange who, as hon. members are aware, is conducting an inquiry into the railway accident which occurred at Mississauga last November. A copy of Bill C-18 has been sent to commissioner Grange and I have requested that he provide us with comments on it to the extent that he sees fit to do so.

It is not the commissioner's mandate to examine Bill C-18, but I hope that as a result of his inquiry into the cause of the accident at Mississauga and the adequacy of existing railway regulations, he may have some suggestions to make about the bill, particularly concerning the regulation-making powers and the regulations themselves. Any comments that Mr. Justice Grange makes in his final report, which is expected in September, concerning regulatory reform will, of course, be available to the Standing Committee on Transport.

I want to urge hon. members not to consider delaying consideration of this bill until the report is tabled. Again this is a question of practicality. It is unfortunately to be expected that following the Grange report there will be other accidents and other inquiries, and if we decide to wait until we have all the inquiries made available to us as a committee, the certainty exists that we will never pass a bill. So again I think we must be very practical and, as far as possible, invite Mr. Justice Grange to the committee hearings and not wait until we get his full report in September before we move.

Finally, my predecessor once removed said that he was tackling this job with an open mind. I want to say that my mind is as open as his and that in working all together we might achieve a bill which will be the beginning of great things.

Hon. Don Mazankowski (Vegreville): Mr. Speaker, it is not very often that one has the opportunity of making three speeches on the second reading of a bill in this chamber. I am in that rather unique position inasmuch as this is the third time that I have participated in the second reading debate on a bill entitled the transportation of dangerous goods act. As the minister has indicated, this bill has been before the House on three different occasions, and perhaps even on four.

Bill C-53 was introduced in May of 1978 and was never debated; it died on the order paper. It was repeated in the form of Bill C-17, which, I believe, was essentially the same. That was introduced in November, 1978, debated for about 20 or 30 minutes one Friday afternoon in February, and did not proceed beyond the half hour debate which took place in this House.

I believe it is important to lay that groundwork because, while this particular piece of legislation is important and while there was a considerable demand for it, it was not proceeded with immediately. As a matter of fact, I said at the time, and I have said this before, that during those days it was used more or less as a piece of legislation to fill out the activities of a Friday afternoon. The previous minister of transport on that occasion was not even in the House at the time second reading debate on that bill was introduced, so there was not a great deal of urgency attached to it at that time.

However, as the minister has indicated, the call for this kind of legislation has intensified rather dramatically, both from provincial and municipal levels of government as well as from the citizenry at large. As he has indicated as well, there have been a number of accidents. I can well appreciate what the minister said when he pointed out that trying to put together a piece of legislation which would co-ordinate all the rules and regulations and provide the necessary uniformity which could be understood and respected at all levels is a truly tangled web.

I can say to the House and to the Minister of Transport (Mr. Pepin) that our government recognized the importance of this legislation. We recognized that, given the complexity of the situation, it required intensive consultations and discussions with the provinces, with municipalities and indeed with the industry because, if this bid is to work, it must have the co-operation of all levels of government.

It must also have the respect and the understanding of the industry because, as I said, I believe, when I introduced the former Bill C-25 last November, it provides for inspectors; but we cannot have an inspector in every trailer or every train, so there has to be that kind of an understanding. As has been alluded to by the minister, the bill that we introduced was an improvement over the previous one. I agree with him when he used the phrase "constant fabrication". I am sure that this kind of legislation will evolve because in many cases we are

breaking new ground and it is undoubtedly true that we all want the most effective instrument possible to do the job.

We commenced the review of the previous Bill C-17 immediately after we assumed office in early June and recognized that the effectiveness of that bill would only come about with the co-operation of the provinces and the understanding of the industry. We recognized very quickly that if this legislation was to be successful, we could not take unilateral action but rather should move in a co-operative fashion.

Our bill was restructured rather extensively, but the objectives remained the same. We feel that essentially we strengthened the bill in some areas, and we have felt that some of the federal-provincial issues were clarified, we had hoped in the spirit of promoting greater understanding and respect for the legislation. Also we wanted to relieve somewhat the regulatory burden imposed upon the industry itself. I am sure that these discussions have been going on since this our bill was introduced and since it died on the order paper. I suggest that discussions should continue even though this bill might very well pass into law in this Parliament.

I should like to pay tribute to and commend the former minister of transport, now in the other place, who set up the mechanism for developing the necessary framework to proceed with this bill. I think it required a lot of patience. I am sorry that the bill did not become law when we introduced it on November 19. It was given second reading on November 27 and it was our intention to enshrine the previous Bill C-25 in our law books in early January, because at that time there was some sense of urgency.

The Acting Speaker (Mr. Rose): Order, please. I regret to interrupt the hon. member, but it being one o'clock, I do now leave the chair until 2 p.m.

At one o'clock the House took recess.

• (1400)

AFTER RECESS

The House resumed at 2 p.m.

The Acting Speaker (Mr. Blaker): Order, please. At one o'clock the House was taking into consideration Bill C-18, an act to promote public safety in the transportation of dangerous goods, and the hon. member for Vegreville (Mr. Mazankowski) had the floor. I understand the hon. member for Vegreville is prepared to recognize the distinction between Madam Speaker and Mr. Speaker.

Some hon. Members: Hear, hear!

Mr. Mazankowski: Mr. Speaker, as a matter of fact I have not really made that conversion in total, but I will have no trouble referring to Your Honour as Mr. Speaker.

Also I should like to point out that I am very pleased the hon. member for Sarnia (Mr. Cullen) is in the House this afternoon, because he too had a role to play in the facilitation of the passage of legislation dealing with the transportation of dangerous goods, inasmuch as it was he who introduced the previous Bill C-17 on Friday, February 16, 1979. I had the opportunity of responding to his intervention at that time. As I pointed out for the benefit of hon. members earlier, this is the third occasion on which I have intervened on second reading of this kind of bill to enact a transportation of dangerous goods act.

• (1410)

Prior to the adjournment I had indicated that our government introduced Bill C-25 on November 19, 1979. Second reading took place on November 27, 1979, and the bill had been passed on to committee. It was our intention that this bill be passed into law in early January. At that time there was a great sense of urgency about the passage of this legislation.

The opposition NDP-Liberal alliance were huffing and puffing for legislative action which had arisen largely as a result of the misfortune that occurred at Mississauga. We responded at that time with our bill. At the time the House of Commons became infiltrated with instant experts in all sorts of areas related to the transportation of dangerous goods. There were all sorts of charges and countercharges. Our government responded shortly thereafter by introducing our bill. The accident had occurred either on November 11 or November 12. We responded and the opposition stonewalled once we got into committee. There were all sorts of objections. They wanted to see regulations. They introduced all kinds of committee manoeuvres and tactics to see that the bill did not proceed.

The Minister of Transport has talked about realism, and I agree with the minister. He was not involved in the committee at that time, but I am sure that he has looked at the committee proceedings, and noticed that there was not a heck of a lot of realism among the NDP and Liberal members on that committee. There were such charges as, for instance, cutbacks in the CTC and cutbacks in safety inspectors.

Just to set the record straight, the initiative of any cutbacks within the CTC was taken by the formal Liberal administration. There were some 100 person-years to be reduced. it was up to the discretion of the CTC the president of the CTC to determine where those cutbacks should take place. It was up to him to determine if they would be at the administrative level, the secondary level or within the safety inspector services. That was a decision which was made by the CTC, and that charge cannot be accurately laid at our government's feet.

The stonewalling also consisted of a demand to see the regulations, which included some 1200 pages. I defy any member of this House to understand such a volume with any degree of expertise. We introduced the regulations. It was one of the first occasions in the history of parliamentary procedure in this country wherein the regulations were submitted to the committee for consideration at the same time as the bill was under consideration. That was the kind of co-operation and response which this government undertook to alleviate a very urgent and pressing situation. We gave the committee what

they wanted, we extended the committee sittings, but the forces of the NDP and Liberal holy alliance played politics and stonewalled. As a result of those manoeuvres, the legislation is not in effect today. Those two parties huffed and puffed about all sorts of things.

Mr. Baker (Nepean-Carleton): They blew the House down.

Mr. Mazankowski: But, lo and behold, on December 13 they had other things in mind. Dangerous goods legislation was no longer a priority. It no longer had a sense of urgency and political opportunism overrode safety considerations. So here we are once again, dealing with this piece of legislation which should have been enshrined in the law many, many months ago.

Mr. Evans: Let's get on with it then.

Mr. Mazankowski: The hon. member says "Let's get on with it". That is precisely what we intend to do. We will not stonewall, and I give the Minister of Transport and the hon. member that commitment. This legislation is needed very badly.

I am amazed at the cynicism and irresponsibility of some of the hon. members who served on that committee, not for the purpose of moving the bill and passing it into law, but for the purpose of playing politics and scoring political points. Like many other measures introduced by our government, this measure was deferred and delayed indefinitely. Some of our other good measures have been cancelled completely. Of course, Mr. Speaker, I am not directing my remarks to the Minister of Transport; he was not involved at the time, nor did he participate.

It is not my intention to review this matter unduly because it is political history, but those members who are responsible I hope will reflect on their performance. I am sure that they will recognize that they probably acted in bad faith and not in a spirit consistent with parliamentary democracy.

I believe that this bill should be dealt with in the most non-partisan fashion possible. I refer to the incidents which I have mentioned only because they did occur. It is not because there was a basic objection to the bill or because there was disagreement with the principles of the bill, but because some members wanted to participate in political gamesmanship.

We on this side support the principal objectives of this bill. The bill has the same objectives as the previous bills, and I do not wish to go into detail. The minister has pointed out the number of areas in which changes have been made. I am sure that those changes have been made for the better and will serve to strengthen and provide a more effective piece of legislation. That is good. This Parliament should demand the most effective piece of legislation possible because our citizens demand it.

I submit, as the minister has indicated, that this legislation will probably evolve, because of the kind of flexibility incorporated into this bill which will allow changes and amendments to take place from time to time, into a solid piece of legislation. I am sure that, on the basis of experience, many good recommendations and suggestions will flow from the Grange report which the minister will table, and I am particularly pleased that the minister has indicated that he welcomes any suggestions submitted to him by the Grange commission.

I agree with the minister that it is not necessary to delay the passage of this bill when there are the necessary provisions to incorporate further changes to the bill including any further recommendations. Naturally, based upon previous experience of the administration of this bill, undoubtedly there will be a demand for changes and modifications to the regulations and to certain specific provisions of this piece of legislation.

Reference has been made to the regulations. Surely the regulations are the core of this bill. What we have in terms of the legislative framework are not simply the principles but the real heart and core of the bill. The bill's provisions are very complex and technical in nature, but I would hope that during the committee proceedings we will have an opportunity to hear an overview of the latest version of the regulations in the clearest form possible.

I understand that there have been continuing consultations with the provinces and industry with respect to the development of the best set of regulations that can be utilized and implemented. We would like to have an opportunity to look at these recommendations and to deal with them to ensure, in a parliamentary and official sense, that those who may have some reservations or concerns about any part of the bill will have the opportunity to express their views in committee.

• (1420)

We will also want to invite witnesses to participate in the further discussion of this legislation. It is not our intention to delay unduly passage of the bill as it seems to have been around for some time, but it would only make sense to allow the provinces, if necessary, industrial components and municipal government or associations that have a concern about the legislation to have the opportunity to state their views before the committee in an official capacity.

In conclusion, Mr. Speaker, I should like to compliment the Minister of Transport for introducing the bill early in the session. I also want to pay tribute to the dangerous goods branch in the Department of Transport. We are very fortunate in this country to have a branch served by such competent, dedicated and committed people. I refer particularly to Mr. Duncan Ellison who worked for many years on this legislation. It has been a very demanding job and I think he tried to accommodate all the views put forward in a manner which is consistent with the theme of the legislation. Taking into consideration the complexity of the bill and its legal ramifications, I think the department and indeed the nation is well served by Mr. Ellison and his colleagues, and I want to compliment them at this time.

I should also like to assure the minister that we on this side of the House will co-operate to see that the bill proceeds. We will want to deal with the various clauses and hope we can receive testimony from witnesses at the committee hearings,

but it is not our intention to delay unduly its passage; rather, it is our intention to ensure we have the most effective and workable piece of legislation that is possible in order to satisfy a very important need.

Mr. Bill Blaikie (Winnipeg-Birds Hill): Mr. Speaker, I should like to add my approval of this bill being brought before the House so early in the session. In principle, our party approves of the bill which is entitled the transportation of dangerous goods act. As the previous speaker indicated on behalf of his party, and as I might indicate on behalf of this party, we will not unduly delay its passage.

I do feel constrained, however, to correct the record because of the distorted recollections of the hon. member for Vegreville (Mr. Mazankowski) regarding what went on last fall. As one who participated in that process and represented my party on the transportation committee when the bill came before it, I must point out that at that time we requested from the then minister of transport no more than the hon. member for Vegreville has indicated he wants from the present Minister of Transport (Mr. Pepin)—that witnesses be called and questioned on various aspects of the legislation. It certainly was not our intention then, and it is not our intention now, to delay passage of the bill.

If anyone was acting in a politically opportunistic way last fall, it was the Progressive Conservative government. In response to the Mississauga event, they created the impression that the transportation of dangerous goods legislation was a panacea for the kind of anxiety that was created in the public mind as a result of that event. They pretended to bring forward legislation that they had intended to bring forward anyway as a very fast response to the Mississauga event. In fact, it had been on the order paper of the previous Liberal government and was something that the New Democratic Party had brought up before the Mississauga incident.

In my first question in this House I asked the then minister of the environment when he intended to bring forward legislation on the transportation of dangerous goods. That was exactly one month before the Mississauga event. The minister of the day replied "Yes, and soon." Mr. Speaker, that was my first lesson in how to put a question and how not to be put off with short answers. I learned how to get in my supplementaries.

The fact is that the government intended to bring the legislation forward in any case, and for the hon. member for Vegreville to say his party was responding to the Mississauga event was a distortion of history.

Mr. Mazankowski: Stop distorting the facts.

Mr. Blaikie: Let us have a little accuracy when we talk about history.

Bill C-18 is basically the same bill as was Bill C-25 in the last Parliament. There are some changes which it is important to note for the benefit of the record. For instance, in the new bill there are more ways to defend a charge that a person has contravened safety regulations. Under the new bill a person must establish only that he acted in good faith and took reasonable measures. Under the old bill he had also to prove that his contravention of regulation was not caused by his acts or omissions.

Another change is that when property seized by an inspector is essential to the livelihood of the person who wanted it returned that is no longer one of the reasons for it to be returned. This comes under subsection 15(4).

Under the old bill there was a duty to report an accident or incident that results in a discharge, emission or escape of dangerous goods. Under the new bill there is a duty to report a discharge, emission or escape of dangerous goods. This is an improvement because it broadens the scope with which the bill may be brought to bear on dangerous products.

Under the old bill the government could recover costs of emergency action from a person unless he established that he complied with the regulations. Under the new bill the government could recover costs unless he established on balance of probabilities that he and others for whom he is responsible complied with the regulations.

Under the old bill inspectors did not have the power to seize or remove dangerous goods if there was imminent danger to the environment. Under the new bill they have that power. The new bill does not, however, restore the power of the minister to hold an inquiry if a discharge, emission or escape of dangerous goods results in damage or danger to the environment. It is in this area that we may offer some amendments in committee to restore the environment as a reason for the minister to be able to hold an inquiry. In our view, damage to the environment should be regarded equally as serious as damage to life, health or property.

Two new powers of making regulations are given to the governor in council. First, that of prescribing circumstances in which the handling, offering for transport or transporting of dangerous goods is prohibited; and second, that of specifying dangerous goods that shall not be handled, offered or transported in any circumstances. This should give the power to make regulations affecting modal safety in addition to labelling. In the past, however, the government has not had the will to get tough with the railways and there is not much reason for hope in this area.

These are some of the provisions in the bill before the House which were not contained in Bill C-25 as introduced by the last Progressive Conservative government—and one hopes it was the last Progressive Conservative government.

Mr. Nystrom: You mean "regressive" Conservative government.

Mr. Blaikie: Yes, regressive Conservative government. It is important to clear up some of the false expectations that have been created in expectation of passage of this legislation. There is a public anxiety about the transportation of dangerous products as a result of the Mississauga event and the subsequent derailment in MacGregor, Manitoba.

It is important to clear up false expectations about this legislation. Not that the legislation is bad in and of itself; indeed as we have already said, it is good legislation in that it harmonizes and integrates what was once a rather piecemeal approach to the regulation of dangerous goods. In so far as its intentions are concerned, this is a good bill.

I have said what the bill will accomplish, Mr. Speaker, but I think that it is important to put on the record what it will not accomplish. I have read far too many newspaper articles and editorials over the last several months, particularly since the MacGregor spill in Manitoba, which call for the speedy passage of this legislation, in a way that suggested that the passage of this legislation would somehow prevent rail disasters such as that at Mississauga or MacGregor. This is an illusion that must be dispelled.

● (1430)

As I said before, the legislation in itself is a good thing, but it does not pertain, for instance, to rail safety as such, according to Transport Canada officials who appeared before the House of Commons transport committee. This is why I think it is so important to bring this point up. It is the testimony of Transport Canada officials themselves which clears up the expectation that somehow this bill deals with rail safety.

On November 29, 1979, in response to questions posed by myself and by the hon. member for Stormont-Dundas (Mr. Lumley), Transport Canada officials in their answers before the committee indicated that the transportation of dangerous goods legislation had nothing to do with rail safety as such—whether or not cars containing dangerous goods were to have roller bearings, or were to have the traditional friction bearings, or whether the tracks on which the dangerous goods were to be carried were safe and well maintained. This all had to do with regulations that came under the auspices of the Canadian Transport Commission. It had nothing to do with the transportation of dangerous goods bill. From testimony that I have before me, which I will not read into the record but ask members to look it up for themselves, it appears that the only thing the proposed dangerous goods act would change with regard to the Mississauga derailment is that hopefully when firemen arrived at the scene they would know what was in the cars. They would know what had actually spilled in the derailment. This is an improvement not to be taken lightly, but it has nothing to do with whether the derailment would have occurred in the first place. Transport Canada witnesses consistently, when asked about the proposed legislation's effect on the rail safety aspect of the transportation of dangerous goods, said that this question was under the jurisdiction of the Canadian Transport Commission.

This brings me to a second area of concern, and that is the role of the Canadian Transport Commission. Under section 227 of the Railway Act the CTC may make regulations; and under section 296 the railways are required to carry dangerous goods in conformity with the CTC's regulations. Clearly a good deal of responsibility has rested and continues to rest with the Canadian Transport Commission in seeing to it that the public and the employees of the railroads, or for that matter employees of any other mode of transport, are protected.

Along with that responsibility, the Canadian Transport Commission should be given the resources to do the job. For example, the CTC will require more safety inspectors to ensure that its regulations are being adhered to. I admit the hon. member for Vegreville was right on one thing: government restraint was not a creation of the Progressive Conservative government, it was something that started long before when the Liberal party, prior to the election of May 22, began to prove conclusively that it is the second right wing party in Canada. This government restraint had already begun to affect the Canadian Transport Commission. I do not quote my own imagination here; I quote what the president of the Canadian Transport Commission said before the House of Commons transport committee, as follows:

> The people we have I think do a pretty good job based on the numbers we have spread across the country, which I think is something like 78 (rail safety inspectors), which bothers me. It probably should be 178 instead of 78.

On November 13, 1979, Mr. John Magee, commissioner of the Canadian Transport Commission, testified before the same transport committee that the Treasury Board directed the CTC to reduce its staff even further. The recently published annual report of the Canadian Transport Commission showed an 11.4 per cent reduction in person-years assigned to the work of the commission.

It is a federal responsibility to make best use of existing authority. Therefore, the restraint program as it affects rail safety must be eliminated immediately. In this as in other areas, the public well-being should not be sacrificed to ideological obsessions about government spending. As well, the federal government, through the Minister of Transport, has the power already under section 100 of the Railway Act to apply to the CTC for an order that a railway company constructing a railway which has been aided by a subsidy from the Government of Canada make repairs, additions or improvements to its lines or equipment to promote safety and efficiency. If the company fails to comply with the order, the Crown can put a first lien or mortgage on the railway company for the amount of the subsidy.The power has always existed to promote greater rail safety; it is a power which simply has not been used.

A third area of concern has to do with the fact that railway companies in this country are chartered to render a service to the people of Canada in a safe, efficient manner whether dangerous goods are on board or not; but the railways are carrying more and more freight with fewer and fewer employees. The number of person-hours required to run Canadian railroads decreased 39.5 per cent between 1956 and

1975, while the amount of freight carried increased 86.8 per cent during the same period. Between 1976 and 1977, Canadian railways eliminated 60,000 jobs, 31,000 of which were eliminated from road and equipment maintenance, a policy which directly affected safety.

We respectfully suggest that the Canadian Transport Commission be instructed to review the guidelines so that the railways are required to have adequate numbers of maintenance employees for tracks, adequate numbers of employees to do the switching of freight cars and an adequate number of employees to work in all aspects of safety as it pertains to the railroads. In addition to keeping an adequate number of employees, the railways must be required to modernize their plant and equipment. Hotbox detectors should be installed along the heavily travelled main lines. Roller bearings should be installed on all cars carrying dangerous goods. Of course, too, even this will not deal with the problem adequately since the freight car carrying dangerous goods is not always the one that causes the derailment, a fact which points up again the need for general rail safety as a component of safety as it applies to dangerous goods.

The movement of certain dangerous goods may be required in the national interest. Therefore the nation should share the responsibility. Society at large, through its elected officials, should have the right and the responsibility to make decisions about whether particular dangerous goods should move and under what conditions, taking into account all costs and benefits to society, not just the conventional business costs and benefits to a private company.

An appropriate public policy toward dangerous goods shipments must balance the cost of the risk of moving a particular goods with the benefit of having the goods transported. We believe that when it comes to dangerous goods moving in large volumes by rail, the motivation of profit, as the supplier of transportation service, cannot possibly meet the test of balancing all costs and benefits to society.

We support social ownership of railways and the public ownership of Canadian Pacific, because we support the principle of integration of the entire transportation system; that railway transportation not only be perceived as but truly be an instrument of national policy directed toward national unity and economic development. The NDP insist that rail transport receive the massive long-term investment it needs to purchase equipment, improve roadbeds and electrify major heavy traffic sections of transport corridors. I say this in order that the headline from a Winnipeg newspaper I read recently which said that the eighties belong to the railways may become a reality, instead of a dream in this energy crisis situation in which we find ourselves.

Crown corporations like VIA Rail should become an instrument through which there can be a restoration of passenger service in this country, instead of a Crown corporation supervising the demise of same. Crown corporations have a role not only to ensure economic benefits to the public, but to ensure that economic development happens in a human and environmentally sound way, free as they are—although I know it bothers my colleagues to the right—from strict profit considerations.

• (1440)

While we are convinced that an accountable, publicly spirited management of our railways would significantly improve railway safety, it would be naive to think that railway accidents involving dangerous goods can be totally eliminated. Accidents on the railways will occur from time to time.

Mr. Benjamin: And trucks.

Mr. Blaikie: Accidents will occur from time to time with trucks, airplanes and all manner of transport.

One of the things I regret about the focus which has been placed on the whole issue of the transportation of dangerous goods is that so much has been said about rail transport as a result of the Mississauga event. Sometimes it appears we have completely forgotten that dangerous goods are transported in planes, trucks, boats, and other modes of transportation that I leave to the imagination of hon. members. Therefore, it is not just rail safety which is at stake here. However, it is important to concentrate on it today because it is rail safety that is in the mind of the public as a result of the events at Mississauga and MacGregor. The best way to reduce the frequency and severity of these accidents is to reduce the amount of hazardous substances being transported. To do this, we must address the question of our dependence on non-renewable resources, which is my final concern.

We must consider the non-transportation solutions, such as reducing our dependence on non-renewable resources and changing our lifestyles accordingly. Too often we seek as a civilization, never mind just here in Canada, only technological solutions to technological problems, thus compounding our problems by refusing to see that certain technologies as such may be the root of a problem. For instance, our traditional sources of fibres and household goods, such as cotton, leather, and wood, have been replaced by synthetic goods and fibre which are extracted from and/or manufactured with the aid of non-renewable dangerous goods. This has created great conveniences in our way of life, and even greater profit for those who had the advantage of owning and marketing these new technologies and goods. But all this has happened at the expense of the environment, of those left out of work by the abandoning of labour-intensive technologies and of upcoming generations whose access to non-renewable resources for those purposes which only particular non-renewable resources can serve will be severely limited.

Consumption and disposal rather than repair and recycling has created a deficit for the future far greater in real terms than anything governments can do by way of deficit spending or borrowing, because non-renewable resources cannot be paid back. We would be far greater served as a country and as a Parliament if my colleagues on my right spent as much time whining about the deficit in non-renewable resources as they do about the deficit of the government when it comes to budget time.

In recent years more and more attention has come to be paid to the environment, both as it pertains to the non-human environment and as it pertains to human health. But we have a long way to go before we mature into a society that wants to know, and does know, the full effects of its way of living on human life and health, and on the rest of creation in and with which we must live. The science of toxicology, and especially of eco-toxicology, is in its embryonic stage. The fact that so very few people in the recent MacGregor spill in Manitoba seemed to know about the carcinogenic qualities of vinyl chloride, and the confusion which prevailed about the best way of dealing with it, cannot be reduced in the final analysis to the abilities or inabilities of those actually involved or to the legislation that was or was not in force at the time.

Society as a whole has been and continues to be guilty of gross negligence in the attention it pays to actual and potential harm being done to human life by dangerous products, whether it be asbestos, PCBs, methylmercury, arsenic or acid rain, or radiation, to mention a few. We must stand up and take note and consider for once that perhaps we should mend our ways and our doings, lest we find that we have sown the wind and reaped the whirlwind in the form of ecological disasters as yet unrealized but maybe only a short time away, given the often exponential evolution of ecological effects.

In the meantime, before we come to our senses about technology and a great many of the things we are up to these days, the federal government has its responsibilities, the Canadian Transport Commission has its responsibilities and the railways have their responsibilities to see to it that dangerous goods which continue to be transported are transported safely, through special measures designed to take into account the existence of these products. And that is how I see this particular bill. But we will only know how good a bill this is when we have had some time to see what the regulations are like, how they are enforced, whether the new bureaucracy that is created under the auspices of this bill has the money to enforce the new regulations, whether there is the political will to make this bill work. We will only know that as time passes.

However, it is a step in the right direction. In the meantime, as I said before, the government, the Canadian Transport Commission and the railways have a responsibility to ensure that the general context of safety, whether it pertains to rail, air, or marine transportation, is improved so that we do not have derailments and the like in the first place.

Mr. Dan McKenzie (Winnipeg-Assiniboine): Mr. Speaker, I welcome the opportunity to speak on Bill C-18. In Winnipeg, Manitoba, we have had some very serious rail spills and some other very serious problems dealing with rail relocation. This has caused the citizens of Winnipeg some concern over the last couple of years.

The minister stated that he does not want delays with this bill. I can assure him we will act in a more responsible manner than we saw the NDP and the Liberals act in the last Parliament, especially in the transport committee. In the middle of the committee meetings, they wanted to put aside the transportation of dangerous goods bill and to call in Air Canada. So much for their being so concerned and worried about the transportation of dangerous goods. They are not the least bit interested at all and their actions in the committee fully back up my statement. It was only a contest of filibustering and blocking.

I want to congratulate the former minister of transport, the hon. member for Vegreville (Mr. Mazankowski) on the swift action he took with regard to the Mississauga tragedy. He initiated a judicial inquiry immediately. I want to touch on the terms of reference on the appointing of that judicial inquiry and I will do that in just a moment.

The minister stated that we are going to benefit from the delays in passing these bills. I do not agree with that at all. These delays have allowed more time for spills, something I am going to touch on this afternoon. Tell the people from Mississauga that we are going to delay and stall this type of legislation!

When the hon. member for Vegreville appointed the judicial inquiry to look into the Mississauga tragedy, which probably was one of the most severe rail tragedies in Canadian history resulting in an evacuation of a quarter of a million people, it was not to be the panacea to end all rail accidents for all time. It was something he had to do and he did it immediately.

The commission was asked to inquire into the contributing factors and causes of the derailment at Mississauga, Ontario on November 10, 1979 and the subsequent accident; the steps which could be reasonably taken to reduce the risk of recurrence of such an accident; the level and adequacy of existing federal law, regulations, rules and standards and of the practices and procedures governing railway safety with respect to this accident and the prevention of future similar accidents involving the handling of and the carriage of dangerous goods by rail.

If we had completed the former Bill C-25 in the committee hearings last year, it could have been law by January and we would have been months ahead in dealing with this serious problem, instead of asking for Air Canada to come before us in the middle of the committee meetings.

I have been concerned about rail safety for some time. I made inquiries of a previous minister of transport in 1977. A matter was brought to my attention regarding the possible explosion occurring at the Symington yards in Winnipeg during handling of propane tank cars. I received an assurance from the minister's department that in the handling of liquefied petroleum gas carloads they took the following precautions. Perhaps I might put part of that assurance on record:

● (1450)

The commodity code for liquefied petroleum gas produces a computer generated instruction with the advance journal which requires:

When humping—LPG carloads to be humped singly, and car following the LPG car into same class track to be humped singly.

When flat switching—LPG carloads to be shoved to rest, and car following the LPG car into same track to be shoved to rest.

I understand these self-imposed instructions, bulletined to all yardmasters, car retarder operators, yardmen and engine-

men, are reissued monthly and are being practiced. What we have to find out as we proceed with this bill is whether all these instructions and guidelines are being followed.

We have another serious problem in Winnipeg. I was hoping that the minister would have been able to make a statement yesterday or today about whether he has found it possible to obtain funds from the Department of Regional Economic Expansion for rail relocation in Winnipeg. He said he would tell us within a week and Thursday was the end of the week. Today is Friday, yet we have had no statement from the minister.

This is causing us great concern in Winnipeg. Costs are multiplying for the city council in consequence of the delays; we do not know whether they are going to provide $100 million for CP Rail relocation, we do not know whether we are going to get a permit to put in the Sherbrook-McGregor overpass, we do not know whether the city is to be reimbursed to the extent of $3 million in respect of the delay and the added cost for building the overpass. So we are actually more confused than ever as a result of this bill dealing with the transportation of dangerous goods because of this stalling and procrastination.

I cannot put the blame entirely on the shoulders of the Minister of Transport (Mr. Pepin) because I think the hon. member for Winnipeg-Fort Garry (Mr. Axworthy) has done a real job of leading hon. members opposite up the garden path into this business of providing funds for rail relocation. I do not think the government has any intention of providing or intended at any time to provide, $100 million as its share of rail relocation.

I want to touch on the serious concern in Winnipeg on the subject of rail relocation and the transportation of dangerous goods and, in doing so, to quote part of an editorial which appeared in the Winnipeg *Tribune* of April 26. It stated:

> Federal Liberal politicians, such as Lloyd Axworthy, played around with the relocation question for political advantage. Now that they are safely in power again, the Liberals cynically reject any help, even financial support for the overpass which has climbed in cost by several million dollars because of their manoeuvring.

That is an example of what we have been going through with the Liberals and the hon. member for Winnipeg-Fort Garry for the last couple of years since he started interfering with the plans of the city of Winnipeg.

One cause of our concern is a recent CP tank car spill in Winnipeg when a tanker car containing highly flammable liquid methanol was punctured after being sideswiped by an eastbound train in CP Rail's Winnipeg yards on Higgins Avenue north of Lizzie Street. About 13,000 of the derailed car's 25,000 gallons of methanol leaked into the atmosphere during the night.

The people of Winnipeg are naturally fearful about such accidents. They wonder whether there is likely to be a continuance of such hazards. Is rail relocation to take place or not? The minister has a responsibility to the House and to the citizens of Manitoba to make a statement on this. I should like to have the hon. gentleman's attention, Mr. Speaker. Perhaps the NDP member who is engaging him in conversation would speak to him later. As I was saying, I hope a statement will be forthcoming from the minister as to whether funding will be available, whether the federal government intends to drop all plans for rail relocation, or whether it intends to provide the $100 million required in this connection. I think we are entitled to an answer from the minister on this issue.

Mr. Baker (Nepean-Carleton): He could do it when he sums up.

Mr. McKenzie: Yes, Mr. Speaker. Our House leader suggests it could be done during the summing up and I hope he will do it then.

I might add that the Winnipeg *Free Press* also has covered this subject of rail relocation along with the transportation of dangerous goods. It did so very accurately in a recent editorial under the headline "Mr. Axworthy's dead end". This editorial stated in part:

> There was no need for a delegation consisting of the mayor, councillors, city officials and the minister of urban affairs to traipse down to Ottawa to get that simple answer (that no funds were available). Mr. Axworthy belongs to the same cabinet as Mr. Pepin. Former city councillor Bob Bockstael is his parliamentary secretary. They could have determined much more quickly that relocation of the yards is not on. They could have passed that message to city councillors instead of getting them cranked up to push for relocation. If they cannot do that, it is not clear what use it is having Winnipeggers in the government or close to it.
>
> Councillors and the city at large should be wiser for the experience. Mr. Axworthy can promise but he cannot necessarily deliver.

I trust the minister will deliver and straighten out the dilemma which the hon. member for Winnipeg-Fort Garry has caused for us by his interference in this issue of rail relocation.

A member across the way interjects that the minister thinks very highly of me. What he thinks of me is of no concern to me and I shall lose no sleep about it. I will continue to expose him at every opportunity for what he is—nothing but a political opportunist. The city council and the people of Winnipeg are finally wise to him.

Talking about political opportunism, in the Liberal TV commercials during the last election they could not have picked a better individual to lie for them on the problem on interest rates, saying day after day that interest rates should not have gone up, they should not have gone up. If they should not have gone up, then they should have gone down.

Some hon. Members: Ord :r!

Mr. Collenette: I rise on a point of order, Mr. Speaker. The hon. member for Winnipeg-Assiniboine (Mr. McKenzie) naturally goes on at great length and in a very partisan way. We are all used to that. We have know him for many years. But he said a few moments ago that the hon. member for Winnipeg-Fort Garry (Mr. Axworthy), the Minister of Employment and Immigration, lied.

An hon. Member: No, he did not.

Mr. Collenette: That is how it sounded and I should like to check the blues. If he did say that, if he accuses any member

of this House of lying, I would ask him to withdraw that statement forthwith.

Mr. McKenzie: What I said, Mr. Speaker, was that they could not have picked a better man to lie for them. I said it collectively. I did not single out one Liberal. He was speaking on behalf of the Liberal party.

The Acting Speaker (Mr. Dionne, Northumberland-Miramichi): Order, please. It seems to me the debate is deteriorating below an acceptable level.

Mr. Hees: The understatement of the week!

The Acting Speaker (Mr. Dionne, Northumberland-Miramichi): It is a commonly accepted principle of the House that one member does not reflect upon the character of another, and I would ask that hon. members adhere to this convention.

• (1500)

Mr. Collenette: Mr. Speaker, I rise on a point of order. I would like to give notice that I reserve the right on behalf of my colleague, the hon. Minister of Employment and Immigration (Mr. Axworthy), to raise a question of privilege should the blues show that the hon. member impugned his character, whether he was referring to him directly or by implication. I would like to reserve that right. Perhaps on Monday we will raise a question of privilege, if we so find in the record of the House.

Mr. McKenzie: Mr. Speaker, I hope that that is raised on Monday. I would welcome another opportunity to enter into that debate. The hon. member can be my guest.

As I said earlier, there is not going to be any delay on this side in dealing with this bill, but I want to ask the minister once again whether he will finally clear up the issue about providing funds for rail relocation in Winnipeg or in any other city, and will he make a statement as to whether he is going to issue a permit to the city of Winnipeg for the Sherbrook-McGregor overpass?

I have to insist that the minister give serious consideration to providing $3 million in funds to the city of Winnipeg to cover the additional cost of the delay which was brought about at the insistence of the Minister of Employment and Immigration and the previous Liberal minister of transport. I hope the minister will not lead us down the garden path any longer as has been done with the city of Winnipeg for the last 14 months, and I hope he will seriously consider clearing that up this afternoon.

Mr. Benjamin: Regina has been waiting six years.

Mrs. Margaret Mitchell (Vancouver East): Mr. Speaker, I am pleased to be standing to speak about Bill C-18, to promote public safety in the transportation of dangerous goods. I am particularly pleased to be speaking about this because people I know are seriously concerned about dangerous situations surrounding the port of Vancouver and particularly in my riding, the riding of Vancouver East.

My colleague has said that we approve this bill as far as it goes, and I might say to my colleagues to my right that this is the stand we took on Bill C-25 in the last House. We approve this bill, and we want it passed quickly.

The bill provides for safety standards for labelling and packaging of dangerous goods. This is necessary. The bill establishes policy for more inspectors. This is absolutely essential, and I would like to point out to the minister that in the B.C.-Yukon area I understand that there has been only one inspector to enforce federal safety regulations in the past. This bill also proposes legislation to enforce safety guidelines strictly, and this, of course, we need very much.

However, there are several essential points and questions I would like to raise, just as I raised these questions when we dealt with Bill C-25.

Mr. Baker (Nepean-Carleton): Raise them in committee.

Mrs. Mitchell: Will the bill cover dangerous situations in all modes of transportation?

Mr. Pepin: Yes.

Mrs. Mitchell: I think not. For example, in our riding of Vancouver East there have been several situations where trucks carrying dangerous products have overturned on roads. There have been explosive and potentially very dangerous situations, requiring evacuation of our citizens.

The roads to the port are extremely dangerous. The planning—or lack of planning—of the federal government has never accommodated the development of a Vanterm on our waterfront. I have driven the roads on our waterfront, and workers in that area have pointed out to me that terminal trucks getting out of the waterfront area must pull up over railway tracks at intersections. Nothing is being done to develop proper access to our port areas. There are very dangerous situations.

We also have a convergence of both aeroplanes and ships coming into our port. There have been major incidents in the past which have been very serious. Ships carrying explosives have gone into our port threatening three, if not four, very important and densely populated ridings.

I know my colleagues will be speaking at length about the problems regarding rail transportation. In my riding of Vancouver East there have been several situations where there have been runaway cars. In one case there were explosive materials, and voluntary evacuation of the area was required. I stress "voluntary", because there appears to be no one authority responsibie for the over-all co-ordination of safety regulations in this area. This situation at the port of Vancouver, which involves four major ridings, is not peculiar just to the west coast. I am sure it also affects other similar waterfront areas across our country.

What authority will this bill provide municipalities and other levels of government to enforce safety regulations? For

example, I am told by the Vancouver fire department that there is no advance warning to them about dangerous commodities which are going to be transported by CP or CN. Can you believe, Mr. Speaker—I hope the minister is listening—that the fire department in Vancouver receives notification of dangerous goods having been shipped through this area one week after the dangerous goods have passed through? I really do not know what this bill will do to prevent major catastrophes.

We also know there is no co-ordination with fire boats. In fact there is only one fire boat in the port of Vancouver, and it belongs to the city of Vancouver. This boat is no longer available to other municipalities, and it should be the responsibility of the federal government under the National Harbours Board and the Canadian Transport Commission.

There are many problems facing areas like the port of Vancouver. Those problems must be raised at this time, and hopefully the matter will be clarified as much as possible during debate on this bill. The Mississauga evacuation and near disaster served as a warning to all of us. It can happen again. In fact there are statistical projections to show that it will happen again, and I wish the Progressive Conservative members from the areas surrounding the port of Vancouver were here today.

The quality and nature of hazardous goods shipped into and through Vancouver are considerable and diverse. It is not unusual to see trains transporting combinations of liquid propane, chlorine, and fertilizer, tripling the danger of explosion. We know that a typical liquid propane tanker has a capacity of about 34,000 gallons. The fire department tells us that the danger of a BLEVE, as it is called in technical terms—boiling liquid expanding vapour explosion—which is associated with such tankers, now being transported along the Vancouver waterfront, is considerable. The danger zone for a BLEVE is considered to be 3,000 feet, or about ten city blocks. Approximately 20,000 people in the city of Vancouver, not to mention the surrounding district, would then be in danger of a major explosion on our railway tracks or in our port. It is no wonder we are concerned.

I would also like to mention our concern that there is no co-ordination, and that this bill apparently provides no co-ordination among the different jurisdictions which are concerned with safety and also in relation to the different modes of transport.

Mr. Baker (Nepean-Carleton): Who told you that?

Mrs. Mitchell: The CTC must take leadership in the port of Vancouver. I will tell the hon. member who told us this. Quite a bit of research has been done. The head of the port of Vancouver, the harbours master, was the one who told me this, and it was supported by workers in several unions on the waterfront and by representatives of city council and other municipalities who have carried out major studies in this regard.

• (1510)

There is no co-ordination and no contingency plan in this area to deal with emergencies. In fact the truth is that no one is in charge. There is a morass of conflicting jurisdictions involving four levels of government, a variety of government agencies and transportation companies. We feel that the CTC must take the lead, although other jurisdictions, and particularly municipalities, are essential in developing an over-all safety plan.

From consultation with the sources which I mentioned in the Vancouver area—I hope the minister is aware of this—it appears that the only solution is to establish a transportation safety authority with leadership from the federal government but which will involve all jurisdictions and all methods of transportation. Such an authority would develop contingency plans to deal with the emergency, would pool the resources and divide the responsibilities of governments. It would employ inspectors, the number of whom will be increased under this bill, to enforce safety regulations. Workers should be trained, particularly workers on the waterfront. Truck routes for the transportation of hazardous materials must be studied and designated by such an authority. There must be liaison among everyone concerned with the transportation of dangerous goods.

I hope that all this will be considered by the minister and that this bill will be expanded in its application. I hope that meetings will be initiated by the federal government to develop a transportation authority, particularly in the greater Vancouver region.

Mr. Charles Mayer (Portage-Marquette): Mr. Speaker, it is a pleasure for me to rise and take part in this debate. I think it is important for those of us from the rural parts of the country to have a say in what goes on in the movement of dangerous goods around the country. In my riding of Portgage-Marquette in central Manitoba there are over 200 miles of main CN and CP rail line that run through the constituency, and it is on the main lines that goods are transported. I think it is important that we not only think about the movement of dangerous goods relative to the problems that are caused in moving them through large urban centres but that we also think about the transportation of dangerous goods as it relates to movement throughout the country.

I am glad to see that this bill includes provisions to look after many aspects of the movement of dangerous goods, from the way they are packaged and handled before they are transported to the type of containers in which they are moved. I should like to make reference to this later, relative to the train wreck we had at MacGregor last March and the problem we had with vinyl chloride.

It is very important that these regulations not be so all encompassing and involved that they lack common sense, because the most important thing we must have in terms of enforcing them, contrary to what some of my friends to my left would like to think—they would like to regulate everything into the ground—is that they be practical. You must have a

certain degree of common sense associated with them or they will not work. If you do not have good will, the best intentions in the world will not work. I think it is important, with as complex a bill as this is, that the regulations be workable.

I agree with what the hon. member for Vegreville (Mr. Mazankowski) said, that it was a breakthrough when the regulations were being examined by the committee. I was part of that committee and I think it was a very important step. The regulations are so large and there are so many of them that it is important that we have a chance to look at them. I hope the minister will proceed in the same way as the former minister in our government did with regard to letting us look at the regulations when they get to committee.

I hope the minister is serious when he says that he will make the movement of dangerous goods a priority. I hope that he does, and I hope that this bill will contribute to making the movement of dangerous goods a little safer throughout the country.

I would like to refer to something that was said in the last Parliament by the member for Winnipeg-Fort Garry (Mr. Axworthy), when he said that the minister will have to use the leverage, influence, and power of the government to bring the railroads into line to co-operate in changing the formulas and equations by which the whole relocation process is being administered in this country. It is fine to relocate rail lines around major centres but, as we found out at MacGregor, people live throughout the country and there are problems no matter where you move the rails. Simply moving the rails will not necessarily deal with all the problems.

The main thing we have to think about is that when we do move goods we should take every precaution we can, not only in the movement but in the way that they are packaged to ensure that they reach their destination in good condition. My constituency is a large rural riding and the problems are just as important to us. The fact that some people live in smaller centres does not mean that they would be less concerned about the safety of their families and their communities than people in the larger urban centres, so I am a little upset when I hear people talking about the movement of dangerous goods in cities only. People live throughout this country, and everyone is important.

We had an experience at MacGregor which, although it did not turn out to be as serious as the one at Mississauga, potentially had as many problems associated with it. It involved the derailment of something like 12 tanker cars of vinyl chloride back on March 10. I had a chance to visit the site of the wreck twice and to see some of the clean up procedures that were undertaken. The problem there was how to handle communications relating to the chemical that was spilled, the amount that was spilled, and the associated hazard after the derailment. The wreck took place on a Sunday at approximately 1.30 a.m. A week later there was still a lot of concern in the town of MacGregor as to what had actually spilled, how much had spilled, and the kinds of problems that vinyl chloride would cause in that area. I found this to be extremely disturbing. I think we learned a lot of things from that, and I think that if it happened again we could do things better.

I was interested to hear my friend from Manitoba, the hon. member for Winnipeg-Birds Hill (Mr. Blaikie), say that it was the responsibility of everybody to ensure we have the proper communication. I would like to suggest that if you look at the behaviour of his party in the provincial legislature in Manitoba you will find that it was anything but responsible in terms of ensuring that the public was kept properly and fully informed of the hazards.

An hon. Member: Slanderous!

Mr. Mayer: Instead of ensuring that people's worries are put to rest, the party contributed to doing the opposite. I think it is incumbent on many of us as politicians to see that we contribute to people's ease of mind rather than doing the opposite. I might add that the lone member who belongs to the party opposite in the Manitoba legislature did a very good job for the only one in the House to add to that confusion. So I think there is a lesson in all of that to be learned, that we must act responsibly.

An hon. Member: Holier than thou!

Mr. Mayer: I would like to see people check the records on that because I am sure the records will bear me out.

One of the things that I learned from the wreck is that there should be better labelling on some of the cars that move dangerous chemicals. When I had the chance to visit the site, I found a small tag, approximately six inches square, which said that dangerous chemicals were being carried. I would see nothing wrong with having something a lot more visible so that, if computers break down, communications are set up to get information to the people involved in cleaning up the wreck. They would not have to rely on this; they could simply visit the site and take a look at the labelling on the containers. They would know from that the kind of chemical that is in the cars that are having the problem.

I am glad to see the minister in the House as I would like to refer to a letter I wrote him on March 20 regarding the inquiry into the wreck at MacGregor. In that letter I suggested that it would be appropriate for the Grange commission set up by the former minister to take a look at the wreck at MacGregor and that I thought we could learn something of the way the communications were handled and from the fact that the people in the town of MacGregor were kept in the dark for too long. I received a reply from the minister just this week in which he pointed out that the CTC was holding hearings at present. I am well aware of that, and in fact I attended the first day of hearings they had in Winnipeg two weeks ago.

I know some of the commissioners personally, I know they will do a good job. It will be a long inquiry. I am sure they will come up with some answers as to what caused the wreck, but I would like to suggest that the Grange inquiry would also be an appropriate vehicle to look at this. Simply because the wreck happened in a place where there were rural residents does not make it any less important than it would be in the town of

Mississauga. I would hate to see the minister using that as an excuse for not suggesting to Justice Grange that he go to MacGregor and hold some hearings there. If the vinyl chloride spill had occurred in an area with a larger population, probably more pressure would have been put on and it might have been easier for the minister to see fit to recommend to the justice that he hold some inquiries into the MacGregor spill.

● (1520)

Also I should like to suggest to the minister that the terms of reference are more than broad enough to cover the situation at MacGregor. I should like to refer to the last point in the terms of reference, which reads as follows:

> Within the existing jurisdictional and constitutional framework how best co-ordination and co-operation between the various agencies and jurisdictions involved can be assured in the investigative and corrective action required immediately following a rail accident involving dangerous goods. This is not intended to include matters such as the evacuation of residents at large and other related matters falling clearly within provincial jurisdiction.

I think it would be more than appropriate for the justice to go to MacGregor to hold some type of hearing there in order to learn from the people of MacGregor what some of their concerns were, and, if they had an opportunity to go through such an experience again, how they could be better served by the type of actions that were taken.

One of the problems I have with the CTC, despite the fact that I had every confidence in the commissioners, is the fact that the CTC itself is involved in accidents of that sort. When I was at the site I had a chance to talk to a CTC representative, a very capable gentleman. He informed me that he had been on the site since the time the accident happened. I think we have a certain element here of the CTC investigating itself. By having Justice Grange look into this kind of an accident, I think he would remove completely the possibility of someone saying that the CTC will investigate itself. I urge the minister to take a serious look at carrying out the suggestion I have just made.

I do not want to prolong the debate any longer than necessary because I think it is a very important piece of legislation. The sooner we can get to committee with it the better. I think we should look at the necessity of moving dangerous goods in this country. Today I heard a figure which indicated that something like 3,000 goods are classed as dangerous goods that we move in this country. With the kind of lifestyle we have, obviously we will produce things that are hazardous in one form or another either to ourselves or to the environment. But in the case of vinyl chloride and the experience at MacGregor, I think the vinyl chloride as a monomer is a potentially hazardous chemical. It has very strong explosive characteristics. The major concern at the MacGregor wreck was at the time of the accident when there could have been a large explosion. But it is also true that in large doses it is a carcinogenic chemical and it has a record of causing certain types of cancer if people are exposed to it over a prolonged period of time, or if the exposure is very large over a short period of time.

In this case the chemical is made in Fort Saskatchewan near Edmonton. It is moved to Sarnia where it is polymerized. When it is polymerized, it is made into things which are commonly used. It then becomes a polymer of vinyl chloride which is used in garden hoses and various plastics associated with the wire industry. It becomes a very harmless chemical, and I suspect that all of us come into contact with that chemical on a daily basis.

When we talk about moving certain chemicals, I think it may be well worth our while to see if we could organize ourselves in this country so that we could make use of those chemicals before they are moved, so that when we move the end product from those chemicals there is in fact no danger to the public. I think an industrial strategy or some kind of awareness of that before the fact would go a long way toward eliminating the necessity to move these kinds of goods. In this case it is too late. The facilities for polymerizing the monomer vinyl chloride are located at Sarnia. It must be moved there in order to be manufactured into things that we use every day.

Mr. Cullen: Good for Sarnia.

Mr. Mayer: In closing I should like to point out that I look forward to having a chance to work on this bill at committee stage. I compliment the minister on bringing it forward as quickly as he could. I think the former minister did an excellent job of getting the thing together, so that it was probably easier for the minister to bring it forward as quickly as he did. I suggest the minister has a tough act to follow the former minister. If, in the minister's four-year term of office, he can come close to doing the kind of things which his predecessor had on track in the nine months that he was in office, then the minister will be a very successful Minister of Transport.

Some hon. Members: Hear, hear!

Mr. Ted Miller (Nanaimo-Alberni): Mr. Speaker, it is my pleasure to rise on what I thought would be a non-partisan debate on Bill C-18, which was formerly Bill C-25. I congratulate the Minister of Transport (Mr. Pepin) and the former minister for seeing the importance of a bill of this nature. Non-partisan it has not been in this House, and I should like to respond to the hon. member for Winnipeg-Assiniboine (Mr. McKenzie) who accused the New Democratic Party of trying to hold up this legislation so that indeed it was not in effect by January. The hon. member is aware that in this House of Commons we were operating in a minority government situation. If his party had recognized that in the last House and had tried to co-operate with members, we may well have had that bill passed, and we may well still have had a Conservative government.

Mrs. Mitchell: Well put.

Mr. Miller: Also the hon. member should be aware that it was not only the members of the House of Commons who brought about the defeat of the Conservative government, but the electorate on February 18 justified the stand of the opposition parties.

The bill before us has a particular interest in my riding of Nanaimo-Alberni. In that riding and surrounding areas there are three major pulp mills which involve the use of chlorine and sulphur dioxide gases, as well as the use of caustic soda. There is a chemical plant in that area which results in chemicals going through our community, many of which we are not aware of as citizens. The community was concerned. It was concerned before the occurrence of Mississauga. Certainly that was the focal point of community involvement and discussion within those communities as to what types of emergency procedures we had in our riding in order to meet the demands of an emergency such as the one at Mississauga.

At the meeting held in conjunction with the Canadian Transport Commission, there were represented municipal councillors, mayors, regional board directors, union representatives from two major pulp mill unions in British Columbia, and we had industry in the form of a representative of the largest forest products company in British Columbia, MacMillan Bloedel. Also we had firemen, fire chiefs, and emergency planning co-ordinators. Not only did we have the support and co-operation of the Canadian Transport Commission in our inquiry, but also we had public support.

In introducing the bill before us today, the minister said that there is a danger we may have too high expectations of it and of what it may do for commodities transported on rail, on sea and in the air, by cars, trucks and other means of transportation. But I should like to tell the minister that the public has high expectations of this bill. The public in my riding has high expectations. People are expecting that this bill will address itself to rail transportation in particular.

Rail transportation on Vancouver Island does not have a good record. There was an attempt by the CPR to curtail passenger service. There was an attempt by the CPR to downgrade or let their railway tracks be downgraded so that indeed they could not have passenger service. Usage had to be curtailed until the CTC demanded that they replace the trestles. The record of that railway on Vancouver Island is very poor. Four derailments within a matter of two months brought to a head the concerns of that community.

● (1530)

I would like to talk about Port Alberni, a major lumber producing town that has a major pulp mill. I would like to discuss the geographical location of that town to indicate the real concerns which the people of Port Alberni feel about railway transportation, the health of that transportation system in their area, and about this bill. Port Alberni is completely surrounded, with the exception of a small valley or inlet on the west coast. There are periods of climatic weather inversions, which means that the air stagnates within the valley. Because it is located on the west coast there is fog, and there is also pollution from the pulp mill, all of which hangs in the valley.

Our concern is that if Port Alberni is put on that railway transportation system, a derailment coming into the valley resulting in the giving off of chlorine or sulphur dioxide gas could mean that the fumes will remain in the valley and cause irreparable damage to human health and human life. It is a distinct possibility if one looks at the railway transportation system coming into that valley and the regulations which govern the transportation of dangerous goods on that rail link.

In introducing the bill today, the minister also indicated that we could not expect a great many more inspectors because the bureaucracy required for enough inspectors to ensure safety in our communities would be too costly. We all share a concern about how many people the minister intends to hire to fulfil the jobs which this bill will create. However, there is a need to look at how many inspectors we have today on the railway transportation system. I am not very confident when I look at the minister's estimates for fiscal year 1980-81 in comparison to fiscal year 1979-80, which is the estimates that were recently tabled in the House.

Under the CTC allocation for personnel, we see a reduction of 99 person-years from 1979-80 to 1980-81. Under regulation and control there are 47 fewer person-years and under railway safety, which has already been mentioned today, there is a reduction of five person-years, from 105 to 100 person-years. My colleague, the hon. member for Winnipeg-Birds Hill (Mr. Blaikie), said earlier that the CTC chairman had indicated that there are only 78 railway inspectors in Canada. In British Columbia, as my colleague, the hon. member for Vancouver East (Mrs. Mitchell), has indicated, there is only one inspector for all accidents in that province. There is also the question as to whether we even have that one inspector or whether they are about to hire an inspector.

The same kind of situation can be seen with regard to equipment operators. It is important that we have these inspectors. If one looks at the description of what railway safety means and what it involves, one gets a good idea. I think it is important that we understand why these inspectors are needed, so I would like to quote their duties as they are outlined under the railway safety regulations. It reads:

Development of regulations, standards and procedures respecting rolling stock, apparatus, appliances, signals, methods, devices, structures and works used by railways; monitoring inspection and enforcement to ensure effective application of legislation, regulations, standards and procedures in respect of operations, maintenance and construction of railway equipment and facilities—

I will not quote the whole section, but that is the essence of this bill. If the people are not there to enforce and implement what we hope to develop in regulations through this bill, then it has no point. When the minister says that we cannot expect a significant increase, or even an increase, in the number of inspectors, then I think he should re-assess the inspector situation under the CTC. Inspectors are in short supply, and with this umbrella bill there will not be the protection which the people of Canada expect.

We have high expectations for this bill, expectations that one can gain from the provincial and municipal governments, and other agencies, the co-operation which the minister is asking for today. The co-operation within my riding, and I am sure that it is shared throughout Canada, between municipal governments, fire departments, emergency agencies and others

in that community has been amply demonstrated. The Minister of Transport is responsible for involving the official agencies—provincial governments, municipal governments and industries—which he has mentioned.

There is a public concern and a public willingness to contribute to the discussion of this matter and to have an opportunity to provide input into the regulations under discussion while this bill is in committee, and also into the changes to those regulations in future years. I am pleased to be able to support the principles of this bill. I hope to participate in committee and give suggestions which I will gather from my riding and which, I hope, will form part of the regulations.

There are a number of things about which we are concerned. We feel the emergency planning activities which go with dangerous cargo and railway safety are not given adequate recognition in this bill. While in committee we will be making further representations about railway safety. As many hon. members know, there are no rail safety standards in Canada. In the case of the E & N Railway on Vancouver Island, safety standards as they apply to the protection of the public on the railway system, are applied in cases where the railway inspector feels that the system is not safe at the speeds at which the trains are travelling and the loads which they are carrying, and they take the form of reducing the speed of the train.

If we do not demand upgrading of our track beds in Canada the ultimate effect of that policy will be that trains will grind to a halt. In fact Canadian trains have already ground to a halt in certain incidents because of that policy. The commitment of our party is to see that this bill does not grind to a halt, but that it is implemented with the necessary changes to protect the Canadian public.

Mr. Sid Parker (Kootenay East-Revelstoke): Mr. Speaker, it is a pleasure for me to participate in the debate on this bill, an act to promote public safety in the transportation of dangerous goods. I have worked for railways in the area of transportation for 30 years, and I have a few comments which I would like to make. I want to commend the minister for bringing forward this bill, but within it I can see some very serious shortcomings.

There was one drastic accident in Mississauga, and the trade unions and other groups have been investigating that accident. To my knowledge they are still investigating the accident. It disturbs me that those groups who are so concerned about the employees for whom they are working and the various avenues of the whole accident, have not had an opportunity to put forward their ideas with regard to what happened during that accident.

Another area which I would like to discuss deals with the fact that many of our tank cars which haul dangerous goods are not accepted at the interchanges of some of the railways which lead to the United States. If they are not accepted by some of the major railways in the United States, then we should take a very serious look at whether, in fact, they are acceptable by our standards.

● (1540)

I am interested in the handling of dangerous material, Mr. Speaker, because I come from a very mountainous area where there are steep grades and curves on the track which handles a lot of dangerous material. I have seen as many as 100 cars having pushers put into the middle of the train—indeed I have seen cases where they could not find a spot to put the pushers in because the material carried was so dangerous. The bill should provide some protection in cases such as that. I think there should be a limit of about 60 cars on trains that handle dangerous material.

Train crews have been cut to two men, one in the caboose and one on the engine with the engineer. The trains come down steep grades, 100 cars or more, carrying dangerous material, and we are here discussing a bill for the protection of people handling dangerous material!

Another matter of concern is that a train could leave Montreal and travel right across Canada, if it had no occasion to pick up an extra car along the way, without a number one brake test. It could go right across Canada without a test, Mr. Speaker. In many places in the United States trains are only permitted to travel a certain number of miles before they must have that number one brake test. I urge the Minister of Transport (Mr. Pepin) to look into this and to see that a mileage limit is imposed on trains handling dangerous material before they must have the number one brake test. If we did that we could make sure that the trains are in perfect condition when they start out to travel across the country.

It has been suggested that the board of transport should have this responsibility. I want to commend the board for its work, but in my experience working on the railway, I came to resent the fact that the board of transport employees would come to inspect facilities and then, if there was a major accident, the same employees would come out to inspect their own work and make a report. I say that is wrong, Mr. Speaker. Some protection must be included in the bill that provides for the safety of not only the workers but of the communities along the route.

In the community of Revelstoke there are level crossings with means of stopping people from crossing the tracks to get to the other side of town. If there were a major accident it would be almost impossible for a fire engine to get to the other side of the train and protect that area of town.

These are all things that must be examined very seriously with the municipalities involved, Mr. Speaker, as well as with other groups. I look forward very much to the meetings of this committee where I hope to have some input, and I am glad to have had the opportunity to speak on the bill.

Motion agreed to, bill read the second time and referred to the Standing Committee on Transport.

Some hon. Members: Hear, hear!

Business of the House

SAFE CONTAINERS CONVENTION ACT

MEASURE TO IMPLEMENT INTERNATIONAL CONVENTION

Hon. Jean-Luc Pepin (Minister of Transport) moved that Bill C-21, to implement the International Convention for Safe Containers, be read the second time and referred to the Standing Committee on Transport.

Motion agreed to, bill read the second time and referred to the Standing Committee on Transport.

* * *

BUSINESS OF THE HOUSE

Mr. Collenette: Mr. Speaker, I should like to thank hon. members on all sides of the House for their indulgence this afternoon in getting Bills C-18 and C-21 through second reading stage and on to committee. I think that augurs well when we are just two or three weeks into this session of Parliament. I would hope that we may now move into private members' hour, Mr. Speaker, and that I may make a few comments.

There have been consultations with hon. members on all sides. It has been agreed to proceed with Motion No. 5 standing in the name of the hon. member for Regina West (Mr. Benjamin), since the sponsors of Motions Nos. 1, 2, 3 and 4 are unable to be present this afternoon.

I take it we have agreement to proceed in this manner and preserve the order of members whose motions have been passed over today. I hope that is agreeable to all of the members.

The Acting Speaker (Mr. Blaker): The Parliamentary Secretary to the President of Privy Council (Mr. Collenette) requests that the House call it four o'clock for private members' hour. Is there unanimous consent?

Some hon. Members: Agreed.

Mr. Collenette: Mr. Speaker, I ask unanimous consent that we proceed with motion No. 5 and that Motions Nos. 1, 2, 3 and 4 keep their place on the order paper.

Before I sit down, Mr. Speaker, I must note that the hon. member for Winnipeg North Centre (Mr. Knowles) was unable to be with us this afternoon. It is a rare Friday that he is not in this chamber. I am sure all hon. members will join with me in tendering best wishes on the fiftieth anniversary of his graduation from Brandon University, in Manitoba. He is the chancellor of that university and is present there this afternoon to preside over the convocation ceremonies.

With him is another distinguished former member of this House who, at one time, respresented the constituency of Nanaimo-Cowichan-The Islands. They graduated from the same class in 1930. I am sure it is the sentiment on all sides of the House that we extend our best wishes to both gentlemen this afternoon.

Mr. Baker (Nepean-Carleton): Mr. Speaker, I should like to join with the parliamentary secretary in expressing, on behalf of this party, the best wishes that he has extended to the hon. member for Winnipeg North Centre (Mr. Knowles) and to Mr. Tommy Douglas. I did not realize that Brandon University bred such revolutionaries as those two distinguished gentlemen.

The parliamentary secretary noted we are marking their fiftieth graduation anniversary. If the hon. member for Winnipeg North Centre carries on in his usual way, I suspect that we shall be marking his one hundredth anniversary in this House! May I express the wish that all of us will be here on that occasion to pay tribute to him.

We are pleased with the arrangement that has been made and that motions Nos. 1 to 4 will have their place reserved on the order paper. I think it is quite appropriate that we now move on to private members' hour.

Mr. Nystrom: Mr. Speaker, on behalf of my colleagues I want to join in extending best wishes to the hon. member for Winnipeg North Centre (Mr. Knowles) who is celebrating the fiftieth anniversary of his graduation from that revolutionary college, the Brandon University. It is not a very conservative institution, I gather.

Since I arrived in this House in 1968 at the same time as the hon. member for Regina West (Mr. Benjamin), the hon. member for Winnipeg North Centre has only missed attending one day per year. That is the day of convocation at the Brandon University. It is a very rare day indeed when the desk right next to me is empty.

On behalf of my colleagues I should like to extend our best wishes to the hon. member and to Mr. Tommy Douglas, the former member for Nanaimo-Cowichan-The Islands, as well as to some 25 of their colleagues on this, the fiftieth anniversary of their graduation from the Brandon University.

The Acting Speaker (Mr. Blaker): On behalf of Madam Speaker, the Chair wishes to associate itself with the compliments paid to both hon. gentlemen.

On a more personal note I might mention that I wondered whether something was peculiar this afternoon. I now realize that it is not merely that I am a newcomer in the chair but that the hon. member for Winnipeg North Centre (Mr. Knowles) is not in the House. I had been wondering what was bothering my perception.

The Parliamentary Secretary to the President of Privy Council (Mr. Collenette) has proposed, and I understand there is unanimous consent, that we proceed immediately to private members' hour. These items, namely 1, 2, 3, and 4, shall not lose their place in the proceedings. We shall proceed to notice of motion No. 5 standing in the name of the hon. member for Regina West (Mr. Benjamin).

● (1550)

Mr. Baker (Nepean-Carleton): Mr. Speaker, I do not want to interrupt the hon. member and I do not intend to take any

time of the House, but I believe the parliamentary secretary is in a position to announce the business for the balance of Monday, before we start private members' hour.

Mr. Collenette: Mr. Speaker, before I do that I should just mention, since I forgot earlier, that the reason we joined together in giving our best wishes to the hon. member for Winnipeg North Centre was that he drew the first motion for business, and that is what we are standing today. This will explain the reason for our statements earlier.

On the question of business for Monday, we will proceed with the Bank Act. We expect that this will probably not be until the evening sitting since the House will not assemble for question period until 4.30 p.m.

As members know, the Right Hon. Prime Minister of Japan will be addressing the chamber, members of the Senate and the Supreme Court, in this chamber at 2.15. Madam Speaker has asked that all members be in their places by 1.45 p.m. so that the Prime Minister of Japan can proceed at that time.

Before I sit down I should mention also that it has been agreed among parties that next Thursday will be the first allotted day for the official opposition.

The Acting Speaker (Mr. Blaker): Order, please. I understand that private members' hour will end at eight minutes to five.

PRIVATE MEMBERS' MOTIONS

[*English*]

TRANSPORT

SUGGESTED IMPLEMENTATION OF HALL COMMISSION RECOMMENDATIONS

Mr. Les Benjamin (Regina West) moved:

That, in the opinion of this House, the government should consider the advisability of implementing the Hall commission report, including major recommendations, to increase use of ports at Churchill and Prince Rupert, guarantee the Crow rate to the farmer, extend the Crow rate to the processed equivalent of raw materials, pay the railways directly for their losses, make the railways fix up their tracks and buy hopper cars, and give the Canadian Wheat Board more power to control grain movement.

He said: Before getting into the subject of my resolution I wish to apologize to my good friends, the Minister of Transport (Mr. Pepin), the hon. member for Vegreville (Mr. Mazankowski) and the hon. member for Medicine Hat (Mr. Hargrave) in that I will not be able to stay to hear their remarks. The parliamentary secretary and I will be making a desperate dash to the airport at about 4.30 p.m. However, I am hopeful, and I hope it is not misplaced, that the hon. gentlemen I have just mentioned will be most anxious to support and accept my resolution.

Mr. Pepin: The Benjamin grain policy.

Mr. Benjamin: Some of the Hall commission recommendations have been implemented and worked at by the previous Liberal government and the Conservative government of last year, but there are some other recommendations that still remain to be implemented. As the hon. member for Qu'Appelle-Moose Mountain (Mr. Hamilton) said after the Hall commission report was brought down, it was a Magna Carta for the west. We agree with that. I think people on all sides of this House and from the west, even though they may disagree with some of the minor details in the report, accept it as a package, as a whole. I think that has been agreed upon by people in all walks of life and political faiths.

In the recommendations of Mr. Justice Hall, he said that Churchill should be handling 55 million bushels of grain a year. It still handles only 24 million bushels. Its capacity is not being used to the fullest extent. The hon. member for Lisgar (Mr. Murta) made the unfortunate suggestion that Churchill is a luxury we cannot afford, but I was happy to note that other members of the Conservative party disavowed and dissociated themselves from that nonsensical remark. It can save about 1,100 miles in the transportation of grain going to Europe from Saskatoon if it goes through Churchill, but the insurance rates discriminate. This is something which the Ministry of Transport and the government should be examining. These rates are five times those from Montreal. There probably is as much risk and as many mishaps in the marine industry out of Montreal as there ever has been out of Churchill.

The Minister of Transport has, I think, made an effort to try to get the federal government off the hook for some of the money for Prince Rupert. He is finding that it is not working, and from events and statements made in the last week or two it looks as though the government has realized it better not do anything to halt, delay, or renege on commitments made for that port. I am assuming that it is well in hand and going ahead at full speed and that the money will be forthcoming in the full amount from the federal government, and it will not be trying to collect all the costs of the infrastructure, through user charges since infrastructure costs have been subsidized in every other port for decades.

The most important item in the resolution to be considered is Mr. Justice Hall commission's recommendation regarding the statutory rates, or what is commonly called the Crow rate. Mr. Justice Hall not only recommends that the Crow rate be maintained for the grain producers of western Canada, but he also recommends that the principle in the statutory rates be extended to finished and processed agricultural products. This includes other commodities in western Canada, not only grain.

The main reason for the statutory rates is not to provide some kind of handout or subsidy to grain producers for the existence of and the continuing and maintaining of the Crow rate in terms of costs of shipping grain for farmers in western Canada, but to keep us in a position to compete with the other grain exporting nations in the world. For example, the average haul of Canadian grain to the Lakehead or salt water ports is

over 900 miles and the next longest haul is in the United States of about 700 miles, but most of that is accessible inland water systems, which are a much cheaper way to move any commodity. Australia and Argentina are among our biggest competitors. They grow about 90 per cent of their grain within a couple of hundred miles of salt water.

The benefits of grain exports bring in anywhere from $1 to $3 billion a year in foreign exchange, which benefits the nation as a whole. Therefore it is only fair and logical that the nation as a whole should share in the cost of getting that grain delivered to our ports.

We are not objecting, and never objected, to the railroads recovering their proven costs of transporting our grain. Mr. Justice Hall said, and this is another aspect of his recommendation, that if grain producers continue to pay the Crow rate, the national government should pay directly to the railroads the difference between the Crow rate and the actual proven costs of moving grain, in other words, the compensatory rate.

I noticed in recent months that the railroads now talk about the commercial rate, not the compensatory rate. That is another little bag of tricks coming from the railroads. The commercial rate on grain from Wakaw to Thunder Bay is something in the order of $3.15 a hundred whereas the compensatory rate—I am guessing but I think I am fairly close—is somewhere in the order of $1 to $1.25 a hundred at the most.

The Minister of Transport says, and he said it when he was in Winnipeg at the beginning of April, that there has been a dramatic shift of western opinion on the Crow. He admitted that the struggle to change the rate will not be easy. Well, he is perfectly right about that. If he thinks that he has ever been in fights before, they will be nothing compared to trying to meddle with the Crow rates. Those who use phrases like "Crow benefit" or "Crow value"—that, in my opinion and in the opinion of many grain producers and farm organizations, is a neat way of destroying the Crow rate that grain producers pay.

● (1600)

The minister and his two predecessors from time to time made reference to trying to get a consensus among the grain industry or farm organizations to the effect that there needs to be significant support from a major part of the agricultural community in the prairie provinces. For a long time, ever since the Hall commission report came down, we have had significant support from a major number of grain producers in western Canada and the most significant and major farm organizations.

The minister will be well advised to accept the recommendations of Mr. Justice Hall, not only in terms of justice and fair play, but politically. It is called for by the National Farmers' Union, the Saskatchewan Federation of Agriculture which represents something in the order of 25 or 26 different commodity groups in my province, and the Saskatchewan Wheat Pool which represents something in the order of 75,000 grain producers, about as many as there are in Alberta and Manitoba together. They are unanimous on this. That is why I urge the minister to get rid of the obstinancy and stubbornness of his two predecessors on fully implementing the Hall commission recommendations.

I know the minister will have problems with the Minister of Finance (Mr. MacEachen) and Treasury Board about the money the federal government would have to pay out, the difference between the Crow and the compensatory rate, but it will not be all new money. We can do away with branch line subsidies, quit buying hopper cars and putting up money to help the railways repair their box cars. Make them do it. It is their job.

The tragedy over the past number of years has been that we have refused, under the law that is now in effect, to make the railroads perform, to the point where the national government, the Canadian Wheat Board, the provinces of Manitoba, Saskatchewan and Alberta have had no choice but to purchase railway rolling stock, mainly hopper cars.

If Mr. Justice Hall's recommendations are implemented, this will not be all a new or additional cost to the national treasury. The major part of that cost will be made up from money already being paid out in the form of branch line subsidies, railway rolling stock, and the repair of railway cars.

It makes eminent good sense to implement this recommendation of Mr. Justice Hall. I have never been able to understand the reluctance of the two previous administrations to get it done. When you look at who wants the Crow abolished and who wants the Crow benefit or Crow value, when you look at who they are, who they speak for and who they represent, it tells you something. They represent the same kind of reactionary stuff that we had prior to ever having a wheat board. They speak for the private grain trade and the Winnipeg Commodity Exchange.

There are a few organizations on the prairies which agree that the Crow rate should be done away with. Who are they? Who do they represent? A few hundred. Compare that to what the Saskatchewan Wheat Pool speaks for. There can be no doubt that the overwhelming majority of grain producers and, I submit the majority of the public in western Canada, want the Hall commission recommendation implemented and they want it implemented immediately.

The official opposition was waffled on this, as has the governing party. In a campaign bulletin dated April 19 last year, the Conservative party said, and I quote:

We have promised that the Crowsnest Pass freight rate be maintained.

After the election we got a different story. The Conservative minister of transport told the UGG convention in Calgary:

I want to assure you that any change in application of the Crow benefit will come only after there is full consultation with producers.

That does not sound to me like maintaining the Crow for grain producers. When confronted in committee, the former minister said:

I want to assure this House that any change in the structure application of the Crow benefit, value or advantage will only come after there is full consultation.

That meant that even after consulting it was his intention, and that of his government, to change the structure and application of the Crow rate. If he had said he was changing it in line with the Hall commission recommendation, we and the grain producers would have had no doubt where he and his party stood on the matter. I hope today he will say unequivocally on behalf of his party that they fully support and accept the implementation of Mr. Justice Hall's recommendation as it pertains to the Crow rate.

I urge this House to accept this resolution. I want to say to the minister that, if the House passes the resolution, it is not mandatory but requests him to consider the advisability. It does not say he will do it. I hope he will accept it from the House as an expression of significant opinion, the opinion of not only Mr. Justice Hall but of tens of thousands of grain producers, local governments, the government of Saskatchewan and many rural and urban municipalities in the west which have called for this to be done. I hope members on all sides will accept this resolution and that the minister will go to bat for working on implementing the remaining recommendations of the Hall commission not yet implemented.

Hon. Jean-Luc Pepin (Minister of Transport): Mr. Speaker, I too have to leave in a few minutes for Quebec. This will be my third speech today, although I did not give the one on containers. But I would be remiss if I did not comment on what the hon. member just put on the record.

I am stunned at my lack of decisiveness today! I have had great opportunities today which I missed! During the question period there was the possibility to me of deciding on the price of oil. There was the possibility of deciding on improving a tariff on the export of hydroelectric power to the United States. Now there is the possibility of solving all problems pertaining to the grain industry. Here I am without the guts, energy, and the audacity to do it, and I feel frustrated!

We on this side of the House could have agreed to this motion quite easily because the language is simply "should consider the advisability of". Therefore, one could have done a generous thing for the day, a BA, a *bonne action*, and approved of that because this motion contains ideas that one should indeed consider.

Some of this I thought had already common acceptance, for example, the "guarantee of the Crow rate for the farmer." I did not think that had to be considered because that guarantee is one of the basic foundations of the existence of Canada. I did not think it had to be looked at again. I am surprised to find it here as a questionable item. I do not think anybody would take it away from western farmers. What could be changed is the formula under which it is handled, but nobody intends to deprive western farmers of this advantage.

With regard to the "increased use of the ports of Churchill and Prince Rupert", I have read about Churchill in recent weeks. I have found that efforts are being made all around. The National Harbours Board is putting a considerable amount of money into dredging the port and improving its capacity in order to receive larger ships. The railway leading to Churchill is part of the railway rehabilitation system and substantial amounts of money are spent on that. The Canadian Wheat Board pays a lot of attention to that, so I do not think hon. members can say there has been a lack of interest on the part of the Canadian government and institutions in the development of the port of Churchill.

● (1610)

On Prince Rupert the hon. member for Regina West (Mr. Benjamin) was kind to me today—he has not always been as kind in recent days. My distinguished predecessor might use that as a subject of conversation today if he cares to do so. I have often repeated that what I have been doing there does not deserve the kind of treatment it has been receiving. Even the Leader of the Opposition (Mr. Clark) on one of the first days of the present session implied that I was being less of a Canadian than my predecessor was in my approach to Prince Rupert. I was not. I do not think I have to take any advice on how to be a Canadian even from the distinguished Leader of the Opposition, and I do not think my dedication to Quebec or to Ontario or to the west can be questioned.

I am one of those, and there are many in the House, who can claim that they have an affection for Quebec, for central Canada, an affection for the Atlantic provinces, and an affection for western Canada. So this sort of thing hurts me if I may say so in the intimate mood in which we are operating this afternoon in this chamber. It hurts me because my dedication to the success of Prince Rupert, of the grain terminal port there, is as great as anything I have felt in recent years. I am dedicated to the success of this venture and I do not think I am doing anything which does not make sense.

An hon. Member: We are worried.

Mr. Pepin: I worry, too. I do not think I have done anything very different from my distinguished predecessor in this matter. The question of who should build the wharf, the dock, is one which he left unclear. When I told the members of the consortium that they would have to compensate on a cost-recovery basis for the expenditure made on it, they were not surprised. I did not think I was that cruel or that unfair. I just thought I would put some finality to some of the discussions which my predecessor once removed had started. He was in a bit of an expensive mood in some of the communiqués he issued but I think he never did say to the consortium that they would get the dock free.

As a matter of fact, if hon. members read the communique of January 31 it is implied—it is even said—that the option was open to the consortium to build the dock itself or to let the National Harbours Board do so. If my distinguished predecessor had offered it free, then obviously there would not have been reference to the possibility of the consortium building it. Elementary, my dear Watson!

I am just saying to western Canadians through you, Mr. Speaker, that the Minister of Transport is rather sympathetic and a Canadian as good as any around here or elsewhere, and consequently he is not trying to "mess up" the Prince Rupert

project. On the contrary, he is trying to make sure that it will be a success. So much by way of comment on Prince Rupert.

As to "paying the railway directly for their losses," well, there is discussion on that subject. If one is to convert the Crow rate to Crow "benefit" or Crow "value", I understand there is a great debate going on as to how it should be done—should it be done through the railways, should it be done through the farmers. I understand that intelligent men disagree on how to go about it. This is really the point.

Part of the motion says "Give the Canadian Wheat Board more power to control grain movement." Again, there is a debate on that point and the setting up of a grain transport commissioner is approved by most.

There are different points of view on many items in this motion. This is why, though I have great sympathy with many of the elements of this motion, I find some of them to be of a more debatable nature, and I find the totality to be unacceptable. I just want to say I am not against the resolution systematically.

There is one note on which I wish to end. It has to do with the approach taken to the Crowsnest Pass rate. To an easterner or a central Canadian this is a great challenge. The hon. member who introduced the motion referred to some words I have said on this subject. Indeed, in travelling in the west in recent days and listening to representatives of the Canadian Federation of Agriculture and other people, I had the feeling that there is a desire on the part of many people, while defending the Crowsnest rate as an entitlement, to move away from it, having realized that although it has good aspects it has very negative ones also, that it is a double-edged sword preventing, for example, further processing of goods in western Canada.

I have received that impression, talking to people. Coming back to this House after a "holiday" of seven years, and having been the minister responsible for the Wheat Board in 1969, one of the most difficult years in Canadian history—and when things started to go a bit better the Prime Minister (Mr. Trudeau) gave the job to my friend Otto—having come back to this subject now, I had the impression that there was progress because the Crow rate is a right but also a handicap, an impediment to what is considered by most Canadians to be the normal way of running a railway. This is why I thought one of the things I would like to accomplish as Minister of Transport is to begin that debate soon and, hopefully, to begin it in a mood of friendship, in a mood of search for the common good.

These are some of the remarks I wanted to make to the hon. member in answer to his contribution to this debate.

Hon. Don Mazankowski (Vegreville): Mr. Speaker, I welcome the opportunity to take part in the debate on this very interesting motion. I certainly accept the apology of the hon. member for Regina West (Mr. Benjamin). I know he is probably going out west. I am sure he will read with interest my remarks and we will probably have an opportunity to talk about the motion in more detail over coffee.

● (1620)

I also appreciated the remarks of the Minister of Transport (Mr. Pepin). I think he has clarified, at least in spirit, some of the apprehensions which have been floating around with respect to Prince Rupert. The basic thrust of the motion deals with the implementation of the Hall recommendations and, without patting myself or the previous Conservative government on the back, I think more progress was made in the nine months of our Progressive Conservative government than in any period in total or in part since the Hall report was tabled.

When we look at the specific proposals in the motion dealing with increased utilization of the Port of Churchill, increased utilization of Prince Rupert, the matter of the Crowsnest Pass freight rates, the recognition that the railways need more revenue to support an adequate grain carrying fleet and the necessary infrastructure to do that job and the fact that we need hopper cars and motive power, I think in total we as a government addressed those very important considerations.

I know, and I think I am interpreting the Minister of Transport quite accurately, that in spirit he will attempt to carry on with a number of the proposals and initiatives we have started, and Prince Rupert is clearly one of them. As I have indicated privately and publicly, as long as the Minister of Transport and this government continue to carry out some of the important initiatives which have been started, they will certainly have my support and the support of my colleagues on this side of the House because the matter of grain handling and transportation has been cast aside for far too long. It is a very important element in the exporting of a very major and significant agricultural product, and many steps have to be taken. Some are steps which merely require streamlining and a more effective utilization of our existing facilities. Other steps have to be taken which constitute a major quantum leap in increasing our grain moving and handling capacity to meet the challenges of the eighties and on to the year 2000.

Mr. Speaker, you have been around here for a few years. You have heard talk of Prince Rupert for many, many years, and it has always been recognized as an important component of the grain handling and delivery system. Quite frankly, we have taken the approach that in this country we have four major grain delivery ports, namely, Thunder Bay, Vancouver, Churchill, and Prince Rupert. We need them all. We must utilize them all. Churchill can be utilized to a greater extent, and Prince Rupert certainly can be utilized to a greater extent not only to provide additional capacity but also to provide an alternative outlet when we have the kinds of breakdowns and difficulties we have experienced in the past at the port of Vancouver.

Hon. members know that our government took very positive steps to ensure that the Port of Prince Rupert was going to be developed in a co-operative way. We felt that the federal government had a responsibility because this development was needed not only in the interests of the grain producer and the western Canadian economy, but it was also needed in terms of the over-all national interest of Canada.

It was in that spirit that we moved toward putting together a memorandum of understanding at a very early date after assuming office with the consortium, and subsequently called upon and received the co-operation of the provinces and other components of the grain trade to ensure that this facility would be developed. It was in that co-operative spirit that we proceeded. The Minister of Transport and I have had some discussions privately on this matter, and I am pleased that the project is going forward on the basis of the memorandum of understanding and subsequent discussions which took place and that the commencement of construction of this facility will begin, hopefully, this month. I am hoping that that is the target the minister has in mind. Presumably on his venture out to British Columbia along with other cabinet ministers, confirmation of that will be made. I hope that will be the case. We would certainly applaud him and congratulate him on that because it is something that is needed. Unfortunately, in my view the port should be coming onstream today rather than simply being started in so far as construction is concerned.

We undertook to take steps to utilize the Port of Churchill to a greater degree. We were successful in bringing in the MV *Arctic* to take on a cargo of barley three weeks after the closing of the Port of Churchill. That was a very major breakthrough, which could pave the way for the extension of the shipping season and provide a more all-season port in that northern area.

We also undertook to continue the work of upgrading the rail line. That is something that has to be continued. We undertook to experiment with the utilization of ballast cars, which are owned by the federal government and which lie idle in the winter and are not being used. We undertook to experiment with the utilization of 125 in anticipation that they might very well be effective in carrying grain to the Port of Churchill. So there are those things which have been done.

As a result of the task force findings, we also undertook to increase winter grain movement by rail out of the Port of Thunder Bay. We were able to move something in the order of one million tonnes of grain to east coast ports this winter, and I think that is good because it does prove that we can utilize the system we now have in place in a more effective fashion.

The hon. member talked about the Crow rate. I really have difficulty understanding quite clearly what the hon. member is saying, because on one hand he is saying, "Maintain the Crow rate; do not touch a thing".

Mr. Pepin: And then change it.

Mr. Mazankowski: The hon. member accused me, the present minister and the previous minister, of tampering with the Crow rate, and yet this very motion suggests tampering with the Crow rate. The hon. member says we should extend the Crow rate to processed products and pay the railways directly for the losses. We have been saying that the Crow rate in statute form enshrined in law must remain. We have also said, and the hon. member is now saying it in this motion, that the railways should be adequately compensated for the movement of grain.

Mr. Pepin: Right on.

Mr. Mazankowski: There is no disagreement on that. Where there is some debate and discussion—and there is no clear consensus, is on how the federal government will pay the difference. That is what is implicit in this motion—how it will be distributed. Will it be paid directly to the railways—that is what this motion suggests—or will it be distributed in some other form? There is not a clear-cut consensus on that point. The hon. member cannot have it both ways. He cannot suggest on one hand the maintenance of the status quo, and recommend change on the other.

The fact that our government, the previous Liberal government and, I suspect, this government, are looking at ways and means of improving is not to suggest that we are going to destroy that fundamental right of western Canadian producers. We have never talked about taking it out of statute form, but it is part and parcel of the NDP game of politics that they spread anxiety and fear amongst producers. I call that a sort of deceitful act on the part of the NDP, and it should not be tolerated by any political party. I think this is a very important issue. We all agree that the statutory freight rate is something very fundamental which should be enshrined in law and continued, but this motion is just one solution, and there have been other solutions proposed.

Surely it is incumbent upon anyone who is a responsible legislator to consider the views of producers at large and, hopefully, to arrive at a consensus which would be acceptable to all concerned. That does not deviate from or subtract from the responsibility of the federal government one iota. The thing is that if we are not going to look at the Crow rate, it means we are going to go on paying the branch line subsidies, buying hopper cars and rehabilitating railways, with the railways claiming losses.

● (1630)

What is suggested is that there might be a better way of handling the whole package, and at this point there does not appear to be a clear consensus regarding a satisfactory package. But the preservation and the enshrinement of the statutory freight rate is fundamental to the western Canadian grain producer. How it is distributed is part of the ongoing debate.

What must be considered is the impact of the freight rate as it applies to the further processing of agricultural products in western Canada. For example, if you look at the movement of rapeseed for export from Lloydminster, Alberta, and Saskatchewan to Vancouver, you find that the freight rate on raw rapeseed which goes to Vancouver and subsequently to the export market is 24.5 cents per hundredweight. If you move it in the form of oil in tankers, the freight rate is $1.03 per hundredweight. If you move it in the form of meal, which moves in the same hopper car as raw rapeseed, it costs $1.08 per hundredweight. So you see that in the application of those freight rates there is a disincentive to process that rapeseed in western Canada, an incentive to market it in its raw form to the market and thereby export jobs as well.

I see the hon. member shaking his head in the negative. If he can rationalize that, I would certainly like to hear it. I simply said that, essentially, the product moves in the same containers and, as a matter of fact, as a result of the CTC findings there is a compensatory rate which has been applied here and subsidies are currently being provided by the federal government as well as some assistance by provincial governments to reduce the differential. However, at present, there is a disincentive to the processing of the product in western Canada.

I believe we must look at agriculture in its total context, not only the production but indeed a further processing of agricultural products so as to broaden our industrial base and thereby to provide jobs to western Canadians. What I am saying is that there are no simple answers, as is suggested in this motion. I want to commend the hon. member for bringing forth the motion because this is a debate which should take place.

I hope the debate will take place in a rational and non-emotional fashion because the statutory rate or the Crowsnest Pass freight rate is an emotional subject. However, in the last three or four years, there has been a tendency on the part of producers, producer organizations and other groups, to look at the issue rationally. I think this is a good sign because we all recognize that there is a fundamental principle here. The production and marketing of grain are considered to be important to the nation as a whole—to bring advantages to all of us. I think it is generally agreed that a freight subsidy is required in order for the producers to remain competitive and so as to ensure that they have a fair chance of acquiring the necessary profitability, not only to produce grain for domestic consumption but to produce it for export consumption as well, thereby contributing, as the hon. member for Regina West indicated, toward our balance of payments.

Some of the other actions that were taken by our administration which synchronized with the thrust of this motion are, first, the fact that we tried to establish a spirit of co-operation and confidence within the grain handling and transportation system. It is fair to say that for quite a long time there was much fingerpointing. The farmers blamed the railways, the railways blamed the Wheat Board, and labour was blamed. We tried to bring the components of grain handling and the transportation system together. We brought in the provinces and, as a result, we were able to convince them that they too had a responsibility for this important industry. As a result, Saskatchewan, Alberta, Manitoba, and even the railways, purchased hopper cars. CNR purchased 1,000 hopper cars for grain. The Canadian Pacific placed orders for some 95 locomotives which will be delivered by 1981. The CNR undertook to acquire some 35 locomotives each year.

There is considerable track upgrading, some double tracking, some additional trackage and some new sidings. There has been a co-ordination of grain handling and transportation system as a result of the appointment of Dr. Horner as the grain transportation co-ordinator, and I think the concept of having a co-ordinator has been accepted and endorsed by all parties in the House. There may be different versions of his terms of reference, but I think appointing a co-ordinator has provided an opportunity to gain better co-ordination and to utilize the system better. It has assisted the Canadian Wheat Board in the task of grain handling and transportation. My discussions with the Canadian Wheat Board have indicated to me that, given the steps that have been taken over the last 12 months, they are now able to go out with a greater degree of confidence and market the grain.

The smooth and efficient functioning of the transportation system enhances the integrity of the Canadian Wheat Board. So far as customers are concerned, confidence is very important. Given the improvements that have been made and that, I am sure, will be continued by the minister, we will be successful in achieving the target of moving 23 million metric tons of grain to export position this year. Perhaps it will be 22.5 tons. We established a fairly ambitious target, but I believe one has to establish ambitious targets in order to achieve that goal. If it is only 22.5 million metric tons, I will certainly not blame the Minister of Transport for the fact that it is half a million tonnes less. The fact is that steps have been taken and I hope he will be able to continue ensuring that those initiatives are taken, because if we can market the grain and move it, I have every confidence that the producers will produce it.

We have established a target and I am sure that this minister and the Minister of State responsible for the Canadian Wheat Board (Senator Argue) have accepted the target of 30 million metric tons for export by 1985 as being realistic. Given the steps that have been taken and the fact that the minister at least implied that he will continue to follow through on these initiatives—I am sure there will be others which will be brought to his attention which, we hope, he can act upon to improve the system and expand its capacity—I am sure we will be able to meet those targets.

I can assure the minister and the House that if we can meet that target, it will not only be healthy for western Canada but healthy for our total economy. Remember that when a farmer grows a bushel of grain he provides jobs in Ontario and throughout the whole country because the farmers' hired hands are working in the factories of Ontario and in other parts of Canada. That is a very important element. When that grain is exported, it provides us with needed foreign exchange and it improves our position as a nation. As the old saying out west goes, when the farmer has money, everybody has money. I hope we can continue to work together to improve the system. I do not think we should take rash steps in the short term but we can evolve and make progress in the long term.

● (1640)

Hon. Bud Cullen (Sarnia): Mr. Speaker, probably it is appropriate that one former minister should follow another former minister. We both came to this House in the famous class of 68. After some three weeks of being elected or participating here in the House, we went to the United Nations and straightened out that august body. I think it took us about two weeks to make that operation work the way we wanted to see it working.

I, for one, have returned to the House of Commons, particularly to the private members' hour, after some four or five years. For some years as a minister I did not participate in private members' hour. It was one of the areas which I missed during that particular period.

One item mentioned this afternoon was the fact that the hon. member for Winnipeg North Centre (Mr. Knowles) is a very regular participant in private members' hour. Over some seven years it was my privilege to debate on a very regular basis with the hon. member for Winnipeg North Centre, either agreeing with him in some of the propositions he was putting forward, or in some other instances finding them so expensive that not even he really believed they should have been implemented.

Similarly Mr. Douglas, the then hon. member for Nanaimo-Cowichan-The Islands, participated in private members' hour. I remember when I was in this seat as parliamentary secretary to the minister of finance that the opposition had decided to gang up on a committee of the whole operation. At eight o'clock or 8.01 they had a quorum in the House of Commons and were prepared to vote on a particular motion in a bill. It was my responsibility to stand up as parliamentary secretary waiting for my minister to arrive to speak for some 20 minutes on that particular section of the bill. I well remember Mr. Douglas referring to me as "Horatio at the Bridge". So, there are many pleasant memories one has of private members' hour.

I think this motion is properly drafted. The Minister of Transport (Mr. Pepin) indicated that it probably could have been accepted by the government because of its wording indicating that the government should consider the advisability of a particular approach. I commend to any member who contemplates putting a motion in private members' hour that that is the wording which should be used. Quite often there is more possibility of the government accepting that kind of a motion—to study it, to look at it and to implement some of the items suggested—than by simply indicating that the government "shall" and putting that compulsion where it will be impossible for the government to accede to the request.

One of the better things which has happened to the hon. member for Vegreville (Mr. Mazankowski) is that he served as a minister of the Crown. Although he was a very dynamic member in opposition, I think he is probably better in that role now because he has had the experience of knowing what the demands are in a ministry, particularly in a very difficult portfolio. As one who sat on the outside for almost a year looking on, I would say that he was one of the ministers who had obviously done his homework. He was really dedicated and sincere in trying to make some changes, changes along the lines that he suggested here this afternoon, some of which were implemented by the former Liberal government and some by the Conservative government.

This is a splendid report which Mr. Justice Hall brought forward. We know that it was released in April of 1977. It strongly favoured the extended use of the Port of Churchill. I am pleased that motions such as this and reports such as the one brought forward by Mr. Justice Hall tend to emphasize that particular approach. Although it will not be used to the extent other areas are used for the export of grain because it may be small in the whole, I do not think it is something that should be ignored. Having lived in that particular area for some two years while working with Canadian Nickel, and later in the Northwest Territories, I know the importance given to that particular port. Something along this line to improve it is something which I think must be looked at very carefully by any government.

The report indicated that the potential of Churchill was to depend upon the continued use of government hopper cars on the Canadian National Railways route, improved marine navigation technology, extended shipping insurance season, continued high performance of the terminal elevator, and the orderly assembly of grain by the Canadian Wheat Board. The commission claimed that Churchill has the potential to handle 55 million to 60 million bushels of grain provided that improvements to rail—those are the magic words, "provided that". Certain things must be done.

Quite often we are looking for instant solutions where there are no instant solutions. Because of the difficulty involved, quite often there is a tendency to abandon the idea that such a conclusion can be reached, given the right spirit, forgetting about some of the political debate which goes on in the House, and recognizing that some of the goals are appropriate. Rather than saying that they should be done tomorrow or the next day, we should recognize that there is a term which must be used or applied when these things can be studied, so that they can be properly implemented and we will not be wasting a lot of money trying to do something in too much of a hurry to appease maybe the demands of people in the area, opposition members or, for that matter, members of the government who want to see particular actions taken.

I think it has been said by all three previous speakers that many of the recommendations contained in the Hall report in fact have been implemented. A great deal has been done by the federal government in support of the Port of Churchill. The National Harbours Board spent almost $16 million on port and port facility improvements between 1968 and 1979. My information is that they plan to spend a further $8 million by 1982. The CN rail line to Churchill is included in the prairie branch line rehabilitation program of the federal government. I am informed that expenditures between 1977 and 1979 approached $13 million, with planned expenditures of $4.9 million this year. This reconstruction work will increase the load-bearing and traffic volume capacity on the line.

I am advised that the Canadian Wheat Board will make the maximum feasible use of the port for grain exports, including co-operating fully with Federal Commerce and Navigation Ltd. for the employment of the MV *Arctic* in grain service before and after the official Lloyds shipping season. The insurance underwriters obviously are under constant pressure from all interested parties to extend the shipping season, but we realize they cannot be ordered to do so.

The National Harbours Board has sustained an accumulated deficit of some $4.7 million between 1972 and 1978 in the operation of the port. Rather than looking upon that in a negative way, I think it is a good investment for something that is very definitely required, not only for the port but also for the export of grain.

I have other items I would like to comment upon regarding this particular motion. I know other members want to speak to this particular debate, so I will close by simply indicating that I think it is appropriate the hon. member for Regina West (Mr. Benjamin) brought forward this particular motion and that he has framed it in the way he has because I think the government must look at all the things suggested in the Hall commission report that are highlighted in a motion such as this.

Some hon. Members: Hear, hear!

Mr. Bert Hargrave (Medicine Hat): Mr. Speaker, I should like very much to make a short intervention in this private members' debate. It has been quite a number of years since the hon. member for Regina West (Mr. Benjamin) and myself came to this institution. I would say that the hon. member for Regina West is highly qualified to make remarks on this subject as he expressed them in his motion. I would say his qualifications go back to the days he spent in the CPR many, many years ago at a little town called Richmound, Saskatchewan, even to my own home town of Walsh, Alberta, and to Medicine Hat where we first had the privilege of meeting each other. It goes back quite a long way. But I would say that there is another approach to this very, very complex problem which I want to put before the House this late afternoon. Of course these are personal remarks which refer to the very specific portion of his motion that deals with the guaranteeing of the Crow rate for the farmer and the extension of it to the processed equivalent of raw materials.

● (1650)

I make no apologies when I say that some of these remarks are a repetition of what I said in the Speech from the Throne debate on April 18. At that time I described them as remarks that were too important for partisan politics. The Crow rate issue is a matter for which it is high time that it come out into the open and be given more discussions.

We are all very familiar with another enormously important debate which is going on in Canada now, and that is the referendum debate in Quebec. I would quickly add that the Crow debate presently under way in western Canada is, in its own significant way, every bit as important to western Canada, and I would even say for all of Canada, as is the referendum debate in the province of Quebec. Over the past two years there have been a number of excellent public debates on this issue, all of which have taken place in western Canada at special annual farm meetings or special symposiums called to discuss the subject.

The subject of the Crow rate is now freely discussed with not nearly as much emotion as it was for many, many years. Only in western Canada are these discussions taking place. There has never been a proper debate in this House of Commons or in Parliament on this issue. The closest we have ever come to such a debate was on the PC opposition day of May 26, 1977, when essentially the same subject, the Hall report, was discussed on that day.

Over the years we have all avoided a direct debate on the issue, by a variety of points of view expressed on the deliberately vague phrase, "Crow benefits". Various contributing issues dealing with such matters as hopper cars, producer cars, switching, offboard quotas and our domestic feed grain policy have—

The Acting Speaker (Mr. Dionne, Northumberland-Miramichi): Order, please. I regret to interrupt the hon. member, but it being five o'clock p.m., the hour provided for consideration of private members' business has now expired.

This House stands adjourned until Monday at 4.30 p.m. pursuant to an order made on Tuesday, April 29, 1980.

At 4.52 p.m. the House adjourned, without question put, pursuant to Standing Order.

HOUSE OF COMMONS

Monday, May 5, 1980

The House met at 4.30 p.m.

● (1635)

ROUTINE PROCEEDINGS

[*English*]

NATIONAL DEFENCE

REFERENCE TO STANDING COMMITTEE OF TASK FORCE REPORT ON UNIFICATION—MOTION UNDER S.O. 43

Hon. Allan B. McKinnon (Victoria): Madam Speaker, I rise on a matter of urgent and pressing necessity under the provisions of Standing Order 43.

In the report of the Fyffe Task Force on Unification tabled by the Minister of National Defence (Mr. Lamontagne) on Friday, there were clearly identified nine major problem areas in the Department of National Defence and the armed forces. Furthermore, the task force made 30 concrete recommendations for the minister to implement in order to rectify these problems.

Bearing in mind the sanctimonious statement of the Minister of Employment and Immigration (Mr. Axworthy) last Friday when he claimed that the other parties did "not have the same respect for the role of the members of Parliament as we on this side", I move, seconded by the hon. member for Winnipeg-Assiniboine (Mr. McKenzie):

That the Minister of National Defence make an order of reference to the Standing Committee on External Affairs and National Defence to examine the task force report on unification and to allow the minister, his senior officials and other interested parties to appear before that committee to explain how best to implement the 30 recommendations contained in the report, so that the serious problems in the armed forces can be rectified.

Some hon. Members: Hear, hear!

Madam Speaker: Such a motion requires the unanimous consent of the House. It there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

FORESTRY

RECOGNITION OF NATIONAL FOREST WEEK—MOTION UNDER S.O. 43

Mr. F. Oberle (Prince George-Peace River): Madam Speaker, I rise, under the provisions of Standing Order 43, on a matter of urgent and pressing necessity.

In recognition of the fact that over one million Canadian workers are either directly or indirectly employed by forest-related industries, that forest products' shipments exceed $21 billion annually, $12 billion of which is earned through the exports of finished and refined products, and that our forests provide a basis for a multi-billion dollar outdoor industry, I move, seconded by the hon. member for Carleton-Charlotte (Mr. McCain):

That this House recognize the importance of our forests to our country's social and economic well-being, that it pay tribute to the workers and professionals who manage our forest heritage in the week of May 4 to May 10 which—sponsored by the Canadian Forestry Association—has been designated as National Forest Week, and that the government in the course of this week address particular attention to the difficulties which are presently experienced by our forest industries.

Madam Speaker: Such a motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

HOUSING

CALL FOR IMMEDIATE STEPS TO ALLEVIATE URBAN RENTAL CRISIS—MOTION UNDER S.O. 43

Miss Pat Carney (Vancouver Centre): Madam Speaker, I rise on a matter of urgent and pressing necessity under the provisions of Standing Order 43.

In view of the fact that Canada is suffering from an acute shortage of rental accommodation which seriously affects many families and single parents in urban centres, and since the minister responsible for the Canada Mortgage and Housing Corporation has stated that this problem of rental housing ranks second in priority with his ministry, I move, seconded by the hon. member for Vancouver East (Mrs. Mitchell):

That the House instruct the minister to consider the shortage of rental accommodation as top priority and undertake immediate steps to alleviate the urban rental housing crisis.

Some hon. Members: Hear, hear!

S.O. 43

Madam Speaker: Such a motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

SOLAR ENERGY

INCENTIVES TO PROMOTE DEVELOPMENT OF HOT WATER SYSTEMS—MOTION UNDER S.O. 43

Mr. Ian Waddell (Vancouver-Kingsway): Madam Speaker, I, too, rise under the provisions of Standing Order 43. Whereas the supplies of non-renewable fossil fuels, primarily oil and natural gas, are being depleted, but that there are still many forms of renewable energy provided by the sun, pollution-free and inexhaustible, and whereas the national chairman of the Solar Energy Society of Canada said in celebrating "Sun" day on Saturday, May 3, "The government makes all kinds of noises about conservation but doesn't do anything about it", I move, seconded by the hon. member for Skeena (Mr. Fulton):

● (1640)

That this government should produce less talk on conservation and more action, and that as a first step allow federal tax rebates and incentives for solar hot water systems like the successful California programs of this type in the United States.

Madam Speaker: Such a motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

VETERANS AFFAIRS

LOCATION OF DVA OFFICES AT CHARLOTTETOWN, P.E.I.—MOTION UNDER S.O. 43

Mr. Tom McMillan (Hillsborough): Madam Speaker, I rise, under the provisions of Standing Order 43, on a matter of urgent and pressing necessity.

In view of the fact the Government of Canada has announced that it intends to move the site for the relocated Department of Veterans Affairs from the Charlottetown waterfront to uptown, the centre of that city, and in view of the fact that the change in site will involve a very substantial breach by the federal government of a binding agreement between the federal government, the government of P.E.I. and the government of Charlottetown, through the Charlottetown Area Development Corporation, and in view of the fact that the uptown site is vigorously opposed both by the government of P.E.I. and the city council, I move, seconded by the hon. member for Malpeque (Mr. Gass):

That this House condemn the federal government for changing the site for the Department of Veterans Affairs in Charlottetown without consulting either the province of P.E.I. or the city of Charlottetown; and

That the House petition the government to proceed immediately with the relocation of the Department of Veterans Affairs on the basis of the waterfront site, the one the province of P.E.I. and the city favour.

Madam Speaker: Such a motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

AIR TRANSPORT

MINISTERIAL USE OF GOVERNMENT JETSTARS—MOTION UNDER S.O. 43

Mr. Les Benjamin (Regina West): Madam Speaker, under the provisions of Standing Order 43, I rise on a matter that is urgent, pressing and disgraceful.

In view of the fact that Liberal cabinet ministers have chalked up an amazing 82 flights in government JetStars during just eight weeks in office, I move, seconded by the hon. member for Regina East (Mr. de Jong):

That this House condemns the continuation of the "old Lang sign", "fly-me-at-public-expense" policy, and that the difference between economy air fares on commercial airlines and the cost of LearStar jet flights be recovered from the travel allowance of cabinet ministers and government departmental officials concerned.

Madam Speaker: Such a motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

METRICATION

USE OF METRIC SYSTEM IN AGRICULTURAL INDUSTRY—MOTION UNDER S.O. 43

Mr. Doug Neil (Moose Jaw): Madam Speaker, I rise, under the provisions of Standing Order 43, on a matter of urgent and pressing necessity.

In view of the concern of farmers in western Canada regarding metrication, particularly the use of the units tonnes and hectares in the grain trade and in agriculture generally, I move, seconded by the hon. member for Swift Current-Maple Creek (Mr. Hamilton):

That the minister in charge of the Canadian Wheat Board and the Minister of Agriculture adopt the policies of their predecessors, namely, that both the imperial and metric systems be used in the grain trade and other agricultural fields where the previous Liberal administration had insisted on "metric only".

Madam Speaker: This motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

FINANCE

REQUEST TAX INCENTIVES BE REINTRODUCED TO STIMULATE EMPLOYMENT—MOTION UNDER S.O. 43

Mr. Jim Hawkes (Calgary West): Madam Speaker, I rise under the provisions of Standing Order 43. In view of the information given to this House by the Deputy Prime Minister and Minister of Finance (Mr. MacEachen) on April 21, that more than one million Canadians will be unemployed this year, and in view of the fact that on that evening he introduced taxation legislation which will raise prices but failed to introduce any legislation designed to increase employment opportunities for Canadians, I move, seconded by the hon. member for Annapolis Valley-Hants (Mr. Nowlan):

That this House direct the Minister of Finance to reintroduce the employment-generating taxation measures that were contained in the December 11, 1979, budget.

Madam Speaker: Such a motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

● (1645)

FISHERIES

STEPS TO REDUCE POLLUTION OF THOMPSON DRAINAGE BASIN—MOTION UNDER S.O. 43

Mr. Nelson A. Riis (Kamloops-Shuswap): Madam Speaker, I rise, under the provisions of Standing Order 43, on a matter of urgent and pressing necessity.

In view of the fact that the salmon fishery on Canada's west coast is one of our most valuable national resources, and since the Fraser and Thompson Rivers form the last of the major, unobstructed salmon migration and spawning systems in North America, I move, seconded by the hon. member for Vancouver-Kingsway (Mr. Waddell):

That this House direct the Minister of Fisheries and Oceans and the Minister of the Environment to use their considerable powers to provide assistance to communities in the Thompson drainage basin interested in establishing land disposal sewage treatment systems which would eliminate the present threat to this most valuable fishery.

Madam Speaker: Such a motion can be presented only with unanimous consent. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

ORAL QUESTION PERIOD

[*English*]

EXTERNAL AFFAIRS

REPORTED EVENTS AT IRANIAN EMBASSY, LONDON, ENGLAND

Right Hon. Joe Clark (Leader of the Opposition): Madam Speaker, my question is to the Secretary of State for External Affairs. In light of the conflicting news reports on the situation at the Iranian embassy in London, I wonder if the Secretary of State for External Affairs can provide any information to the House of Commons with regard to those tragic events.

Hon. Mark MacGuigan (Secretary of State for External Affairs): Madam Speaker, the information I have is also somewhat conflicting: I have three or four different reports and none of them quite squares with the others.

As far as I have been able to put it together, there were several explosions which took place in the embassy, and it was subsequently stormed by British troops. I believe that the loss of life occurred during the explosions, and not during the storming, but I am not entirely certain of all the details at this point.

* * *

INDUSTRY

VIABILITY OF CHRYSLER CANADA—SPECULATION ON SUPPORT PROGRAM

Hon. Michael Wilson (Etobicoke Centre): Madam Speaker, my question is directed to the Minister of Industry, Trade and Commerce.

In view of the tragic loss of the V-6 engine plant from the Chrysler Canada development plans, in view of the widespread problems in the automobile industry in this country, and also in view of the concerns that I expressed last Friday on alternative investment proposals, is the minister having second thoughts about the viability of Chrysler Canada?

Is he still prepared to proceed with the massive support program that has been speculated about in the press recently, and would he be prepared to make a full report to the House of Commons about his views on the viability of Chrysler Canada?

Hon. Herb Gray (Minister of Industry, Trade and Commerce): Madam Speaker, we still consider it worth while to try to reach an agreement with Chrysler Corporation on assistance for Chrysler Canada to assist it to retool and re-equip, provided we get the kinds of guarantees we think are in the Canadian interest with respect to such matters as jobs and production.

Mr. Wilson: A supplementary question, Madam Speaker. I must say I was expecting a little bit more from the minister in his answer as to whether or not he is going to provide a report to the House on the long-term viability of Chrysler Canada.

Over the weekend there was a report saying on the current status of the negotiations, and this is a quote from one of the minister's aides, "it is just a matter of time before one side or other gives in".

Does the minister feel it is realistic for Chrysler to give in, when the United automobile workers in the United States have indicated that a pledge to the Government of Canada to guarantee jobs is totally unacceptable to U.S. workers?

Mr. Gray: Madam Speaker, I would ask the hon. member to rely on quotes from myself, not from anonymous aides. I certainly will be prepared to make reports to the House from time to time via the question period.

I do think it is quite realistic to expect that, in return for assistance provided by the Canadian government to Chrysler Canada, we do have a fair deal for the country with, as I have said before, provisions in it regarding our concerns with respect to Canadian jobs.

Mr. Wilson: Madam Speaker, I am somewhat amused at the minister's response. I have been waiting for about two weeks now to get anything like a report from the minister to this House on the status of these negotiations. They are very important ones, and the answers to date have been practically non-existent.

Is the negotiating position of the minister, with regard to these job guarantees, related in any way to his disappointment in not achieving the objectives that he set out to get in the Chrysler negotiations, things such as the engine plant, world product mandate, support for research and development, support for parts workers—anything along these lines?

Mr. Gray: Madam Speaker, I would question the premise of the hon. member's question. I do not think he should assume that I have failed to achieve any of my objectives until one sees the final conclusion.

An hon. Member: What are your objectives?

Mr. Gray: We are still working, as I have said, for a fair deal for Canada with arrangements with regard to key matters, such as jobs and production. So I do not think the hon. member's premise is correct; and we are continuing our efforts.

ECONOMIC DEVELOPMENT PROGRAMS TO IMPROVE EMPLOYMENT IN AUTOMOBILE INDUSTRY

Mr. Otto Jelinek (Halton): Madam Speaker, my question is for the same minister. In view of the massive lay-offs within the automotive industry as a whole, not only in Windsor—if I could remind the minister because he seems to forget from time to time—but in other parts of Canada as well, including Oakville, Brampton, St. Catharines, St. Thomas, and the list goes on, could the minister tell this House what economic development programs, other than the bungled-up financial aid to Chrysler which is taking so long, he and his government are considering in order to ease the over-all impact of these lay-offs in Ontario and across the country? And when, exactly, will this government begin to take specific and concrete action in order to remedy these problems?

Hon. Herb Gray (Minister of Industry, Trade and Commerce): Madam Speaker, we have already begun to take specific and concrete action. We have had a series of talks with the presidents of the major motor vehicle manufacturers. We have met with the special trade representative of the United States to get his agreement on behalf of the United States to high-level consultations on the operations of the auto pact, and we expect the first meeting to take place before the summer. These are two examples of very concrete action.

An hon. Member: Which summer?

Mr. Gray: This summer; this year. You may want to forget this year after what happened to you on February 18.

Some hon. Members: Hear, hear!

Mr. Gray: I am working actively for the interests of auto workers throughout the country and the communities in which they live. I am continuing those efforts. In one particular regard, I hope that we will soon be able to announce decisions on special loan guarantees or financing facilities for auto parts companies requiring assistance to take advantage of opportunities to build parts for the new generation of automotive technology.

Mr. Lawrence: You said that a month ago.

Mr. Gray: This is a very important priority, and for myself and the government the interests of auto workers and the communities in which they live, in every part of Ontario and across this country, are very important to us.

Mr. Jelinek: Madam Speaker, notwithstanding the minister's answer, there has been no action; it has been just hot air. The fact remains that an estimated 22,000 Canadians within the automotive industry are either now out of a job or will be in the near future, and because unemployment insurance benefits alone will amount to a further $3¼ million a week, or $200 million a year, as a result—not to mention other negative side-effects— would the minister consider temporarily removing the 9 per cent federal excise tax on North American-built automobiles in Canada, in order to stimulate this ailing industry and reduce the number of lay-offs expected to take place?

• (1655)

Mr. Gray: Madam Speaker, this is a question very much within the responsibility of my colleague, the Minister of Finance. I think that the question should be directed toward his seat.

REGIONAL ECONOMIC EXPANSION

GOVERNMENT FINANCIAL SUPPORT FOR DREE PROGRAMS

Mr. Edward Broadbent (Oshawa): Madam Speaker, I have a question for the Minister of Finance who, as we all know, is the Deputy Prime Minister. On Friday, his colleague the Minister of Regional Economic Expansion called regional disparities in Canada "a national disgrace". He went on to state that the financial resources of his department are stretched to the limit, and said there was "barely enough to honour the commitments made even by the previous Liberal government".

Given this extraordinary statement by his colleague, I wish to ask the minister why the Minister of Regional Economic Expansion is forced to make public the lack of government financial support for DREE, and why his government is now providing inadequate funds to fight for regional development in this country.

Hon. Allan J. MacEachen (Deputy Prime Minister and Minister of Finance): Madam Speaker, the Minister of Regional Economic Expansion is obviously taking his work very seriously, and is obviously carrying his pleas beyond the rooms of the cabinet. To that I have no objection.

I would point out that there is a very substantial amount of funds already available within that department. I happen to be a representative of a client in that area of the Department of Regional Economic Expansion. There is no one more sympathetic to his requirements than I am. At the same time, the hon. member must realize that we are operating under a policy of fiscal restraint at the present time, and it is not possible to escalate projected expenditures in the way that each of us might like individually but which in total would have a very damaging effect on the size of the deficit, inflation and the Canadian economy as a whole.

Mr. Broadbent: Madam Speaker, contrary to what the Minister of Finance says, the minister responsible says that there are inadequate funds, and points out that whereas in 1970 some 2 per cent of the federal budget was allocated to DREE, with the present government that has dropped by some 50 per cent in amounts as a percentage of the total federal budget.

Given this reality, and given the promise in the Speech from the Throne that the government plans, "a program of action would be designed to promote national development and policy that provides jobs, stimulates growth and builds regional strengths", how can the government do as it promised without the money being there to do that job?

Mr. MacEachen: Madam Speaker, the job can be done by increased expenditures if, at the same time, the government either increases revenues or, alternatively, cuts out existing programs or, additionally, increases the deficit. There is no magic way to the destination the hon. member has described for the House.

It is from among these options that the government must choose in order to reach, not only the objectives of the Minister of Regional Economic Expansion but other ministers of the government who are putting forward increased spending programs which cannot be met at the present time unless we increase projected expenditures much beyond the present projection, which was thoroughly criticized as being extravagant by members opposite.

Mr. Broadbent: Madam Speaker, the Deputy Prime Minister cannot have it both ways: he cannot claim there is not enough money to do the job, and simultaneously build up false hopes in Atlantic Canada that the job is being done. That is what the government is trying to do.

Since the Premier of Nova Scotia and the president of the Sydney Steel Corporation have just recently expressed grave concern that unless the $50 million promised by this government—and the minister has already told us he is from the region—to Sysco is soon forthcoming, 400 more jobs are going to be lost, is the minister at least going to live up to his party's commitment made in the recent campaign to provide that money for people who want jobs, not hand-outs?

Mr. Crosbie: "The Sysco Kid."

Mr. MacEachen: Madam Speaker, if I were inclined to be political—

Some hon. Members: Oh, oh!

Mr. MacEachen: —I might refer to what appeared to be inactivity on the part of Premier Buchanan, during those months of federal Tory regime, in seeking out the $50 million which had been decided upon by the preceding Liberal government.

• (1700)

Let me tell the hon. member that I have had meetings with Premier Buchanan—or, at least, one meeting and some conversations by telephone—and that I have invited him, on behalf of the government and the Minister of Regional Economic Expansion, to submit concrete plans to the government. These will be considered in the light of the commitment which was made by the government and repeated by the Prime Minister during the last election campaign.

We shall seek to live up to that commitment within a program which will produce some results at the Sydney Steel plant. But it will not be the intention of the government to provide funds which will not in the long term bring about some solution to the important problems at that plant.

Some hon. Members: Hear, hear!

Oral Questions

TRADE

INQUIRY WHETHER CONFERENCE OF PACIFIC RIM COUNTRIES WILL BE CONVENED

Miss Pat Carney (Vancouver Centre): Madam Speaker, my question is addressed to the Deputy Prime Minister and it concerns the conference on the Pacific rim initiated by the former administration and postponed because of the election. Since the Minister of State for Trade has indicated an interest in holding this conference, and in light of the visit today by Prime Minister Ohira of Japan, himself the author of a report on the Pacific rim, would the Deputy Prime Minister inform us whether a new date for the conference has been set?

Hon. Allan J. MacEachen (Deputy Prime Minister and Minister of Finance): Madam Speaker, I regret I cannot give that information to the hon. member today but I will certainly get it and forward it to her.

Miss Carney: I should like to direct my supplementary to the Secretary of State for External Affairs. Since our senior diplomats and trade commissioners serving in the Pacific rim have advised us that the conference should be broad in scope and not restricted solely to trade, will the minister advise the House whether other aspects of Canada's total relationship, including political relations, defence, aid and immigration, will be included in the agenda of the conference?

Hon. Mark MacGuigan (Secretary of State for External Affairs): Madam Speaker, the question assumes that a conference and its agenda will be announced. We are not in a position to confirm this at the present time. I can say, though, that we have been holding the widest discussions with Japanese authorities today on all matters dealing with the Pacific community.

* * *

FINANCE

INQUIRY RESPECTING RELIEF FROM CAPITAL GAINS TAX—READJUSTMENT OF VALUATION DAY

Mr. Blaine A. Thacker (Lethbridge-Foothills): Madam Speaker, my question is addressed to the Minister of Finance and, if you will permit, I should like to follow it with a brief question to the Minister of Agriculture. In view of the widely recognized fact that the capital gains tax is daily destroying family farms and small businesses, particularly on their transfer from parents to children, and in view of the fact that the Crosbie budget of December 13, 1979, provided capital gains tax relief from that date and a parliamentary committee to review the whole question, why did the minister completely ignore in his budget of April 21 both relief from capital gains tax and measures to set up a parliamentary committee to review the whole question?

Hon. Allan J. MacEachen (Deputy Prime Minister and Minister of Finance): I have not ignored the subject matter, Madam Speaker. In fact, I explained in my statement that these proposals made by the former minister of finance were not being proceeded with at the present time, but that in the meantime we would produce a discussion paper which would go into the whole question of capital gains and the role it plays. It occurred to me it would be better to have discussion prior to new measures, instead of introducing new measures and then having the discussion.

Mr. Thacker: My supplementary is to the Minister of Agriculture. The farmers of western Canada look to him for leadership.

Some hon. Members: Hear, hear!

Mr. Thacker: The Minister of Agriculture holds a position in which we look to him for leadership. He said during the campaign that valuation day should be, not December 31, 1971, but December 31, 1974. My question is this: Why did the hon. gentleman permit the Minister of Finance to bring in a budget without including that provision?

Hon. E. F. Whelan (Minister of Agriculture): First of all, Madam Speaker, we are the only nation in the world which permits a farm to be passed on to a son or daughter, who are operating that farm, without payment of any tax whatsoever. That law was passed by a Liberal government. The United States does not allow it, nor does Great Britain. No other country in the world allows that. A Liberal government passed that legislation.

Some hon. Members: Hear, hear!

Mr. Whelan: I have the utmost confidence in the Minister of Finance; that is why I allowed him to do what he did.

Some hon. Members: Oh, oh!

Hon. Marcel Lambert (Edmonton West): Madam Speaker, a supplementary question to the Minister of Agriculture. Will the minister not admit that he himself voted to impose capital gains tax on all farmland in the original instance?

Some hon. Members: Oh, oh!

Mr. Whelan: Madam Speaker, it was a vote we on this side of the House supported. We have been pressured since that time by many farm groups, recognizing that if a farmer is going to sell to someone else other than a son or daughter they might need some special concessions. We said we would consider that, and we are doing so.

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GRAIN

FINANCIAL ASSISTANCE TO OFFSET LOSSES OF PRODUCERS

Mr. Stan J. Hovdebo (Prince Albert): Madam Speaker, my question is directed to the Deputy Prime Minister and Minister of Finance. In view of the continued decline of Canadian export wheat prices to 92 cents per bushel lower than on

December 28 because of the decision of the Carter administration to embargo grain shipments to the Soviet Union, can the Deputy Prime Minister announce to the House today any immediate steps to assist Western farmers, thus honouring the commitment made by the Prime Minister during and since the election campaign that producers will not be the only persons to subsidize economically the United States government's embargo policy?

Hon. Allan J. MacEachen (Deputy Prime Minister and Minister of Finance): Madam Speaker, I am not in a position to announce any immediate steps today but I shall take the hon. member's representation under consideration. I wish to assure him that whatever commitment was made in this respect by the Prime Minister will be lived up to, as will all the commitments we made during the election campaign.

Mr. Hovdebo: The North American market under the embargo differs considerably from the world market. The Argentine price is $1.36 higher per bushel than ours. Would the government, as a gesture of faith, assure the farmers that the initial price of grain will be established near the embargo price of $4.25 at which it is presently set?

Mr. MacEachen: I will bring the hon. member's representation to the attention of the minister concerned.

* * *

[*Translation*]

AGRICULTURE

GOVERNMENT ASSISTANCE TO HOG PRODUCERS

Mr. Marcel Dionne (Chicoutimi): Madam Speaker, my question is directed to the Minister of Agriculture.

Hog producers recently proved that, because of low prices, they are having a hard time solving their financial difficulties.

Can the Minister tell the House whether or not an offer has been made to them? How much will Quebec producers get and what percentage of them will be affected by that measure?

[*English*]

Hon. E. F. Whelan (Minister of Agriculture): Madam Speaker, announcement was made this morning, concerning stabilization payments. We had to make that announcement according to law because it is a named commodity under the stabilization legislation. Approximately $4.07 a hog will be paid to the hog producers. Over 90 per cent of all hog producers will be covered in all areas. A maximum for individual producers will be paid on 5,000 head of hogs, which will amount to some $20,000 for each producer. Up to three family units will be eligible to be paid.

● (1710)

However, no payment will be made to anyone who cannot prove he is a hog producer. If someone is managing a hog operation from some plush office in Calgary, Winnipeg, Montreal or Toronto, he cannot expect that payment from this minister.

* * *

NATIONAL DEFENCE

REFERENCE TO STANDING COMMITTEE OF TASK FORCE REPORT ON UNIFICATION

Hon. Allan B. McKinnon (Victoria): Madam Speaker, my question is for the Minister of National Defence. The report of the task force on the merits and disadvantages of unification identifies nine major problem areas in the present structure and organization of the Department of National Defence and the armed forces. Will the minister refer the report to the Standing Committee on External Affairs and National Defence so that the minister and his senior advisers and others can appear before it to study its 30 recommendations; or, if the minister does not intend to accept the recommendations, can he explain to the people of Canada how he intends to correct the serious problems identified by the report?

Hon. J. Gilles Lamontagne (Minister of National Defence): Madam Speaker, I listened very carefully to the former defence minister, and I regret his gloomy and negative attitude toward the armed forces when he said in his motion that there were serious problems in the armed forces. The task force report itself says that the morale of the forces is reasonably good, and I think he should realize that it has been improved since.

[*Translation*]

Madam Speaker, had the former minister of national defence read the press release carefully, he would know that, as I said in the release, I did not intend to comment on the thirty recommendations of the task force simply because I want to establish a group to review all these recommendations so that we will know exactly what the cost of implementation and the effects on the organization of the forces would be, and also to study the recommendations so that a decision, either positive or negative, can be made. Madam Speaker, I think that the quarter of a million dollars that this task force cost could have been used more appropriately than to fund a group to tell us things we already know.

[*English*]

Mr. McKinnon: Madam Speaker, I was merely quoting the language used in the task force report itself, and I did read the minister's press release in which he said he would "appoint a review group to examine in detail the factors which may have given rise to, and the considerations which would be germane to, the disposition of the recommendations." I recognize the language well.

Could the minister indicate if he personally has read the report? Second, in his press release accompanying the task force report the minister indicated that he plans to have a review group. Is it true that Major-General St. Aubin was offered the job of heading such a review group but resigned

rather than carry out the dirty work required of him, which was to suffocate this report?

[*Translation*]

Mr. Lamontagne: Madam Speaker, the former minister's allegation is totally false. Major-General St. Aubin resigned his post simply because he had the opportunity to pursue another career path outside the forces.

* * *

[*English*]

NATIONAL REVENUE

EFFECT OF NEW CUSTOMS REGULATIONS ON SMALL BUSINESSES

Mr. Benno Friesen (Surrey-White Rock-North Delta): Madam Speaker, my question is directed to the Minister of National Revenue. I might mention in passing that from what the Minister of Finance said today, it sounds like DREE again stands for "department for re-election expenses."

On the one hand, this so-called new Liberal government talks about helping small businessmen and, on the other hand, harasses them with new customs regulations like B-32 actions. Is the minister aware of what is going on in his department and the effect that this has on companies which can be forced to close their doors within 30 days because of the implications of that regulation?

Hon. William Rompkey (Minister of National Revenue): Madam Speaker, I want to thank the hon. member for giving me notice of his question.

It is true that we have up to a two-year period to re-examine duty and tariff classifications. This is because we need the time to do research in the host country to make sure we are being fair. We do give the importer notice of this reclassification and, if he feels aggrieved, there is an appeal procedure.

It is not the intention of this government to harm small business but, rather, to encourage it, as my hon. colleague is doing. I will take the hon. member's question as a representation and make sure that we apply the law fairly.

Mr. Friesen: Madam Speaker, is the minister aware that it is possible to get three different classification judgments on one item by three different officers? If that happens within his department, how is it possible after two years to pass on those extra expenses from those extra tariff charges which now have to be affixed to the cost of the product? How can that be passed on by the company in order to recoup its expenses and still make a profit so that it can pay that tariff?

Mr. Rompkey: Madam Speaker, I understand the difficulty which the hon. member presents but, as I say, we need that time to make sure that the duty and tariff classification is fair. There are a number of people who have the authority to reclassify, including the deputy minister and the dominion customs appraiser.

I just want to say to the hon. member again that I certainly will take his representation very seriously and make sure we are applying the law fairly and in the best interests of small business.

* * *

SEARCH AND RESCUE

INQUIRY WHY CAPABILITY ON WEST COAST NOT UPGRADED

Mr. Ray Skelly (Comox-Powell River): Madam Speaker, my question is for the Minister of National Defence. A freighter, the *Lee Wang Zin,* sank off the coast of British Columbia more than four months ago. At the same time 52 people in a two-week period died in the waters of British Columbia.

Would the minister explain why his department refuses to upgrade the search and rescue capability on the west coast of B.C. to a minimum acceptable standard and why he has cut back the improvements promised under the search and rescue helicopter program?

[*Translation*]

Hon. J. Gilles Lamontagne (Minister of National Defence): Madam Speaker, I think on the contrary that our search and rescue program has been improved in recent years and we are continuing to improve it all the time. I admit that it might still not be as perfect as the hon. member would like to have it, but I can assure him we are doing everything we can to provide adequate service to the people in British Columbia and on the east coast.

[*English*]

Mr. Skelly: Madam Speaker, the minister has in his possession two reports, one from the Ministry of National Defence and one from the Ministry of Transport, which analyse this particular accident and make recommendations. I wonder if the minister could explain why he is not prepared to submit to the House and to the public the outcome of those two reports?

[*Translation*]

Mr. Lamontagne: Madam Speaker, of course I am not aware of all the details in those two reports. I have them and I can assure the House that all the recommendations in those reports will be implemented as soon as possible in order to provide the Pacific coast with the service the hon. member would like to have.

* * *

REGIONAL ECONOMIC EXPANSION

REQUEST TO ACCELERATE TOURIST DEVELOPMENT IN LOWER ST. LAWRENCE AND GASPÉ

Mr. Alexandre Cyr (Gaspé): Madam Speaker, my question is for the Minister of Regional Economic Expansion.

In April, 1978, the Government of Canada signed an agreement with the government of the province of Quebec providing $76 million for tourist development, including $11.6 million for the lower St. Lawrence and Gaspé areas. People in the Gaspé are now worried about the delay in the development of the Gaspé park. Could the minister contact his counterpart in the province of Quebec to get the work going and the necessary supplies for the development of the Gaspé park, harbours for inshore and educational fishing in Anse-au-Griffon and Anse-au-Beaufils, as well as for the outdoors base in Pabos Mills?

Hon. Pierre De Bané (Minister of Regional Economic Expansion): Madam Speaker, I understand quite well the concern of the hon. member because it has been over two years since the Department of Regional Economic Expansion made available to the government of Quebec over $6 million to develop tourist infrastructures in the peninsula and, according to the latest information I have, the government of Quebec will be spending only a few hundred thousand dollars during this summer. I would be very happy to convey the representations the hon. member is asking me to pass on to those people but, busy as they are with the referendum, I doubt very much that they will show any concern over the happiness of the people in the Gaspé or elsewhere in Quebec.

[*English*]

INCLUSION OF NORTHUMBERLAND IN EASTERN ONTARIO SUBSIDIARY AGREEMENT

Hon. Ray Hnatyshyn (Saskatoon West): Madam Speaker, in view of the rather stinging rebuke administered to him in the House by the Minister of Finance with respect to his cry for assistance from this government, I would like to ask the Minister of Regional Economic Expansion whether he accepts that rebuke and now considers that the complaints that he made last Friday were justifiable and ones about which he feels strongly.

Hon. Pierre De Bané (Minister of Regional Economic Expansion): Madam Speaker, what I said last Friday was in answer to the hon. member for Northumberland, who was asking me to include his riding in an agreement signed by the previous administration, which forgot his riding. I was telling him that there are two ways of doing it, either enlarging the territory, which would dilute the $50 million which was for that part of Ontario, or increasing the budget.

● (1720)

With regard to increasing the budget, I said I would like to know where the official opposition stands on that score, because the official opposition wants to restrain public expenditures. I said I would like to know from the hon. member's side of the House where they stand on the question: Should we increase the budget of DREE or, as they have been saying for months, should we restrain public expenditures?

Oral Questions

SCIENCE AND TECHNOLOGY

FUNDING OF LONG-TERM DEVELOPMENT STRATEGY— GOVERNMENT POSITION

Mr. Gordon Gilchrist (Scarborough East): Madam Speaker, it was interesting and notable today in the House to hear—

Some hon. Members: Question.

Mr. Gilchrist: In view of the fact that the Prime Minister of Japan placed such stress on research and development, and during the Conservative administration stability was introduced—

Some hon. Members: Question.

Madam Speaker: Order, please. Will the hon. member pursue his question.

Mr. Gilchrist: The objective of the present government of 1.5 per cent of the gross national product for research and development is commendable. In order to ensure this, it will have to sustain the program introduced by the Conservative administration which funded a five-year plan. I would ask the Minister of Science and Technology—I apologize for not having addressed him earlier—if he is prepared to tell the House that he will sustain that five-year program and the funding for the first year so that the scientific community will be able to plan a long- term development strategy.

Hon. John Roberts (Minister of State for Science and Technology and Minister of the Environment): Madam Speaker, I will do more than that; I will increase the funding considerably above the figures put forward by the Conservatives.

Some hon. Members: Hear, hear!

Mr. Gilchrist: Madam Speaker, my supplementary question is directed to the same minister. Reports have revealed the existence of a series of papers produced by government departments proposing financial assistance and other support measures to be provided to certain high technology industries in the context of a national industrial policy. Due to the crucial need for such an economic blueprint, when will the government make the studies public so they might be inspected and given open discussion by the science community and this House?

Mr. Roberts: Madam Speaker, it is my intention to make available all the relevant discussion papers. Perhaps I could check the hon. member's question, or perhaps he might deal with me directly to indicate exactly with which areas he is most concerned. It is my intention to make publicly available all the background material.

Oral Questions

YOUNG OFFENDERS

JUVENILE CORRECTIONS FIELD—INQUIRY AS TO GOVERNMENT ACTION

Mr. Svend J. Robinson (Burnaby): Madam Speaker, my question is for the Solicitor General. There exists a very serious crisis in the province of British Columbia and elsewhere with respect to the provision of psychiatric containment facilities for juveniles who have come in conflict with the law. This crisis is so serious that a number of juvenile court judges have recently publicly condemned the situation. Also, detention centres are grossly overcrowded. I would ask the Solicitor General what action he intends to take in co-operation with the provinces involved, particularly the province of British Columbia, and whether he is prepared to convene an early meeting with the attorneys general of the provinces involved to deal with this very serious crisis in the juvenile corrections field.

Hon. Bob Kaplan (Solicitor General): Madam Speaker, I am familiar with the situation and I have asked for a meeting with the attorney general of British Columbia while I am in the province at the end of this week. I am looking forward to seeing him and discussing this matter and some other matters with him.

Mr. Robinson (Burnaby): Madam Speaker, as the Solicitor General is no doubt aware, there have been no revisions of substance to the Juvenile Delinquents Act since it was introduced in 1908. Also, there was no reference in the Speech from the Throne to any such amendments. Could the minister indicate to the House what steps he intends to take to bring in amendments, which are long overdue, to this outdated legislation to deal with the whole area of young offenders and the law?

Mr. Kaplan: I should like to thank the hon. member for his question. It gives me the opportunity to inform the House that I am working on such legislation, which I intend to bring forward to my colleagues in cabinet in due course. I have been looking forward to presenting totally new legislation to that which was first brought in in 1908, and it will see the light of day soon.

* * *

NATIONAL CAPITAL COMMISSION

VANIER ARTERIAL PROJECT—PARTICIPATION OF RMOC IN ESTABLISHING TERMS OF REFERENCE OF ENVIRONMENTAL IMPACT STUDY

Mr. Jean-Robert Gauthier (Ottawa-Vanier): Madam Speaker, my question is for the Minister for Public Works who is also responsible for the National Capital Commission. Some weeks ago the minister complied with numerous requests made by concerned community groups and representatives at all levels for an environmental impact study on the Vanier arterial project and the surrounding communities it affects. This arterial is being built by the regional government of Ottawa-Carleton. In his letter to me dated April 25, the minister said:

> The commission will invite RMOC to participate with it in establishing the terms of reference for the review and in taking any appropriate action that may be required.

Since the construction by the regional municipality of Ottawa-Carleton is going ahead, can the minister say what action he has taken to invite the RMOC to participate in the terms of reference of this study which is so important, and whether the reactions of regional government have been negative, why, and what he intends to do about it?

Hon. Paul J. Cosgrove (Minister of Public Works): Madam Speaker, I have seen the reports that the region is not interested in participating. However, I have asked officials of the commission to check with officials of the region because I think it will be virtually impossible to draw the terms of reference of such an environmental impact study, particularly in light of the fact that the region itself is the contractor, not the NCC. I hope that when they realize the practical difficulties, there will indeed be some consultation.

* * *

ENERGY

ASSISTANCE FOR ATLANTIC CANADA TO MEET PROPOSED INCREASE IN OIL PRICES BY SAUDI ARABIA

Mr. Lloyd R. Crouse (South Shore): Madam Speaker, I should like to direct my question, in view of the absence of the Minister of Energy, Mines and Resources, to the Minister of Industry, Trade and Commerce. In view of the report that Saudi Arabia is considering increases in their crude oil price from approximately $30 Canadian to approximately $36 Canadian, has the government any emergency program or measure in mind to cushion the impact of this increase on Atlantic Canada similar to the aid contemplated for our car manufacturing industry, for example, since Saudi Arabia supplies some 37 per cent of Canada's oil imports and an increase of this nature will have serious implications on our electricity charges and on industry in our part of the world?

Mr. Roy MacLaren (Parliamentary Secretary to Minister of Energy, Mines and Resources): Madam Speaker, the Minister of Energy, Mines and Resources is in the maritime provinces at the moment. In the range of his discussions there, he will be touching upon the issue, and others, which the hon. member has raised.

Mr. Crouse: Madam Speaker, according to news reports, decisions are now being finalized relative to the allocation phase among provinces and industries concerning the rationing of energy in Canada. Can the minister inform the House what consultations, if any, have taken place between the representatives of the fishing industry and representatives of the agricultural industry, and assure the House that no restrictions will be imposed by this new plan which will in any way affect supply of fuels and lubricants to fishermen and farmers?

Mr. MacLaren: Madam Speaker, the concerns and the interests of farmers and fishermen in the matter of energy allocation are being taken into account in any contingency plans that are being made.

* * *

PARKS CANADA

CANCELLATION OF PROPOSED RELOCATION OF REGIONAL OFFICE FROM CORNWALL TO PETERBOROUGH

Mr. Bill Domm (Peterborough): Madam Speaker, we are all enthused by the remarks of the Acting Prime Minister. My question is directed to the Minister of the Environment and it stems from the remarks of the Acting Prime Minister. In light of the Acting Prime Minister's statement to address regional disparities and show fiscal restraint, I wonder if the Minister of the Environment has any solution to offer for the lack of regional attention and the lack of fiscal restraint shown by the cancellation of the move of Eldorado and, at three o'clock this afternoon, the cancellation of the move of Parks Canada? What effect will this have in that region, namely, Peterborough? Is there any plan that this government has to offset the negative effect this will have on the economy of those areas, not to mention the taxpayers who have footed the bill for the intended move and now are expected to foot the bill for the move back?

Hon. John Roberts (Minister of State for Science and Technology and Minister of the Environment): Madam Speaker, the hon. member refers to his great concern about the economic impact of this move on the region. My concern is primarily for the morale and the interest of the workers of Parks Canada.

Some hon. Members: Oh, oh!

Mr. Roberts: It is on that basis that I took the decision which I did.

Some hon. Members: Hear, hear!

● (1730)

Mr. Domm: Madam Speaker, I choose to differ with the opinion of the Minister of the Environment on the position which he takes. My supplementary question to the Minister of the Environment is this: Is he not aware that the employees of Parks Canada in Cornwall were notified in 1973 that any locations there would be temporary, and that the impending move to Peterborough was in fact a recommendation of the former Liberal government, acted on by the Conservative government, and now reversed with a complete disregard for the taxpayers of Canada?

An hon. Member: Or for the morale of the workers.

Mr. Roberts: Madam Speaker, the fact is that the hon. member, in putting his question to me, focused it entirely on the economic consequences for the city of Peterborough and that region. The fact is that I have gone to speak to the workers in Parks Canada in the Cornwall regional office, which I doubt the hon. member has done, and I can assure him that I believe the decision we have taken is the one which most meets the needs and interests of the people in Parks Canada. Regrettably—

An hon. Member: It meets the needs of Ed Lumley.

Mr. Roberts: Regrettably it is a decision which, no matter how it was taken, would adversely affect the interests of some of the employees of Parks Canada. That was inescapable. But the basis upon which I have taken the decision is to try to minimize the economic damage and inconvenience to those who are working so faithfully and loyally for Parks Canada.

Mr. Baker (Nepean-Carleton): Why did you make the decision in the first place?

Mr. Roberts: That was the basis of the decision, and I believe it was the right basis for the decision.

Some hon. Members: Hear, hear!

PROCEEDINGS ON ADJOURNMENT MOTION

[*Translation*]

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

Madam Speaker: It is my duty, pursuant to Standing Order 40, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the hon. member for Etobicoke Centre (Mr. Wilson)—Industry—Aid to Chrysler Canada—Impact on economic development of Canada; the hon. member for Vancouver Centre (Miss Carney)—Cultural Affairs—Funding of Vancouver Art Gallery; the hon. member for Winnipeg-Birds Hill (Mr. Blaikie)—Health and Welfare—Reported mercury poisoning of northern Ontario and Quebec residents—Action to prevent.

* * *

[*English*]

PRIVILEGE

MR. NIELSEN—ALLEGED DELETION FROM OFFICIAL REPORT

Hon. Erik Nielsen (Yukon): Madam Speaker, I gave you notice under Standing Order 17(2) today of my intention to raise a question of privilege. Since it concerns the remarks made by the Prime Minister (Mr. Trudeau), and since he is not in his seat, I would ask that the question stand until tomorrow.

[*Translation*]

Hon. Yvon Pinard (President of the Privy Council): Madam Speaker, on the same question of privilege, if the hon. member wants to have an answer today, I can comment on his question of privilege on behalf of the Prime Minister.

ROUTINE PROCEEDINGS

[*Translation*]

RADIATION EMITTING DEVICES ACT

MEASURE TO AMEND

Hon. Yvon Pinard (for Minister of National Health and Welfare) moved for leave to introduce Bill C-25, to amend the Radiation Emitting Devices Act.

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

* * *

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. D. M. Collenette (Parliamentary Secretary to President of the Privy Council): Madam Speaker, the following questions will be answered today: Nos. 253, 257, 382, 615 and 636.

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

[*Text*]

AIRLINE TICKET SALES

Question No. 253—**Mr. Herbert:**

1. To the knowledge of the government, do airlines pay a standard scale of fees to agents in Canada for selling tickets?

2. Are agents obligated to sell airline tickets at the same price as the airlines?

Mr. Robert Bockstael (Parliamentary Secretary to Minister of Transport): 1. Generally, the answer is yes. In the case of international and transborder travel to the United States, the scheduled airlines have established, via their international and North American industry associations, standard rates of sales commission to travel agents. In practice, these commissions can sometimes vary according to sales volume, although this is not recognized by most of the airline industry as a legitimate procedure. For domestic travel, Canada's scheduled airlines have not established standard commission rates via their domestic industry association. Nonetheless, a uniform commission rate for such travel has resulted among the major airlines. The case of charter air travel is different, as commissions are paid by the charterer (tour operator) rather than by the airline. Commissions for charter travel differ from those for scheduled travel.

2. Section 112(10) of the Air Carrier Regulations (Consolidated Regulations of Canada 1978, c.3 states: "no air carrier, or any officer or agent thereof" shall offer air transportation at a toll or condition different from those set out in the air carrier's tariff on file with the Canadian Transport Commission (CTC), unless prior exemption has been received from the CTC. The CTC does not have direct jurisdiction over travel agents, however, and the legal applicability of this regulation to the actions of travel agents has not been fully ascertained. In the case of charter air travel, the airlines are not allowed to sell tickets directly to the public. Retail prices are set by the charterer or tour operator. Although travel agents normally abide by such prices, it is not certain whether they are legally required to do so.

ROYAL COMMISSION ON BROADCASTING

Question No. 257—**Mr. Herbert:**

Is the government considering establishing a royal commission on broadcasting?

Mr. D. M. Collenette (Parliamentary Secretary to President of the Privy Council): The government is not considering at this time establishing a royal commission on broadcasting.

EXPORT OF COAL

Question No. 382—**Mr. Herbert:**

Is Canada presently limiting the export of coal and, if so, for what reason?

Hon. Herb Gray (Minister of Industry, Trade and Commerce): The Government of Canada is not limiting the export of coal. The Department of Industry, Trade and Commerce and other departments are actively supporting the coal industry in its efforts to expand and diversify export markets.

DSS—LAWYERS

Question No. 615—**Mr. Howie:**

How many lawyers are employed on staff in the Department of Supply and Services?

Hon. J.-J. Blais (Minister of Supply and Services): There are no lawyers employed on staff in the Department of Supply and Services. The Department of Justice has, however, assigned a total of 14 lawyers to provide the day to day legal counsel required by the department.

DSS—PUBLIC RELATIONS

Question No. 636—**Mr. Howie:**

How many persons engaged in public relations, publicity or media relations, are employed on staff in the Department of Supply and Services?

Hon. J.-J. Blais (Minister of Supply and Services): Two.

[*Translation*]

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

Some hon. Members: Agreed.

GOVERNMENT ORDERS

[*English*]

BANKS AND BANKING LAW REVISION ACT, 1980

MEASURE RESPECTING BANKING INSTITUTIONS

The House resumed, from Thursday, May 1, consideration of the motion of Mr. Bussières (for the Minister of Finance) that Bill C-6, to revise the Bank Act, to amend the Quebec Savings Banks Act and the Bank of Canada Act, to establish the Canadian Payments Association and to amend other acts in consequence thereof, be read the second time and referred to the Standing Committee on Finance, Trade and Economic Affairs.

Mr. Don Blenkarn (Mississauga South): Madam Speaker, when I rose on this matter last Thursday, I had only two or three minutes before the time of adjournment, so at that time I made some reference to some of the comments made by the New Democratic Party. I hope they will look at those comments because I think they are important when we think about this piece of legislation, which has been before the House of Commons on so many occasions already, a piece of legislation which really forms, as the hon. member for Edmonton West (Mr. Lambert) said, the charter and the basic working documents on which our banks operate.

The committee which thoroughly studied this bill when it was labelled C-15 in the Thirtieth Parliament was a committee that is no longer representative of this House in that at least ten members of that committee are no longer members of this House; and looking at the members who formed that committee, four of the members who remain as members of this House are now ministers of the Crown in the government in this Thirty-second Parliament. In all probability they will not be taking part in committee hearings. Nonetheless, before this bill goes to committee I think it is important that every member of the Standing Committee on Finance, Trade and Economic Affairs thoroughly study the hearings and the representations made by various witnesses called by that committee, because it strikes me that the committee has done an excellent job in determining and making recommendations concerning this act.

Unfortunately there have been a number of economic changes in Canada since the spring of 1979. At that time we were appalled at prime rates being charged by the chartered banks of 12 per cent. We were appalled at that level of interest rates. Since that date and in less than a year interest rates have gone to 16.5 per cent, have been higher than that, and perhaps have settled down to that, but are still in excess by 33 per cent above what they were at the time the committee heard witnesses from the banks and other financial institutions.

There are a number of matters which perhaps should be studied by the committee before this bill is finally passed into law. In that sense I think we should study very carefully the past testimony and then hear from the officials of the ministry as to why certain of the recommendations made by that committee were not followed through when the bill was presented as it is presented now. Second, we should hear witnesses with respect to specific issues which seem now to have arisen that perhaps were not of concern or serious concern to the committee when it studied the bill in 1979.

I might suggest that those concerns are with respect to the activities of foreign banks. I think there has been a bit of a change in attitude. Certainly this government, in presenting its statement in the Speech from the Throne, indicated that it wished to take a much stronger pro-Canadian stand. Perhaps the government should explain very carefully to us in the finance committee why the strong pro-Canada stand indicated in the Speech from the Throne is not repeated in the suggested terms respecting foreign banks as set out in the bill.

A number of concerns have been expressed very dramatically recently with respect to automobile leasing and I would say with respect to other types of consumption-oriented leasing. The activities of the banks have been to some extent shown up over the past year. I want to deal rather in detail with respect to this leasing problem and to make the suggestion that it is imperative that the committee, in studying the act, thoroughly reconsider its position with respect to leasing.

Concerns have been expressed by Canadian cattlemen and there are certain other concerns regarding liquidity, and particularly with the problems which minor trust companies are having in this country today. It may well be that we should examine the extent to which banks should be entitled to stay in the mortgage field or in the long-term finance field, in view of the liquidity problem that massive changes in the interest rate structure such as have taken place over the last year in particular might create, impairing the safety and the ability of our banking system to continue to serve us well.

● (1740)

I might say at the outset that it is my view, and the view of members of this party, that the banking system in Canada is one of the finest banking systems in the world. It is important that that banking system be viable, that it grow, that it continue to serve Canadians and serve them well.

The committee dealing with this matter a year ago made reference to the need to define what is banking. The hon. member for Edmonton West made many remarks with regard to that matter and he was severely criticized by the hon. member for Burin-St. George's (Mr. Simmons) in debate. It was unfortunate that the hon. member for Burin-St. George's had not even had the Bank Act or any of the committee's reports. Indeed, he really did not know what they contained

and admitted to this House that he was speaking largely from ignorance. However, that is the hon. member for Burin-St. George's.

With respect to the definition of banking, it is, indeed, surprising to me, as it must be to all members of this House, that under Section 91 of the British North America Act the federal responsibility in respect of this whole issue is clearly defined in five separate paragraphs, including banking, the incorporation of banks, the issuance of paper money, interest, legal tender, bills of exchange, promissory notes and, indeed, even savings banks. These represent specific federal powers. It is a specific list of federal powers that certainly must encompass all of the concerns in respect of money, money management and financial management at every level.

However, the response to the insistence by the House that a definition of "banking" be included in the bill was this. The House had insisted that there be a definition of banking. The ministerial comment was that a narrow definition would overly restrict the activities of banks and their development, and a broad definition could result in some extension of banking legislation into areas of provincial jurisdiction. Having read what is clearly in section 91, I do not see how the provinces have any jurisdiction whatsoever in this field, save perhaps in a minor way under their property and civil rights powers.

What has happened is that this federal government has refused over the years since confederation to really develop its powers under section 91 of the BNA Act. It has let other jurisdiction into the field, more or less by the incorporation of provincial trust companies and a provincial mix, if you want, of mortgage and investment corporations, lending and land corporations, and a whole stream of other types of institutions which, by their very growth, have become what are commonly called "near banks". They take deposits, they issue current accounts, they cash cheques on demand, they treat themselves entirely as banks and they operate totally unregulated by this government.

To suggest that to define banking would unduly interfere with provincial legislation is to indicate that this government is prepared to abandon its true field, as set out by the fathers of confederation in the British North America Act. Yet, at the same time, the problems that we have in respect of national unity in this country really boil down to an intrusion into provincial powers by this government when we legislate on health and welfare matters, on cultural matters and on a whole host of matters which, on anybody's analysis, must be matters of provincial jurisdiction. We should be using the jurisdiction we have and that is properly identified with this government to legislate on matters of economics, to make sure the money supply is controlled, and to make sure we are doing the things we are supposed to be doing.

The other day the governor of the Bank of Canada, Mr. Bouey, issued a release to the major banks asking them not to make loans to enable U.S.-based companies to do an end run around U.S. credit controls.

One of the most important reasons the federal government is in charge of financial matters of this nature, with powers set out in section 91 of the BNA Act, is in order that the federal government can have fiscal control throughout the country. With the abrogation of federal responsibility, with the refusal to define "banking", and with the refusal—because we might get into someone's way—to act sensibly and in accordance with the constitution, we have allowed all sorts of situations in which the federal government can no longer fulfil its function. While the federal government can direct the banks, it cannot direct the trust companies, preventing them from making fancy transfers of foreign exchange from this country.

One of our problems in respect of interest rates is that there seems to be no way we can control foreign exchange matters. We wind up with problems concerning the balance of payments, and we have a situation in which we are told we cannot have our interest rates differ unduly from those of the United States. The reason, of course, is that we have refused to come to grips with the real constitutional requirement of having the banks and the entire financial structure totally under federal control. We have sat back and said we cannot interfere with matters of provincial jurisdiction. I think it is about time we started interfering with this matter and took ourselves out of some other matters where we should not have been in the first place.

The same question was asked in respect of what is a deposit. In this regard the minister's response was that it has not been possible to find a definition that is sufficiently flexible to account for present and future variations. Isn't that fine? We cannot even define a deposit! The reason is that the government says a deposit cannot be flexibly defined. It is obviously necessary, if we are going to control banking and determine what a bank can or cannot do, and if we are going to determine what those not licensed can or cannot do, that we define the word "banking", the business of banking and what is a deposit. We have to do that and we should do it now.

I want now to deal for a moment with some of the problems concerning automobile dealers. I thought perhaps for the enlightenment of the House I would read four short lines of poetry as follows:

Through the open window's space
Behold, a camel thrust his face.
"My nose is cold," he meekly cried,
"Oh, let me warm it by thy side."

That is just about what has happened in respect of our banking system and how it has managed to creep into almost every field of endeavour. We have been told in regard to leasing that it is important that the bank be available to use the leasing structure in order to finance massive capital purchases, and that this was the same as making regular, ordinary loans, just as they make commercial or household loans. For a moment let us consider the household lending field.

In the previous act banks were permitted to go into consumer lending activity. They went into it with full force. That was to make it easier for the ordinary person to borrow the money he needs in order to operate his home. Unfortunately, it became more than just that. There has recently been a flood of plastic cards across the country and there are big signs which

say "Yes" or "We candu". I do not know whether the Minister of Energy, Mines and Resources (Mr. Lalonde) had something to do with that "Candu", but the Royal Bank now has "Candu". The effect of all these monster advertising programs is that the banking system has tended to become a merchandising system. The Bank of Commerce now talks about a "boots and saddles" loan or they advertise "Can't we get you a new car?". The question is whether this is banking or merchandising—whether Visa, Master Charge and the others are just merchandising or a form of advertising of the goods and services produced by the business community.

● (1750)

We must consider the question of leasing, Mr. Speaker. It appears that the banks have decided to get into this field and a number of us are concerned about that. I can easily see how important it is that people who need to buy large capital items like dump trucks, front-end loaders, airplanes and such things, should also have the opportunity to lease them. This is the type of financial transaction that we expect from the banks. But then the question arises, are we going to be able to lease suits, chainsaws, automobiles, pleasure sailboats, surf boards—that sort of thing? Leasing could have the effect of encouraging some people to go further into debt. I am not at all happy that leasing the type of things I have mentioned is an activity that the banking community should be involved in. It is really merchandising.

The banks have stated in their presentation—and clause 193 of the bill sets this out—that they can only be involved in financial lease. This gives rise to the question of when a financial lease ends and when a maintenance or repair lease, for instance, ends. What distinction is made between an ordinary consumer item and a large capital item that might be used in business?

I think it is essential, Mr. Speaker, that we examine the way financial leasing is being handled by a leading company, a subsidiary of the Royal Bank of Canada called RoyLease Limited. In the old act there was no provision for a bank to hold a company like RoyLease, although they were permitted to do so by a special order in council, more or less, pending revision of the Bank Act. Now all of the major banks have some sort of leasing arm and it is perhaps unfair to single out RoyLease. However, the hon. member for Broadview-Greenwood (Mr. Rae) has already mentioned this company and certain letters that have come into our hands which indicate that, while a bank is prohibited from going into maintenance leasing agreements—a situation where the renter of a car has maintenance included in his rental payments—that has not prevented RoyLease from insisting upon specific arrangements with specific garages.

This is what has been done with Mr. Lawrence Myers of Forbes Chevrolet-Oldsmobile Ltd. in Dartmouth, Nova Scotia. RoyLease insisted on an agreement for a 20 per cent discount on parts and a 10 per cent discount on labour. This was to be done through a special Visa card with a RoyLease sticker on it. The letter ends:

> If this is acceptable to you, please sign and return this proposal to:
>
> Mr. Karl S. Aboud,
> Automotive Services Manager,
> RoyLease Fleet Leasing Service,
> 1 Place Ville Marie.

This type of thing indicates that the banks in Canada are prepared to go beyond the normal and agreed "no maintenance" condition and "no licensing" condition and so on in a financial lease. It indicates that they are prepared to use tactics which may be described by some as strongarm tactics with respect to maintenance and purchasing.

The camel appears to have gone into the tent, Mr. Speaker. Automobile dealers express concern that while they are forced to borrow money from the banks in the normal commercial manner in order to finance inventory and receivables, the banks then force them to turn over their list of customers and list of receivables like any other business. The dealers are concerned that once the banks have the names of the customers and the amount of the lease of the vehicle, their customers will then become the banks' customers and that they, the dealers, will not be able to do anything about it because they still have to operate on a line of credit from the banks and co-operate with the banks or be left out in the cold.

We must address this question, Mr. Speaker. Surely there is a conflict of interest when the lender can also be the merchant. These are the most powerful lenders in the country. A current statement shows that at the end of February the Royal Bank of Canada had assets of $55.7 billion, the Bank of Commerce had assets of $49.3 billion and the smallest of the big five had nearly $30 billion in assets. And they should be big and powerful institutions, Mr. Speaker, capable of financing the commerce of Canada, but that should not be an excuse for getting into the merchandising of everything in the country.

It occurs to me that the camel in the tent has a cold nose, Mr. Speaker. Unfortunately he is a pretty big camel. Indeed, one camel is the size of $55 billion, so when he gets into the tent there is not going to be room for the automobile dealer! Maybe the end result will be that more and more consumer items will be financed by our lending institutions.

This brings me to our concern with residual values, Mr. Speaker. Certain draft regulations were produced by the former government regarding leasing, but unfortunately they are not contained in Bill C-6 as presented by the government. We were surprised that these provisions are not in the bill as they were in the previous one, Bill C-14. The committee had insisted that leasing regulations be posted and contained in the material presented to the House. We are sorry that the regulations are not there and we will be insisting that they be included, because they determine how leasing will operate.

● (1800)

[*Translation*]

Mr. Deputy Speaker: Order. It being six o'clock, I do now leave the chair until eight o'clock this evening.

At six o'clock the House took recess.

AFTER RECESS

The House resumed at 8 p.m.

Mr. Deputy Speaker: Order. When the debate was adjourned at six o'clock, the motion that Bill C-6, to revise the Bank Act, to amend the Quebec Savings Banks Act and the Bank of Canada Act, to establish the Canadian Payments Association and to amend other acts in consequence thereof, be read the second time, was under review and the hon. member for Mississauga South (Mr. Blenkarn) had the floor.

[*English*]

Mr. Blenkarn: Mr. Speaker, before the break for supper I was referring to the regulations propounded with respect to Bill C-14 before the previous Parliament, and those regulations stipulated that a lending institution, a bank, must provide in its leasing arrangements that the residual value of the leased equipment could be no greater than 20 per cent of the cost of acquisition of the property by the leasing corporation. Those regulations, and regulations like that, were referred to in a hearing before the Federal Reserve Bank in the United States with respect to bank holding companies in 1976.

In the United States there is an arrangement under the American consumer protection laws, and particularly under the consumer leasing act passed by the Congress of the United States on March 23, 1976, which specifically requires leasing corporations, if they are banks, to make sure that the residual value of the equipment being leased is the fair market value. In the event that at the maturity of the lease the equipment being leased is not the fair market value, the lessor of the equipment is not required to pay, if that is the case. So there is a real control to make certain that the leasing company makes sure that the residual value of the equipment being leased is in fact a fair residual value.

Clearly, the residual value is very important in determining the monthly rentals. If the residual value is estimated as being much higher than it reasonably could be in the normal case, then the rent charged can be considerably less than fair, and the American law makes that provision to protect the lessee of the equipment. One of the things we must concern ourselves with if we are going to allow the banks to get into the leasing field is to have regulations that ensure that the rental charged by the bank is a fair estimate. Our suggested regulations in October or November of last year with respect to the previous bill mentioned a residual amount not greater than 20 per cent of the acquisition cost.

● (2010)

I want to refer to what is in fact happening. I am taking some details out of a RoyLease lease with respect to a Chevrolet automobile where the original purchase price in the lease is quoted at $7,074.60. At the end of 24 months the vehicle is supposed to have a value of $3,256.74, or about 40 per cent of the value. That is the kind of lease that is being ordered by the Royal Bank of Canada through RoyLease in contravention of the regulations that were supposed to be in place with respect to this bill when this bill was before the House in the last Parliament. Indeed, it is not until the vehicle has been in the possession of the lessee for 36 months that the residual value of the vehicle is down to $1,345.16, which is just less than the 20 per cent requirement.

The point I am making is that the regulations as propounded in October or November of last year that have not been propounded by this government, and I make that point very clear, must be propounded by this government before this bill is to pass. However, those regulations have not been complied with by RoyLease, at least in determining how automobile leases should be worked out. They are talking about residual values considerably in excess of 20 per cent in their proposals to customers. What we have to look at is the kind of protection that Americans provide with respect to their consumer leasing act. That type of protection to lessees of equipment should be provided in our statute and in our regulations.

The next item I want to deal with is with respect to foreign banking. The details of foreign banking are set out in sections 302 and following. These banks are to be called schedule B banks. The minister was quite proud when he presented the whole matter to the House. He said that in no case will foreign banks be allowed to dominate more than 8 per cent of the total business of banking in Canada. Hon. members will recall I made some comments with regard to what is banking. The act does not define that. How the heck do you determine what is 8 per cent of the total?

When we brought the Mercantile Bank into Canada, it was not supposed to get even close to 1 per cent of the total amount of banking in Canada. That was the suggestion by Mr. Edgar Benson, minister of finance at the time. At the present time the Mercantile Bank has 1.5 per cent of the banking in Canada, so the growth factor is almost uncontrollable.

The practical matter is that once a bank is given a licence to operate in Canada, there is no practical way the Minister of Finance or indeed the Minister of State for Finance can in any way limit the percentage of business or percentage of gross assets that bank can have in Canada. Once you let the camel in the tent, it is totally impossible to tell how far the camel will go in the tent.

This government has made a great pretence of looking at a redefined Foreign Investment Review Agency, but we have a particular provision with the pious hope that you can limit foreign banking to 8 per cent. What has been the pious hope in the past? The pious hope with every business in the past is that Canada has been very poor at controlling foreign investment. We have an act that in fact authorizes and even encourages

foreign investment. It is in ministerial discretion. Although the minister is to ensure that no bank increases its percentage of business beyond 8 per cent, I doubt whether that is totally possible to enforce.

Once banks get in the position of taking business, they will continue to increase it. The minister can be as pious as he wants about 8 per cent, but once he starts making bilateral deals with other countries about banks coming in and doing business in Canada, what is he going to say to an applicant from Japan, for example? Will he say that we already have 9 per cent foreign investment in banking so you cannot come in, or is he going to say we will amend the act to make it 10, 15 or 20 per cent. The answer is that there is no way, unless we are going to have total government control over the expansion of competing banks, for the Minister of Finance or any minister or government to regulate a particular bank specifically to a particular size of the market place.

The whole concept is to bring foreign banks in to improve competition. This particular suggestion of 8 per cent is totally unworkable and the minister knows this. It is there because it may be interesting to talk about today when we have not yet got there, but eventually we will get 8 per cent, 10 per cent, 15 per cent or 20 per cent, and the statute will go on to 50 per cent, we know where it will go from there. The answer is that there is no way of controlling this percentage, and the minister should know that. He has no regulation that will allow him to discriminate from one country's bank to another country's bank and so on.

One of the other problems that involves foreign banking was brought to my attention by an officer of the Canadian Imperial Bank of Commerce with whom I had lunch, with respect to this.

Mr. Kaplan: Who paid for lunch?

Mr. Blenkarn: He said—

Mr. Deputy Speaker: Order, I regret to interrupt the hon. member but his allotted time has expired. He may continue only with the unanimous consent of the House. Is there consent?

Some hon. Members: Agreed.

Mr. Blenkarn: I thank hon. members of this House. Unfortunately, I was interrupted three times. I can promise hon. members I will not exceed in the true sense the full 40 minutes allotted to me. I appreciate the opportunity to continue.

As I was saying, the matter concerning foreign banks was brought to my attention by an official of the Canadian Imperial Bank of Commerce. He said that what in fact will happen is that the foreign banks will skim. They will come into Canada and take the good business, the easy-to-get business. He said that the foreign banks will not put an office in Inuvik, Frobisher Bay, or some small community that really needs banking services to cash old age pension cheques and so on. You will only find them in the big cities. They are going to take the easy-to-get business. They are going to skim. The foreign banks are not going to make the small business loans. I spoke about that a week ago Monday. I am not sure that that act is worth anything.

The foreign banks will not make that kind of loan. They will not make the student loans. They will not do all the little things required of them. They are not going to pay any attention to the Minister of Finance when he wants certain things done in Canada. They are going to skim.

There is no provision in this act and the regulations concerning foreign banks to make them do the things that are socially acceptable in Canada. It is not possible to enforce such regulations. When they get in here, they take the easy-to-get business, the big business, the big buck deals that pay big bucks for them. They can repatriate their profits, but there is nothing in the act to make them do the socially acceptable things. In act after act passed by this parliament with respect to farmers, with respect to small business, with respect to students, requiring banks to advance the various easy or guaranteed loans for which we have provided, what will make the foreign bank advance those loans? That is skimming, and if we allow foreign banks in the country, surely we must provide in the charter that such banks take a fair share of the social responsibility which the large banks in this country have willingly accepted.

● (2020)

If we look at the Bank of Commerce, if we look at the Royal Bank, or the Bank of Nova Scotia, we find that they have willingly accepted social responsibilities. If new banks are to come into this country they must be particularly required to accept such responsibilities. It has been said that the schedule II banks will attempt to discourage the suitcase banker. It is said in the statute that we can stop his activities by not allowing him to conduct business. Unfortunately, the act does not define banking, so a company can come in here as the XYZ financial corporation, incorporated, say, in the province of Ontario, and since there is no definition of banking the company can do almost everything except call itself a bank.

There is nothing in this statute, despite the restriction on the offering of guarantees, which in any way inhibits the ability of a person to come into Canada and effectively carry on banking. The minister might argue that some of the sections—and I quote them to him—stop foreign banks. The truth is that there is more than one way to become involved in banking. There is one way well open to Canadians to become involved in banking, and that is to lend money to Canadian corporations and the interest can be repatriated to the lender in a foreign country without withholding tax. It is very simple to incorporate John Brown Financial Services Limited in the Province of Ontario, having the money that supports John Brown Financial Services lent to John Brown Financial Services on a floating charge debenture with a high interest rate, and immediately the foreign bank is in business; it hasn't got a foreign shareholder, the owner is a nominal Canadian. But, in fact, that foreign bank would be able, under the laws of this country, no matter what this act says, to do banking business in Canada, so this in no way inhibits that activity.

I said at the outset of my speech that the government has power under section 91 of the British North America Act, repeated and repeated under five separate headings, to control every aspect of banking. We refuse to define banking and refuse to interfere in the activity of foreign lenders coming into Canada and tearing our financial system apart for their own benefit. We refuse to use our federal powers in this area, and this bill does nothing to control the foreign banker who decides, for whatever reason, not to be registered as a section B bank. This is a serious defect in the bill and I say it is essential that we re-examine the whole subject of the Bank Act with respect to foreign banks.

The last thing I want to talk about briefly is a problem I have foreseen in the last year. Some ten years ago we allowed banks to become involved in the mortgage business. The mortgage business, by and large, involves long-term lending, and long-term lending should be backed up by long-term borrowing. Unfortunately, the activity of the banks is such that the banks have not engaged significantly in long-term borrowing though they have, in the mortgage field, engaged in long-term lending. The consequence is that the banks are presently receiving a return of about 10.25 per cent on their mortgage portfolios and are paying in excess of 12 per cent on their savings accounts, while charging business at a prime rate of 16.5 per cent and usually one or 2 per cent over prime—17.5 per cent or 18 per cent or so. The banks are thus suffering a negative return on their mortgage capital and, as a consequence, are forced to charge more than perhaps they should charge on business in short-term loans.

It is essential in this review that we look at the long-term lending practices of banks to make sure they are balanced by long-term borrowing. There is not quite the same balancing of long-term borrowing against long-term lending in the banks as there has been in the trust companies. What we did when we allowed banks into the mortgage lending field was purportedly to save the consumer interest on mortgage loans. There has been no proof of that. The banks have cut mortgage rates by maybe a quarter of a per cent. We have in effect hurt the liquidity of our banking system and, by that action, increased the rate the business community must pay for the business loans that banks are really there to make to give us the employment we need, to finance the inventories, the receivables and so on. So it is important, when we analyse this activity over the last year with the enormous increase in interest rates, that we look very seriously at how the banks have used their mortgage accounts, how they have used their consumer loans accounts, and how in all probability the business community has in fact had to pay rates of interest in excess of what they should normally have had to pay, in order to balance the losses the banks were taking on their mortgage portfolios.

My suggestion is that the banks should restrict their mortgage business. Perhaps we do not need the amount of mortgage money we did need at one time in order to finance construction. It might well be that insurance companies and trust companies could solve that problem. It might well be that the banks should no longer be in the mortgage business. The fact of the matter is that the banking business deals in short term deposits, demand deposits, deposits on three days' notice or whatever, and that money is being lent on long term, and the banks are not in the business of lending long, any more than anybody else is when they have to borrow short. This whole matter may seriously impair the liquidity of our banking system and while at the present time our banks are limited in the amount of mortgages they can take, if we continue to allow the expansion of long-term lending by the banks based on short-term borrowing we are likely to impair the liquidity of our banking system.

Again I want to emphasize that the banks have done a good job in Canada. Our banks are worldwide institutions which lend credit to Canadians throughout the world, and when Canadians say they bank at the Bank of Commerce or the Royal Bank of Canada, or the Toronto-Dominion Bank of Canada, those banks are well known. We are not in the situation in which the Americans unfortunately find themselves, with banks in every state and every city of all names, sizes and descriptions. We have institutions of which we can be proud. It is the job of parliament to make sure that those institutions are guided and developed and that they work in the interest of all Canadians.

In my view the chartered banks exist to provide a safe depository for funds of individuals and concerns and, within the limits of prudent banking practice, to make loans available to facilitate production and trade in Canada. That is the job of the banks. It is not the job of being a merchant or of promoting the sales of individual products or services. It is a job of providing a depository for funds and making sure that those funds are available for business and trade.

Hon. Bob Kaplan (Solicitor General): Mr. Speaker, as I listened to the hon. member opposite I wondered whatever happened to that initiative to have installed at the front of the House a large bell that 20 members of Parliament could approach, and ring.

• (2030)

Mr. Ittinuar: It should be over here.

Mr. Kaplan: If it were down there, I would want there to be 35 members who could ring it.

It reminded me of one of the main reasons why I wanted to participate in this debate, and that was because in a past Parliament I had the honour of being chairman of the finance committee, and such a large degree of consensus developed over the long period of time that this matter was before Parliament in one way or the other that I was hoping to be able to see the bill move very quickly through this procedure and finally lead to the decennial revision of the Bank Act only eight years after the period in which the revision ought to have occurred. Instead of it being a decennial revision we are having something like 18 years between revisions. That is undesirable. It was one of the reasons why I was hoping that the bill would move rather quickly.

The trouble is that banking is a subject of enormous interest and importance to the Canadian people. There is hardly a Canadian who does not for most of his life deal with one of the chartered banks and, if I may say so, the banking system of Canada is not, in my opinion, entirely satisfactory. Every Canadian has his own criticisms of it. Some of them are unjustified, but some of them are very much justified. It is a highly concentrated industry. It is an industry which offers the consumer very little real choice between the various institutions which are the chartered banks, and so each member who comes to this House has his own life experience with banks, he has all of the experiences of his constituents, he has all of the advice of the various groups which have made submissions to us, and it is very easy to have a long and serious debate at any time on the subject of banking.

What I would like to suggest, however, is that the time for that type of debate really should be regarded as being over, in view of what has happened with this set of banking proposals before Parliament. I was hoping that a degree of restraint would be shown by all hon. members which would permit this piece of legislation to go very quickly to committee and, having gone through the committee, to become law very quickly.

I ought to add that restraint is more to be expected from members who have been around for the last seven or eight years than from many newly elected members—and I think particularly of members in the NDP caucus which has so much new blood—who have not had a chance to participate themselves in the consideration of this particular Bank Act revision, and the enormous temptation that they will feel to consider it a brand new bill requiring all kinds of new consideration and prolonged hearings. In my opinion that would be a disservice to this piece of legislation and a disservice to the process which has preceded it. It would be a mistake.

Parliament first began and the government first began considering this revision back in 1974 when a white paper was put forward. It received an enormous amount of public interest. Many briefs were submitted. Letters were written to members of Parliament. Eventually legislation was brought forward which took account, at least, of the great deal of criticism which was made of earlier drafts, and then it was referred to the committee which, as I mentioned, I had the honour to chair. At the same time—in fact, even earlier—it had gone to the Senate and received very full consideration there. I believe three reports were prepared by the Senate.

In the years I have been a member of Parliament I cannot remember a major piece of legislation of this kind which was the subject of so much co-operation and participation by members of Parliament. I can recall in camera meetings of the House of Commons finance committee at a time when we were expecting an election to be called from moment to moment, and yet members of Parliament, with all of the priority of an impending election call, were willing to take time to come to in camera meetings of the committee where their constituents would never find out about their contributions and their efforts, and all because of the shared belief that we had that what we were doing was important, that it was important to deal with a decennial revision on a timely basis and to deal with the provisions and the briefs which were before us, and that Parliament and our country would be served by getting the job done, getting on with it and getting our report out.

It was not very long after our report was submitted that the government fell, and we looked forward in the next Parliament to seeing what the new Conservative government would do with the report of the parliamentary committee. Respect was paid by that government to the work which had been done by members of Parliament in the finance committee, and the legislation which was brought forward was right in line with our work and with our recommendations.

Now, of course, the Liberal government has returned, and we have just heard the hon. member for Mississauga South (Mr. Blenkarn) criticizing the bill, as we heard last day when we heard the hon. member for Edmonton West (Mr. Lambert) criticizing the bill. One wonders where they were in committee and in their own party when the legislation was brought forward at that time. The criticisms that they brought, as I said, are valid, are interesting and deserving of consideration, but surely we have reached the point where at least the Conservative party and the Liberal party should recognize a common commitment and a shared responsibility to see the legislation move forward, and not to re-open a great many old considerations.

I would like to deal in particular with the situation of foreign banks because I know there is much public concern about what is perceived as the entry of foreign banks into Canada. Those of us who were on the committee know perfectly well, as do most other Canadians, that in one way and another foreign banks are already here. When he spoke, the hon. member for Edmonton West was quite right in criticizing the absence of a definition of banking.

We undoubtedly have power in this Parliament to deal with the whole subject of banking, but the answer to that is that it is too late for the Parliament of Canada to assert that jurisdiction in the field and to define banking in a very broad and comprehensive way. The constitution does permit us to do it, but if we were to do it, our law would be paramount—that is, as I understand it, what happens in constitutional law—and we would overtake the operations and bring under federal control the operations of a number of institutions which are presently regulated by the provinces because, until now, the federal government has not asserted jurisdiction to cover the field completely.

The caisses populaires, the credit unions, many provincial trust companies which, in effect, carry on operations which could be defined as banking, and many other provincial institutions, would come under federal jurisdiction. I submit to the hon. member for Edmonton West and the others who hold the view that there should be a broad definition of banking in the act that, if we were to do that, we would create a minor, but important, constitutional confrontation with the provinces.

In the original legislation brought forward by the then minister of finance, the present Minister of Justice (Mr. Chrétien), monetary control was proposed to be asserted over

provincial institutions. That was found to be extremely objectionable to all the provincial governments, and eventually in the course of negotiation and on the advice of the governor of the Bank of Canada, the legislation was modified to withdraw from the confrontation and to assert less control over banking than I believe—and most constitutional experts believe—the federal government has. Now here we are—after having seen the bill revised, brought forward, approved, recommended on, and eventually a bill which deserves consensus having been brought forward—finding members going back to the fundamental argument that there should be a broad definition of banking. Surely it is too late for that kind of criticism.

Mr. Blenkarn: That is nonsense, and you know that.

Mr. Kaplan: If we had asserted a broad definition of banking many, many years ago, foreign banks would not be present in Canada in the way they are now.

Mr. Blenkarn: If you had exercised your jurisdiction, they would not be here either.

Mr. Kaplan: If jurisdiction was going to be exercised, it should have been exercised back in 1930 when the caisse populaire and credit union movement first began to be established. That would have been the time to settle, as between levels of government, where the responsibility for banking ought to lie.

Mr. Blenkarn: That is an excuse.

Mr. Kaplan: I have no doubt that if we had acted and defined banking back in the decennial revisions which took place back in those days, if they were here in Canada the foreign banks would be here on our terms, not on the terms which have been established by the various provincial governments. The credit union movement would be under federal control. But I regard that as a non-starter and I can hardly imagine that being put forward as a serious proposal by any members with any experience in federal-provincial relations, least of all members of the Conservative party who had the opportunity to provide a broad definition of banking when they were the government and who did not do it, for the very good reasons which I have just described.

● (2040)

The parliamentary committee recommended, and the Conservative and Liberal governments have responded positively, that the bill include a number of safeguards about the foreign banks. My friend opposite criticized the dangers of having the 8 per cent limit and wondered how it would be enforced. I think the 8 per cent limit will be easier to enforce than the controls which exist at present on foreign banks provincially. They are not really being controlled by this Parliament, and will be if this legislation moves quickly through Parliament. As I said, I hope it will.

There are other provisions which have been added to the legislation over the last two years of its consideration by this House to control the operations of foreign bank subsidiaries in Canada. As I said, in my view these controls make the foreign banks more subject to federal regulation than they presently are, and it will make it easier to have a handle on their operations in this country than it presently is.

In order to allow the government to maintain a tighter control over the performance of foreign bank subsidiaries, the new bill provides for the licensing of such subsidiaries, which was the recommendation of our committee, with initial and renewal licences for periods of up to three years. The original bill did not propose any licensing or any review other than the decennial review of the Bank Act.

The new measure also redefines the proposed limit on the over-all size of foreign bank subsidiary operations in Canada. I think, frankly, the new proposals are more workable than the proposals that were put forward in the original legislation proposed by this government. It strengthens the prohibition against foreign banks operating in Canada except as subsidiaries, so as to encourage them to bring their Canadian operations under the supervision of the Bank Act.

It would remove the Bill C-15 ceiling limiting a foreign bank subsidiary to no more than five branches, but any branches in addition to the first would require ministerial approval to ensure the protection of Canadian-owned banks and to promote a wider regional distribution of such branches. This really is the answer to the criticism of the hon. member for Mississauga South that the foreign banks will come in and will skim the cream. I would assert that even in the areas where there is cream, more competition would be in order and would give a break to Canadian business and to Canadian consumers in giving them more choices of where to go. The formulation that is proposed in this legislation will permit the Minister of Finance (Mr. MacEachen) to say to a foreign bank which wants to come to Toronto, to Calgary, to Edmonton and to Montreal, "Have you looked at some other places where there is less competition than in these areas? Have you considered taking the responsibility of serving some of the regions in Canada which could benefit from it?" I do not think the response would always be negative.

I think that there are very good reasons why some foreign banks should go into some of the areas of this country where there is less economic activity because in those areas there is less competition. I think foreign banks will be able to offer quite a lot of new alternatives to the Canadian consumer and to Canadian business and they will cause important changes to take place within the Canadian banking system.

I know that during my years as a member of parliament we have seen the incorporation of some new Canadian-owned banks. When you look at the banking community and see how much concentration there is and how small is the number of banks in the field, you want more competition to take place. Of course Canadian competition would be better, if we could find a way of encouraging more Canadian banks to be established and to go into business.

Mr. Blenkarn: How do you help small Canadian banks?

Mr. Kaplan: I am just coming to that point. The trouble is that in ten years of hoping and waiting, we have found that new Canadian banks are few and far between because it is very difficult to establish an institution that can compete with these giants which are already in the field. That is one of the justifications for giving the foreign banks more status here. If there were new Canadian banks, if there were an easy formula for creating another ten or fifteen substantial banks to offer competition with the banks to which the hon. member has referred, with the Toronto-Dominion Bank, with the Bank of Commerce, and so on, that would be another matter. But there is a lot of difficulty in establishing a new bank and competing with such enormous institutions. It is much easier for some large foreign banks to come in. They are in a better position to stand up to the heavy hitters that are presently in the Canadian economy. I am not worried about competition injuring the major banks which are here in Canada. I do not think foreign competition which will come in will damage them very substantially, if at all.

Mr. Blenkarn: It will squish the little Canadian banks.

Mr. Kaplan: What I see is that real competition will be provided and Canadian business and the consumer will get a better deal out of it. That is the main objective. We would like to see more domestic Canadian institutions grow and flourish. In fact the bill contains new provisions for facilitating entry into banking by new Canadian institutions. Let us hope that some major Canadian corporations that have a substantial financial base go into the banking business and offer to compete with the major banks. It has not happened in the past to any degree at all, but there have been some such cases. It will be easier for them do that under the legislation that is proposed. But I do not think that will provide enough competition or enough choice for Canadian business and for the Canadian consumer.

I should like to conclude now, Mr. Speaker. I will not ask for the indulgence of the House to continue unduly because I am trying to set an example of speaking briefly, recognizing everything that has been done by the last Parliament and the Parliament before that and the Parliament before that, as well as by all of the committees that have looked at the act and all of the briefs that have been submitted. Let us not think that now is the time to re-invent the wheel. We have legislation before us that many will criticize—there are many things you can say about it, many differences of opinion about it. The point is that if we go through a very long exercise, we will end up with something that will also be subject to criticism in many ways.

I think the interests of Parliament and the interests of the country are best served by regarding this legislation as something which is essentially in the nature of housekeeping, as something that members of Parliament should recognize as having already been worked on. Let us get this through and get on to some of our other business which is newly before this Parliament.

Some hon. Members: Hear, hear!

Bank Act

Mr. Dan McKenzie (Winnipeg-Assiniboine): Mr. Speaker, I wish to speak briefly on Bill C-6 and the Bank Act. As the hon. member for Edmonton West (Mr. Lambert) pointed out last week, if we do not get this piece of legislation through, the banks will not be able to open their doors this coming July because it will not be legal for them to do so. The way the Solicitor General (Mr. Kaplan) was going on, I thought he was going to blame R. B. Bennett for this delay in the Bank Act, but it is actually the cause of the previous Liberal government in the Thirtieth Parliament which procrastinated with the Bank Act. The Liberals in those days seemed to be having some problems with the caisses populaires in Quebec. I hope they have cleared up their problems so that we can get this piece of legislation out of the House and into committee.

Now I wish to speak briefly with regard to credit unions, caisses populaires, and some of their concerns with regard to the Bank Act. I see they have received some very well-deserved recognition this week in the April edition of *Focus*, in which an article stated the following:

Credit where it's Due

Caisses populaires and credit unions have worked hard to rise from grass roots to riches.

● (2050)

The emergence in recent years of credit unions and caisses populaires as major competitors with the banks and other financial institutions for consumer deposits and loans has given the movement a unique "banking" status.

In fact the Toronto-based Canadian Co-operative Credit Society Ltd., which provides financial and support services for 2,200 credit unions and caisses populaires outside Quebec, had examined the possibility of seeking a federal charter to form a full-service bank of its own.

The Bank Act, however, in its present form, Bill C-6, does not provide the mechanism to fit the credit unions into the federal regulated banking system. That was said by George S. May, the chief executive officer of the CCCS. The article continues:

Besides, the credit unions have developed "almost the same powers" as the banks, so the organization concluded there is really no reason to look further into forming a chartered bank.

Without reading the whole article, I should like to refer to the brief warning of Mr. May contained in the last paragraph, which reads as follows:

Commenting on the decade ahead, May says credit union expansion is not likely to be as marked as it was in recent years. Because of wildly fluctuating interest rates and our failure to conquer inflation, he says, "for any financial institution it is a time for consolidation, to take a conservative approach to growth."

We hope that the credit unions will have a hearing at the committee meetings. Many of us will be meeting with credit union members this week to hear their concerns. This should also help us in committee when we are considering Bill C-6. The credit unions have prepared an excellent document on some of their concerns and wishes. I should like to read a couple of them into the record. In the credit union document entitled "Banks and Banking Law Revision Act", they have stated the following:

The credit union system has supported the proposals encompassed in the government's banking legislation and urges their early adoption.

The credit union movement would benefit from the proposal in the bill to create a new Canadian Payments Association through which, for the first time, non-bank financial institutions that accept chequable deposits would be permitted to participate directly in the clearing system.

The credit union movement supports rapid passage of the new legislation for the following reasons:

(a) It is in keeping with the government's stated intention to provide more equitable competition within the Canadian financial system;

(b) Credit unions require equal access to the CPA in order to protect their future competitive position, especially since the CPA will become the focus for the evolution of electronic funds transfer systems;

(c) Although the present clearing system, controlled exclusively by the chartered banks appears to work efficiently, there is no indication that it is cost effective from the point of view of credit union system;

(d) Direct access by near-banks to the clearing system has been recommended by the Commons finance committee in its 1967 report on the Bank Act, by the Porter Royal Commission on Banking in 1964 and by the Economic Council of Canada in its 1976 study of deposit-taking institutions.

As the credit union movement has devoted considerable resources during the past four years to preparing for its proposed participation in the Canadian Payments Association, further delay would cause additional hardship and inconvenience.

They are experiencing enough problems right now with high interest rates which are the direct cause of the Liberal-NDP coalition in the Twenty-ninth Parliament when all limits on spending were lifted. Of course this caused the spiral and the eventual result today of high interest rate problems due to the high interest rate policy of the coalition in the Twenty-ninth Parliament.

The document continues:

In addition, other less controversial legislation, guiding the market behaviour of such financial institutions as trust and investment companies and credit union centrals, is being seriously delayed pending resolution of the banking legislation. It is time to get on with this work.

I will sit down now. I hope we will get on with this work in committee in the very near future.

Some hon. Members: Hear, hear!

Mr. Ray Skelly (Comox-Powell River): Mr. Speaker, it is a great pleasure for me to take part in this debate as a new member of Parliament, although almost a veteran after 11 months, of course. Perhaps the question that concerns me as much as anything else, to begin with, arises from the previous Liberal speaker who suggested that there may be an attempt by new members of Parliament to hold up this particular piece of legislation. When the bill was first introduced they mentioned a great deal of concern about how this particular bill had been introduced three times in three different parliaments. They stressed a need to push the bill through, a great urgency to get rolling with it. I would suggest that many of the people who sit here feel that the real need is to take a very careful look at this particular legislation.

Our feeling is that there are some important changes here which will substantially alter the business of banking in Canada. In addition, we have had three elections, and certainly there have been some very significant changes in the composition of the House of Commons. There are new people here representing new ideas. Who knows? It may just have been the Bank Act presented by Liberal and Conservative governments that was a determining factor.

There are new situations in the world which would justify a more careful look at this particular piece of legislation. We have seen interest rates take dramatic and unacceptable rises. We have seen oil prices driven up far beyond what they were when this particular legislation was introduced. We have seen the decline of the United States as a major and dominant economic force. We have seen the national debt go up astronomically. We have seen bank profits increasing in spite of economic recession. I would suggest that these are all relatively new things since that particular bill was introduced, and that what it really justifies is a new and more careful look.

A need for a new approach is important also. We have looked at the question of the philosophy of banking in this country as represented by the other two parties, as a very serious matter. But I think the members in these particular benches feel that this legislation should be dealt with effectively and efficiently. There is the question of some very objectionable sections in it that might, by informal discussion, be dealt with, rather than in the typical confrontation that has taken place in many parliaments here.

I was very pleased to hear not many weeks ago when they discussed the banking legislation that the government would be open to amendments. I think this was a move forward. If in fact this legislation is to go forward quickly, I would suggest that perhaps there should be some discussion about the more objectionable features in it and an openness toward those amendments. I am sure as we move forward to committee that the matter will be considered seriously. If this kind of a procedure is followed, no doubt good legislation will develop which can be accepted by the majority of members in this House.

Maybe the reason we take such a vital concern in this piece of legislation, whether there is a fear on the benches opposite that this will be held up, is that from our point of view banking is a privilege, as indeed is any other corporation in this country. Through the corporate procedure risk is reduced in order to earn a profit, but banks seem to have the best of both worlds—a zero risk and excellent profits. I do not personally recall when the last bank failed, and I do not personally recall when the last bank failed to pay a dividend. But I am quite certain that all of us here are concerned about the social responsibility of those corporations, particularly whether we should allow foreign corporations into this country.

In our opinion, banking is one of the safest activities. We have made it that way in the Parliament of Canada, and for that privilege we expect a return to the people. We want some control on bank profits. We want banks to align their financial power with social goals that are held by Canadians. Banking, from our point of view, has tremendous power in shaping the Canadian economy. All corporations, all goods that are produced, and all services depend upon these particular banks. All employment and the shape of the economy in the future will be determined by these banks, and we are seriously concerned

that this legislation be given adequate consideration in this House and in the committee.

● (2100)

As a previous Liberal speaker mentioned, banks touch everyone and everyone has personal experience with them, but not all satisfactory. When the banking committee sits here in Ottawa members often hear from bankers and occasionally from other organizations, but they do not reach the people who live in Comox-Powell River, northern Canada, or in many other places throughout this country. We are concerned that when this legislation is considered it be given adequate consideration by all members of the House. We do not see the urgency in passing this legislation, but we do see the need for careful planning for the future and a thorough examination of this particular piece of legislation. Governments have changed and members have changed. Of course, I did mention the accessibility of the particular committee which studies this to all the people in the country.

I think perhaps one of the themes is that we could proceed quickly by co-operation. I mentioned previously the possibility of informal discussion about objectionable procedures and about agreements on some amendments. I also believe that this particular piece of legislation, since there will be extensive debate on it and work in the committee, will probably set the tone for the Thirty-second Parliament, and I would suggest that we all see a sense of importance in this legislation, with a willingness to co-operate and see it through. We should do that with the theme that we need a thorough examination, and in that regard I would suggest the government probably has two particular options, a plan (a) and a plan (b), if you will.

Plan (a) is what we have seen so often in the past; forced passage, forced sittings, Committee of the Whole rather than, as was suggested the other day, allowing the opportunity for members to question expert witnesses, and then, eventually, closure. It is kind of a war measures approach to passing legislation. Again, the urgency concern that has been expresed on the other side of the House worries me. We may find this to be a reaffirmation of the old arrogant, inflexible government approach.

The government's plan (b) could be another option, a new look. We would suggest that the present legislation be extended for a period of six months. We suggest that the government should lay all its cards pertaining to this piece of legislation on the table and allow an opportunity for serious consideration with a fair hearing. Through this process of co-operation we might find that we could do a better job in order to represent the people who are very concerned about this legislation.

This business of holding off and having the government lay all its cards on the table is of great concern to us. Bank profits have been a concern in the past. It is my understanding that the Department of Consumer and Corporate Affairs is studying mechanisms that might control bank profits. Apparently that department is seriously concerned and is looking at the whole question of interest rate spreads. It is very important that we have access to the material that is generated by those studies before we pass this particular legislative item.

The Post Office is studying the possibility of becoming involved in some banking services. It is my understanding that this has been done in other countries. We have had experience in this country with post office banking during wartime.

Im my particular riding, and this might be of interest to hon. members opposite, banks have withdrawn from communities. There are now communities in my riding and in other ridings where banking services are not provided to the people. The banks have closed branches and they are not accessible to the people. There are only about 7,000 bank branches in the country, but there are 8,000 post office outlets. It might be relevant for the Post Office to become involved in some banking functions, providing competition through the public sector. This would also provide involvement through the federal government.

By and large I think the main concern is that we want all the cards laid on the table. What is the federal government considering, and what plans does it have in this area? We should have that information before we put that stamp of approval on this piece of legislation.

Another area of concern involves foreign investment guidelines. The Minister of Industry, Trade and Commerce (Mr. Gray) has suggested we are going to seek guidelines for the performance of foreign corporations. I would like to see these guidelines clearly spelled out, indicating how they will apply to foreign banking institutions. If we are going to become involved with foreign banking operations within this country I think it is premature to pass this particular legislation before we know what kinds of goals for economic nationalism we are going to define, and what kinds of guidelines for the performance and operation of foreign corporations will be brought forward in this country. We should have all the cards on the table.

I notice that the Solicitor General (Mr. Kaplan) has dashed away, but even some of the things he might want to report to this House on, such as the activities of foreign banks involved with the Central Intelligence Agency, or activities in foreign countries, we might consider questionable.

There are certainly a great number of things the government is looking at now that should be laid before Parliament before we become involved in making a decision on this legislative item. There appears to be a great deal more information that members could have in order to deal with it effectively.

There are many areas in this act which we, in our party, feel could be improved. For example, I think of alternatives to incorporating banks by letters patent. That should be the subject of serious concern. We are concerned about the possibility of deleting the power of the banks to become involved in other areas of enterprise. We are seriously concerned about the control of corporate concentration in the banking industry, and we are particularly concerned about the prohibition on bank directors from sitting on the boards of directors of other corporations, or possibly holding other elected offices. We are

concerned about provisions for making more effective disclosure of financial information, and we are concerned about a policy and a procedure being developed to assist banks to help Canadians attain important national goals.

We listened to the previous speaker outline what a tremendous role banks have played in helping Canadians achieve those social goals, and how foreign corporations might fail to do this. I suggest to you there are many people in this country who feel that the social obligations of banks have not been met. I suggest that banks provide one of the classic illustrations of this failure. It has often been said by small businessmen, fishermen and farmers, that in order to obtain money from the banks you first have to prove that you do not need it. They really do not serve the kinds of needs we are looking at.

We would like to see programs to assist with regional development and assist in decentralization of economic decision making. We would like to give some powers to the provinces to become more involved in banking. We would like to provide mechanisms for consumer protection, and the involvement of consumers in the decision-making process.

As the hon. member for Broadview-Greenwood (Mr. Rae) suggested, we would like to see a fair labour relations program followed by the banking industry, that last bastion of reaction in this country. We would, of course, like to see greater assistance for small businesses, farmers and fishermen.

We have a great deal of concern about the structure of the Canadian Payments Association. Finally, we have a very, very serious concern about and an objection to allowing foreign banks to function within Canada.

Perhaps just a comment or two about each one of these points might be appropriate. First let me refer to incorporation by letters patents. This, undoubtedly, is of great convenience and would allow foreign banks quicker access to Canada with the formation of new banks here. There is a serious need for competition in this field, considering the structure of the five major banks and the stranglehold they have on the Canadian economy. I would suggest that at the same time this procedure allows for a loss of accountability for the people of Canada. The function of banking, rather than being considered by the elected representatives of the people, then becomes less direct. It is streamed by the director general of banks through the Bank of Canada, through the minister of finance, through cabinet, and eventually to Parliament. With so many other things to take into account it seems there is a tendency to move away from the elected representatives of the people to consider the basic businesses that affect them. That is concentrated in the hands of cabinet and the prime minister's office.

● (2110)

Then there is the whole question of information to consider. There appear to be attempts to get safeguards to provide people with the information they need if we were to allow the incorporation by letters patent. I suggest this has been difficult in the past and to date we have not seen much action on the whole question of freedom of information. I suggest, Mr. Speaker, that it may even be a little premature to consider this bill until the freedom of information legislation has come before us. People must be able to obtain the information they need in order to make judgments about the whole incorporation procedure.

When this legislation was introduced several days ago I recognized the phrase "trust us—we will round it out and flash it up in the regulations." I do not believe that history will bear out the fact that this is what happens. One would have been very naive indeed to trust some of the former governments of this country! As far as the entire procedure of incorporating by letters patent is concerned, Mr. Speaker, I should like to say to the government—*non, merci*. The charter by Parliament will safeguard the interests of the people.

Then there is the question of involvement in interests other than banking. This subject has been dealt with at great length, Mr. Speaker. There is some fear that leasing will put banks in a position to establish a beachhead in other businesses and then that beachhead will become the next area for expansion. We will see them in one area now, in another area later, and see them gradually expanding their business interests. Banks are probably the most efficient corporations that exist, but that is only because they happen to control access to money. If we allow them, they will eliminate competition; they will expand their business. Their profits—which are already enormous in the eyes of many people—would allow for cross-subsidization and the destruction of competition.

This tremendous market power should be checked; this capability to destroy a competitive system and loss of protection to consumers should be checked. We feel it is a conflict of interest to allow banks to consider loans to their competitors. Considering loans is the primary function of a bank—not going into other areas of enterprise.

Another matter to be concerned about is corporate concentration. It is interesting to note that the Bryce commission, which paid lip service to the task of examining corporate concentration in Canada, came to some of the most amazing conclusions. These corporate apologists, however, even singled out the banks for special consideration and critical comment.

In spite of the ease with which the government is allowing banks to form, or hopes that they will form, increased competition is virtually impossible because of the size of the market already controlled by the Big Five. From 1920 until the present, bank assets ran 80 to 90 per cent; in 1976 the Big Five controlled $108 billion of $121 billion in assets. It is difficult to see how any corporation no matter how easily it forms—except possibly the large multinationals—is going to enter the banking business and supply serious competition to the entire business.

In 1976 the Big Five had a majority of the branches throughout Canada. There were 7,018 branches altogether and the Big Five controlled more than 6,000 of them while all the other banks together had less than 1,000 branches.

It is very difficult to see how any corporation can be competitive in the banking industry in Canada. No matter what we do to provide competition, it is still akin to a closely

controlled economy. As I understand the theory of workable competition in a free market economy, it is that many small firms have easy access to the market place in order to compete, and that competition will not have any influence without limiting the size and scope of the activity of these major corporations. That is impossible.

There are some things to be said about the control of corporate concentration in this industry, Mr. Speaker. In 1976 a white paper dealt with the whole question of disclosure and the Bryce commission paid special attention to banks and the question of disclosure. It advocated greater disclosure in order to meet the needs of the people.

The United States is far less timid than we in this area. When we want information about a Canadian corporation, we no longer attempt to find out from the government or the corporate headquarters in Canada; we ask in the United States where they have adequate disclosure facilities and are not afraid to ask corporations to show what they are involved in. If Canadians want to find out the salary of the chairman of the CPR they can get the answer from the United States where they are not afraid of disclosure and where the provisions that apply to banks are much broader than in this country. I do not know what we or the banks have to fear, Mr. Speaker, so I urge that the provisions for disclosure in this legislation be dramatically expanded.

The Bank of America, for instance, has voluntary guidelines and some of the principles they are prepared to follow are worth noting. Customers for deposit services of the Bank of America are entitled to the information necessary to understand, evaluate the terms, conditions, availability and safety of the services provided. Borrowers are entitled to know the standards for credit eligibility and all information necessary to evaluate the credit extended, including all charges, and the methods by which they are calculated, as well as the conditions and obligations involved.

Investors in securities of the Bank of America corporation and its subsidiaries are entitled to the information necessary to judge the quality of their investments, the adequacy of the management and the value of their holdings. Employees of the Bank of America's companies are entitled to the information necessary to make informed decisions about their pursuit of personal objectives within the organization. Customers for the specialized financial services provided by the Bank of America are entitled to information needed to evaluate the terms, conditions, and quality of the services offered.

The vendors, suppliers and other businesses with which the bank deals are entitled to the information necessary to make sound business contracts with the corporation. This includes information about policies and agreements, transactions, competitive practices, non-discrimination practices and standards of fairness. The Bank of America believes that the public is entitled to the information necessary to judge the value and adequacy of the bank's contribution to economic and social well-being and its adherence to legal and ethical standards.

It is interesting to note that this government and its predecessors do not seem to recognize the necessity to provide citizens of this country, the employers and users of banking services, with the kind of information that is supplied in the United States. That is very disappointing, Mr. Speaker; it is objectionable and should be changed.

While on the subject of corporate concentration and attempting to control it for fairness and equity in the marketplace, the whole question of bank directorships should be considered. For many years the problem of interlocking directorships has been a matter for serious concern. We find that there are bank directors on the boards of all major corporations in this country. We are disappointed that this legislation will not prevent that state of affairs. As we see it, it would probably be desirable to bar bank directors and bank managers from the boards of other corporations. This criticism has been met with the argument that such people provide tremendous insights when operating a business or providing financial services. I would suggest to the government that such advice can be obtained in a banker-client relationship. In that particular relationship, if you provide those services through a client-relationship, you do not run the risk of conflict of interest or coercion. Therefore it would probably be advisable if we provide greater privilege and power to bankers to eliminate the conflict of interest or coercion.

● (2120)

Moving from the subject of corporate concentration, which is of particular concern, to one of social responsibilities, there is a very serious question about social responsibilities of the banking community. We have heard a number of previous speakers attest to the great job they are doing, and certainly if the measurement strictly of profit is an indicator of great success in our society, then possibly the Big Five are tremendous successes; and we have guaranteed that for them. I have mentioned previously that in return for giving that guarantee and privilege, we would like to see the exercise of responsibility.

In some of the areas there are many national goals that we all look forward to achieving in this House, as do a great many Canadians. I would suggest maybe a few of them have been preached by many sides, the Conservatives and the Liberals, as they in turn form governments. We talked about a national goal and an industrial strategy in this country. We talked about an employment strategy. I have heard representatives from both parties stand up and say they had a goal of putting Canadians back to work. We agree with these goals. They are both vitally important goals, that is to say, getting that industrial strategy under way and getting employment created. As early as today we heard about the need of regional development to provide funds in this country, in northern Canada, in western Canada, in Atlantic Canada and in Quebec. This was to provide support for areas that through a period of time have not developed in a balanced manner. Regional development is an important national goal.

Then we come to transportation and communications. Apart from the tongue in cheek double-tracking escapade during the last election campaign, there is certainly a great need for

improvement in transportation, for example, the Prince Rupert port. There is needed a whole series of improvements and upgrading in the business of transportation and communications. These are national goals with which most people in this chamber would agree.

Now I would like to turn to increasing Canadian participation and control over our own economy. The last election saw the people who now sit in government in front of Canadians saying once again that Canadians must control and make decisions that affect the economy. There is too great a penetration of foreign decision making in this economy. Canadian nationalism and the economy were a great thing.

We can see parts of the country where housing is now in difficult straits. It seems to me that I read in the local paper about the "AFLOP" program and about zero vacancy rates in the area where I live. Housing is a very serious and important national goal which many of us share. The point is that we cannot keep fuelling these programs out of the public purse. The banks control an enormous amount of the nation's capital; they must become more involved and must bring their financial power to work together to achieve those national goals in a rational way.

In this House we have all said that we want to see an expanded and strengthened small business and middle-sized business program. I would suggest that no one is being hammered harder than those particular segments. Throughout the last election, and prior to it, a stream of small businessmen came through my constituency office. There was a tremendous volume of mail about the hardship which was being created by rising interest rates, especially in rural Canada where not only do small businessmen have to carry a large inventory, which does not turn over very quickly, but they must face high interest rates on that inventory. They have to face increasing transportation costs, strictly because of the oil pricing policy. The are faced with these two elements as well as a not too often sympathetic banking industry. In my riding I have had a number of experiences, and I am certain that everyone else has, where the bank has arrived on the doorstep of the small businessman and said, "My auditor just came in today. I have too many loans out. Your loan with our bank is chopped." And that was it.

One business successful for many years, with 80 employees, had the vice- president of the bank from Vancouver along with the local branch manager arrive in the office with no notice and say to the business people, "We are calling the half a million dollar loan that you have out." The gentleman replied, "I run a very important business that serves the coast of British Columbia, not just the 80 people employed in this community and all the services and maintenance we require from this area." The bank representative said "Tough." He was asked why. The bank representative said, "We have no explanation, and we are not required to give one. It is a demand loan. Goodbye. Pay the money." And that was it. That is not a very socially responsible approach. These small businessmen are faced with high interest rates, stifling freight rates, and a banking industry which can come to their doors and say that its auditors said there are too many loans out, and that they are picked to go down the drain.

An hon. Member: It is Liberal realism.

Mr. Skelly: It is not Liberal realism exactly. I am certain members opposite are as concerned about that kind of foolishness as I am. We would all like to see a more socially responsible approach, that those who consume the services of the banks in this country would have more protection, access for appeal and reconsideration, not just a blank "thank you very much, that is a demand loan and we want all the money back today regardless of the consequence on your firm, its employees and services it provides to the people of rural Canada."

We are talking about national goals and, if I may be permitted to stretch it a bit, we all want a Canadian merchant fleet. We have talked at length about that in this House. It almost came to pass. We want to see the shipbuilding industry improved. Again, it should not all be borne out of the public purse. The banks have an obligation to bring their financial muscle behind that program and we should be encouraging that through stated policies in this legislation.

In my particular riding, and in the area of B.C. that I represent along with many other members who sit in this House in two particular parties at this moment, we are concerned about the Indian communities. Time and time again leaders of the Indian communities have come in desperate need for access to capital. They are told by the government to go out and make plans. Those communities that plan properly will be given access to capital to carry out those plans. I submit that Indian communities have done a tremendous amount of planning and hoping. They want the kinds of benefits that are available in other communities. Every time they arrive on the doorstep for assistance from the government for access to capital, they are told to go and whistle.

The banks could play a substantial role, with the assistance of public direction, in providing the desperately needed capital in Indian communities. It would be interesting to see the government comment on a situation like that. These communities need housing. They need developments in their infrastructure. Basically they need capital for economic development to put Indian people back to work. It is an interesting side feature that we do not really seriously consider Indian employment in terms of things they are able to develop and promote and improve themselves. We do not even include Indian unemployment in our statistics, and yet it is a most serious unemployment situation in my riding and in the ridings of many people from that area.

There has not been much social responsibility in banking, not because the banks are basically evil or malicious, but the lust for profit is there. If the banks are allowed the opportunity, they will certainly follow the path of least resistance to reach that profit. Development in the areas I have talked about is vital to a balanced development of the Canadian economy. Unfortunately, they are not the most profitable and they even carry a slightly greater risk. Through this particular

piece of legislation I think that we could encourage the banks to participate more fully in developing and balancing the economy of Canada.

● (2130)

A further question is the one of consumer protection. We mentioned the whole business of disclosure of information. Perhaps I might be permitted a moment to take a look at the entire question of consumer protection in relation to banking.

Consumers who are users of the banking system can make intelligent choices about the services only when working with adequate information. Under consumer protection we feel that banks must disclose for the individual consumer in that bank, general credit policies and lending guidelines, all terms and conditions for borrowers including related and additional charges, for depositors the terms and conditions of savings accounts or other savings instruments such as RRSPs, all terms and conditions of mortgage lending, general advertising policies, policies of providing information to creditors, credit agencies or others, policy of retaining customer records and maintaining confidentiality.

Another question about consumer protection is the entire business of the credit card industry. It appears today that the banks, through the promotion of convenience credit, have more than 10 million cards in the hands of Canadians. About 48 per cent of the respondents to a Canadian Consumers' Association survey in Toronto in 1975 said they had experienced billing problems with their cards. Only 61 per cent of those errors were corrected within a month. The number of personal bankruptcies in 1978 was 15,800. Did you say good?

Mr. Munro (Esquimalt-Saanich): No.

Mr. Skelly: I thought I heard him say good.

Mr. Kempling: No.

Mr. Skelly: That is acceptable. We are travelling on the same track. Interest rates on Chargex and Master Charge as of April 1, 1980, were 21 per cent and are expected to rise to nearly 26 per cent. Personal indebtedness, ordinary personal loans from chartered banks, not including mortgages, totalled approximately $25 billion. Again we need better information about the cost of those loans. There should be a lot more work on credit counselling by banks.

The whole question comes back again to concentration. That worries me as much as anything. The banks through their involvement with Visa and Master Charge, have compelled many customers to use that. There are services one can no longer acquire in this country unless you can provide a credit card. It is difficult. It is more than the path of least resistance. The next few years will probably see a disappearance of a lot more of the services you can acquire with cash or cheque. If you can present Master Charge, you can certainly have it, if you are willing to become involved in personal debt.

This is fine for most people. Unfortunately, the tremendous compulsion to use those, the encouragement to spend more and more through the use of Chargex and Master Charge and the various other devices, are a serious problem. We will see bankruptcies rise. We will all pay for those costs.

The question of the credit card system will fuel the whole business of inflation. It will increase bankruptcies. As far as I am concerned, and many of the people I have spoken to about this, the banks should be driven out of this area, even though it happens to be one of the most lucrative. This type of credit should be provided as is necessary. Mechanisms such as lower interest rates, compelling them to charge much lower rates, will make it much less desirable to push credit at people, in fact to exploit people with it.

When you go into a major department store they no longer ask whether you will pay cash. They ask, "Can I put it on your charge card?" The financial aspect of that is that it is one of the highest earning departments in any retail store. You might consider requiring a small down payment. I wonder what would happen to inflation and the national debt if we were to attempt to regulate the whole business of credit.

Mr. Deputy Speaker: Order. I regret to interrupt the hon. member but the time allotted to him has expired. He may continue only with the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Bill Kempling (Burlington): I thought the time would never come, Mr. Speaker, because listening to the hon. member for Comox-Powell River (Mr. Skelly), I wondered where it was going to end. I can only say that he reminds me of the poet who wrote:

He is so pure, as pure as can be,
For he is a member of the NDP.

Some hon. Members: Hear, hear!

Mr. Knowles: Author?

Mr. Kempling: I will take the credit for that. I just want to comment on the hon. member's remarks. I am no apologist for the banks—

Some hon. Members: Oh, oh!

Mr. Kempling: You do not have to use that credit card if you do not want to. It is there for your convenience. You do not have to pay the interest if you pay your account at the end of the month. What the hon. member might try some time is going into a store with cash. It is amazing what you can do with cash.

When I go into a store wanting to make a major purchase, I say, "How much is it for cash, and I mean cash. I will count it out for you." I recently went to one of the largest department stores in Canada. I wanted to purchase an appliance for my wife. I asked the appliance manager how much for cash. He said it is the same price. I said, "Here is my card. When you

get around to deciding whether you want to sell me for cash or what, and what discount you will give me for cash, call me." I had a call within six hours, and the price for cash was considerably less.

I have to chuckle at the hon. member for Comox-Powell River. He talks about having to go through this process all over again. He says there have not been fair and equitable hearings. Let me tell him that I do not recall one member of the NDP turning up at any of the hearings we had, and I sat on all of them. We had representations from all of the banks, including foreign banks. I did not see anybody from the NDP. I did not see anyone there when we were examining briefs. They were not there when we did the committee report. They just were not there.

Some hon. Members: Oh, oh!

Mr. Kempling: You can holler all you like. Look at the record. It is there. For some new member to come into the House and say that since 1976 this matter has not had an adequate airing in the House of Commons and has not been heard adequately, is a lot of nonsense. It has been heard. I hope that the House will act with a certain amount of dispatch after it gets rid of a couple of items that seem to be bothering us, and let the Bank Act get on its way and into operation. I believe the passage of the Bank Act is more important than the minister's budget, whenever he brings the other half of it down. This is the engine. This is what makes our business operate.

I want to deal with a couple of specific items in the Bank Act. My colleagues covered much of the hearings and the witnesses we had before us, as well as the submissions we received from foreign banks and so forth. I want to deal specifically with one section that we have changed. That is the old section 88 of the existing act which is now section 177 in the bill before us.

When we did some research on this portion of the act. We discovered how it had found its way into the Canadian act. It was lifted out of a British statute that went back to 1815 and had been substantially unchanged since that time. It was a means of allowing a manufacturer or producer to offer as collateral to the bank his work in progress or his raw materials.

A businessman may go into the bank and say to the bank manager that he wants to use section 88. As far as he is concerned, that is a form that the bank has which you fill out and sign. There is a lot of legalese and words in there, which he does not understand and I do not understand. He knows it has to be signed if you are going to pledge the work in progress or raw material as part of your collateral for the loan he is going to give you.

● (2140)

I think the minister is a reasonable person. What we were trying to bring before the committee was that commerce has changed a lot in this country since 1858 and that a large segment of our economy is now engaged in what I call loosely the buy-sell business—they buy material from various parts of the country and from outside the country and they service and sell it to businessmen. They are faced with a particular problem today because the banks really have no way of taking their inventories as collateral except when they take a floating charge debenture. They allow them actually about 30 per cent of real value. A businessman, say, has $750,000 tied up in inventory upon which he will only get around $215,000 from the bank when it gives him an allowance for collateral purposes.

We find that in most other jurisdictions merchandisers, wholesale or retail, can go to the bank and upon convincing the manager of the quality and freshness of the inventory, can sometimes get 75 per cent or 80 per cent. That is a matter between the banker and a businessman. We have no mechanism for doing this. We suggested, and, fortunately, the members of the committee agreed, that we should amend section 88, and we have now added wholesale and retail services to that section as far as inventory is concerned.

I think few people realize how important it is that the wholesaler or the retailer now has available to him, provided he can get the auditor to verify the value of his inventory and the bank manager has adequate confidence in the businessman and his auditor, a medium of collateral beyond the 30 per cent he would normally get. If we can get this going it will do a tremendous amount for wholesale and retail trade in this country and will help a lot to prevent many of the bankruptcies which are now occurring since, in most cases, bankruptcies come about through lack of working capital.

Another thing a lot of people do not realize is that the cost of carrying inventory in past years used to be borne to some extent by the manufacturer. Today it is not carried by the manufacturer at all because of a change in the style of manufacturing. Hon. members may recall when President Nixon brought in the 10 per cent surcharge on imports and then, along with it, passed Disc legislation which allowed American companies which manufacture and sell to a Disc corporation to retain 50 per cent of the profits they made from exports interest-free, at the pleasure of the President. The effect has been to put into the pocket of the American manufacturers, in this case, a source of funding at no interest; members can imagine what assistance this is to a manufacturing company.

The American supplier utilizes this advantage by taking an order from a Canadian consumer or a Canadian wholesaler and trades it at the bank, using it as part of his justification for getting funds from his bank in the United States. He will take an order to his bank manager, supply a history of his client—how long he has been doing business with him and the history of his payment record—and is then able to get an advance of funds for the operation of his business. Then, when he produces his product, he does not put it in inventory; as soon as it comes out from the production line it is shipped, in this case to the Canadian wholesaler, and it is the wholesaler who carries the cost of the inventory. But you see, Mr. Speaker, the wholesaler has no way to react to these circumstances. He has no source of funds unless he wants to invest his own money in

the transaction. He has no way of getting funds through his bank to enable him to carry that inventory. So we were looking again at section 88, and that is another reason why we decided to amend it.

We heard a little rumble a year or so ago about section 177—we heard there were some people in the other place who were not very happy with it. In fact they wanted to change it back to the old section 88. They did not want that wording changed at all. As it turned out, the Canadian Retailers Association heard about the good things in section 177 and the Canadian Federation of Independent Businessmen heard about it too. They descended on Ottawa and wanted to meet with the banking committee in the other place to tell them a few of the facts of life about wholesaling and retailing in Canada. Of course members of the committee backed off when they saw there was some objection. We hope they have seen the light and that when the bill comes before their assembly they will allow it to pass without changing that section or sending it back to us for further debate.

I want to say something about leasing because we have had a number of discussions with the Canadian Federation of Automobile Dealers about leasing and about their concerns, particularly at the present time in the light of difficulties experienced by automobile dealers in coping with the down-turn in the economy. A lot of the dealers tell us that about 25 per cent of their income is derived from leasing and they are very concerned that the banks intend to move into this field and take a good deal of it away from them. Indeed, when our hearings were going on, one of the chartered banks told us they were planning to place a leasing officer in every branch across the country and that they were actively going out to seek the leasing business.

As other members have mentioned, the Royal Bank of Canada has sought to line up dealers to supply them with automobiles at a few dollars over cost and perform service for them at a 20 per cent discount, or something along those lines. This is really not the business of the banks at all. So we intend to press the minister to get the leasing provisions amended. This is one of the few points we are concerned about—getting that leasing matter dealt with. We think leasing should stay with the dealers. We believe that automobiles and light trucks up to maybe 16,000 GPW should stay with the dealers, and that the heavy trucks and the large ticket items should be made available to the banks.

I might say that the Canadian Federation of Independent Businessmen has carried out a survey in the last month, I believe. The results were in today, and I understand that 67 per cent of the small businessmen across this country indicated in the ballot that they do not want to see the chartered banks in the leasing field. I think the minister is a reasonable person, and I believe he will listen to that opinion and accept an amendment which would allow the banks to stay out of the leasing field and not get as involved in it as they thought they were. Car dealers have told us that the banks in fact have been raiding some of the leasing companies and taking some of their personnel, and that they are really ready to go into leasing in a big way. We think this is not a good move.

● (2150)

There was some concern expressed about the computer services that they were going to offer as well. I just bought a computer at my own business about a year ago. I recall going to the bank and telling them that we were buying. We had to talk to them because we were buying the computer, and it was quite expensive. They immediately said, "Well, why buy a computer; use our service". One of the things we have to remember is that we have to be flexible enough to move. We do not have to stay with one bank all the time. My concern was that if I had all my records tied up in the computer system of the bank and I wanted to move to another bank, I would have quite some difficulty doing that, so I chose to stay out of that and to use my own computer. Then, if I choose to go from one bank to another, I will.

I find that Canadian businessmen have a fixation about banks. Many of them come into my office, and they are always blaming everything on the banker. Sometimes it is the banker's fault, but it is not always his fault. Many times it is the businessman's fault. What I tell them is that if they have an idea and they are going to the bank for financing and they have it all written down and laid out so the banker can take it and explain to the people he has to deal with—maybe his regional manager or whoever it is above him who approves loans—he has to have something to pass on to him then. If the matter is explained in a reasonable way and the banker turns the applicant down, he should not become despondent. There are five or six other banks. He should just go to another one. If they all turn him down, he should go back and have a look at the concept of what he is doing. However, because someone turns him down, that is not the end of the line. I have been turned down many times, and sometimes when I have sat back and looked at it, I was glad I was turned down.

The fact is that if you do not try and do not venture, you should not blame the bank. If it turns you down, look at another one, refine your presentation and have another go at it.

The hon. member for Comox-Powell River talked about consumer protection.

Mr. Munro (Esquimalt-Saanich): He is gone.

Mr. Kempling: Well, he is really gone then. He talked about consumer protection. My gracious, I think the last bank which went bankrupt in Canada was the Home Bank in Hamilton in about 1921. It was taken over by the Commerce. I do not believe that a depositor in Canada has lost one penny as a result of bankruptcies in banks, so if we are looking at consumer protection from the point of view of the depositor at the bank, we have no worry. Part of that is due to the way banks are run, and part of it is due to the Bank Act and the way it has been administered. I do not find that consumer protection is much of a problem.

The hon. member went on to talk about requiring the interest rate to be stated. That is the law today. If the hon. member really knew what he was talking about, he would know that when you go to get a loan it is required that you be told what the interest rate is. It is there in the law now.

With regard to finding out what is on your record, most provinces in this country have legislation which requires banks to show us what is on our records, if that is what is concerning us. In fact most credit agencies are happy to have people come in asking to see their credit records because the credit agencies want them to be as accurate as possible. I do not really follow what the hon. member is getting at.

In his speech the hon. member kept talking about control, control, force and compel. That is the old NDP line that we have heard in this House so many times. They talk freedom and democracy out of one side of their mouths, and control, control, and compel out of the other.

Mrs. Mitchell: Justice, justice, justice.

Mr. Kempling: And they spit seeds out the middle.

With this Bank Act there has to be more competition in banking. There is no doubt about that. We are letting foreign banks into the country because our banks are operating outside the country. It is on a kind of reciprocal basis. At least that is the spirit that we adopted in the committee. We felt that we should have reciprocity. If Canadian banks are going to operate in other countries, we should have some sort of reciprocity here.

However, I want to see our banks involved more in exporting, particularly in the small business sector. There is no reason why they cannot get involved in that. They all show export financing in their services, and yet when you go and talk to them about it, they do not seem to have anyone there on the spot who can tell you too much about it.

I think I would rather see them keep out of leasing activities and have them concentrate more on export financing. Our long-term finance market is gone. I would like to see them more into that area.

I noted the small business development bond which the minister smuggled into his economic comments a week or so ago, which he took from the minister of finance of the previous government, which I am sure he got from some other place—I do not think anybody can claim authorship of that idea—but I hope that the Minister of Finance (Mr. MacEachen) will encourage, through the Bank of Canada, the chartered banks of this country to go after this small business development bond.

I hear—and I hope I am hearing wrong—that some people inside the department are not too excited about this small business development bond. I hear that perhaps some of the banks might not be too enamoured because they are holding colectively about $12 billion to $13 billion in term preferreds on which they pay no tax on the interest that they gather on them. Of course this small business development bond is in the same category. Regardless of that, that is the engine which will drive this economy for the next few years, and I certainly hope that the minister will see the wisdom of encouraging that sort of activity on the part of the banks; and let them keep out of leasing.

Hon. members will recall that when we let the banks into the mortgage field, the thought of the day was that with their vast resources mortgages would be a lot cheaper. The reality is that there is about a quarter-point spread between the mortgages we get from chartered banks and what we get from mortgage companies. When we questioned the banks about that, their reply was that if they go down any lower than that, they will be accused of driving mortgage companies out of business, which is not the way it was supposed to work. Everyone thought that with their vast amount of resources the banks would be able to provide mortgages at lower rates of interest and that that would help the housing industry and help Canadians get housing as they needed it.

I know we are going to present an amendment. I do not know what the progress of the bill will be. I assume it will go to committee. I do not think we are anticipating long hearings, and I hope the minister will look seriously at our amendment on the basis that the general opinion across this country is that the banks should not be in automobile and light truck leasing. They should be out of that field altogether. It should be left to the people who know that business. If they will do that, I think perhaps we can make some progress.

Mr. Speaker, may I call it ten o'clock?

* * *

MESSAGE FROM THE SENATE

Mr. Deputy Speaker: I have the honour to inform the House that a message has been received from the Senate informing this House that the Senate has passed Bill S-3, to amend an act to provide for the appointment of a port warden for the Harbour of Quebec and to amend an act to amend and consolidate the acts relating to the office of port warden for the Harbour of Montreal, to which the concurrence of this House is desired.

● (2200)

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

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

INDUSTRY—AID TO CHRYSLER CANADA—IMPACT ON ECONOMIC DEVELOPMENT OF CANADA

Hon. Michael Wilson (Etobicoke Centre): Mr. Speaker, on Friday, May 2, I asked the Minister of Industry, Trade and Commerce (Mr. Gray) why he had apparently completely ignored the request of a successful, growing, Canadian-owned

company for aid in expanding its product line. His answer to this question was completely unsatisfactory. He ignored the question, and this, together with similar evasive answers by the minister over the past two or three weeks, has caused me to rise tonight to comment on this issue.

Let me put the matter in some perspective. First, the aid to Chrysler, rumoured to be in the range of $200 million to $250 million, compares with the programs of the Department of Industry, Trade and Commerce and the Department of Regional Economic Expansion in the following way. The total budgetary and non-budgetary estimates for the Department of Industry, Trade and Commerce were $508 million, and for DREE, $562 million. Of that amount in the Department of Industry, Trade and Commerce, $200 million will be by way of grants and contributions. I ask the minister whether he had stopped to consider the impact of this Chrysler aid within his over-all budget. The Chrysler aid represents an enormous part of the budget in two key economic development departments.

Second, Chrysler has had a somewhat checkered existence in recent years. This is the third time that Chrysler has suffered financial problems in the past ten years. Each time the problem gets worse.

Clearly any aid to Chrysler Canada is very significant in relation to over-all Government of Canada industrial development programs. There is also significant risk that Chrysler will be back to the trough again. Thus the decision that the government makes must be viewed with concern since the decision made today may well be the precursor of a similar decision in the future.

I have tried to obtain from the minister answers to the following questions. Out of what fiscal envelope will Chrysler aid be provided, the economic development envelope or the social welfare envelope? Will any aid to Chrysler have an adverse impact on other economic development programs? Putting it quite simply, will the provision of aid to Chrysler result in fewer economic development dollars being available for other programs? I have pointed out one unfortunate situation, that of CAE Industries, which was ignored completely by the minister. What is the significance of this lack of attention? Is the government considering any alternative ways of dealing with the very serious problem of lay-offs and long-term unemployment in the automobile industry?

The minister today made the ridiculous statement that he would report to the House by the time of the question period. To date he has said nothing to the House by the time of the question period. I have learned more about Chrysler from reading the newspapers. It is essential that we have a full debate in the House on the aid program. What impact will it have on small business? What impact will it have on high technology industry support? What impact will it have on other assistance in Ontario? What impact will it have on other parts of the country? These are all very important questions.

I can understand the reluctance of the minister in commenting on particular aspects of current negotiations, but I cannot understand him stonewalling me on these broader questions. Is there any reason for his attitude? Either the answers to these questions will arouse unfavourable comment from Canadians at large, or the minister has not directed his attention to them.

Prior to the election, and even since 1971, the Liberals have been calling for an industrial strategy in this country. What is that strategy and where does aid to Chrysler fit in it? It is sad to say that we are facing here one of the most significant economic development decisions that any government has made in this country, and there is no comprehensive economic strategy within which to judge the merits of the decision. I can only discuss the matter in the context of certain statements made by the minister and others on his side in recent days. Industrial strategy usually requires that aid be given to growing companies, to the winners. Chrysler is clearly not a winner. How, therefore, is aid to Chrysler being tailored to ensure that Chrysler will become a winner?

● (2205)

The hon. minister has championed the cause of Canadian-owned companies in his comments on industrial strategy. How does aid to Chrysler fit within these policies? Why has he ignored a growing, successful Canadian-owned company which needed a nominal amount of capital to provide 200 to 400 jobs and some $20 million to $30 million in new business? The inconsistency is alarming. It took a statement by the president of that company that the business had been lost to evoke any reaction from the minister.

Support for small business is, and always will be, a key to any sound industrial strategy. Will the aid to Chrysler inhibit the government from supporting small business? If the money available for small business is not forthcoming because of the aid provided to Chrysler, one can be sure that the outcome will be received in a very negative way by the small business community, and rightly so.

I have asked many questions. I have not in any way tried to disrupt the negotiations which are currently under way. The purpose of these questions is to try to understand the framework within which the government is making this very far-reaching decision. It is critically important that this be done prior to the decision being made. It is impossible now for Canadians to indicate whether or not they support in principle the aid to Chrysler, since they do not know what this aid entails.

[*Translation*]

Mr. Claude-André Lachance (Parliamentary Secretary to Minister of State, Trade): Mr. Speaker, first I thank the hon. member for Etobicoke Centre (Mr. Wilson) for giving me the opportunity of addressing my peers for the first time in this Parliament. I should like to reassure him and say that, contrary to what he seems to think, if anyone in this House cares about developing a coherent strategy for the automobile industry, for very obvious reasons, Mr. Speaker, it certainly is the Minister for Industry, Trade and Commerce (Mr. Gray). Moreover, on Friday, May 2, the hon. member for Etobicoke Centre brought up the matter of the CAE Industries application for a subsidy, so that the federal government would in fact

supply almost all the funds and capital investments needed to meet the requirements of General Motors which had offered the two companies the possibility of making automobile parts, specially those for the transmission of the model now being produced by GM known as the new energy-efficient front-wheel X model.

CAE Industries applied under the business development program and I would remind the hon. member—he probably knows that already and I am somewhat surprised that he did not raise that point in his speech—that that program cannot help in terms of direct capital investments, but only in terms of guaranteed loans or in research and development. Therefore, that program can be of no use to CAE Industries because of the terms of reference given by the House. However, the minister, in the name of the government, has stated several times his intention to help Canadian businesses which produce spare parts for the automotive industry and to act in such a manner as to increase Canada's share of the spare parts market. Through the minister the government has been asked for ad hoc help for that company and a cabinet decision is pending. Therefore, contrary to what the member for Etobicoke Centre said, if possible we firmly intend to help that firm but we cannot do so under the business development program which does not meet the requirements of the application for subsidy presented by CAE Industries.

• (2210)

[*English*]

CULTURAL AFFAIRS—FUNDING OF VANCOUVER ART GALLERY

Miss Pat Carney (Vancouver Centre): During the last few days I have been trying to determine, in question period, the intent of this government concerning certain commitments made by the previous administration on the financing of arts and sports projects from Loto Canada funds. I find the answers to these questions uninformative and unsatisfactory.

On April 22, I asked the Secretary of State and Minister of Communications (Mr. Fox) whether it was his intention to honour the commitment made by his predecessor to provide $4 million toward the conversion of the old court house into Vancouver's art gallery. In reply the minister indicated that such financial pledges were merely campaign commitments and that they were being reviewed as such.

On May 1, I asked the minister responsible for sports or the Secretary of State whether the government intended to cash the $6.4 million cheque that had been sent to the federal government by the provinces as the federal share of Loto Canada funds. In reply the minister responsible for sports indicated that the government did not intend to cash the cheque until the legal position of the agreement between the former administration and the provinces on Loto Canada had been established.

In reply to a supplementary question the Secretary of State reaffirmed that any decision on the art gallery or similar projects must await the possible jurisdictional dispute between the federal government and the provinces over Loto-Canada. We might wait forever. The issue is very simple. Will the government meet the commitments of the former administration and put up the funds for these projects?

I am particularly concerned about the federal financing of the Vancouver art gallery. This cannot be dismissed as a campaign promise. The first request for federal funds for the art gallery was made two years ago to the former Liberal administration. Subsequently, nearly $12 million has been pledged from private donations and municipal and provincial pledges, all awaiting confirmation that the federal government will come through with the promised $4 million. If the federal government money is not forthwith coming we are in the ridiculous position of having to return to the private sector the $5 million that it has contributed for the art gallery.

For the record, I would like to read the chronology of the Vancouver art gallery funding. The timing of events is as follows. In 1978 the gallery requested $4.5 million from the Liberal government. The rationale for this request was that the federal government had made similar grants across the country, particularly for Montreal and for the Ontario art gallery in Toronto. Vancouver was the last major city to be without an adequate facility and it was not unreasonable to request funds from the federal government. The amount of the request was in the order of magnitude of those for other galleries, and it is our turn.

At the same time, in 1978, a request to the provincial government was made for a grant, plus the value of the land on which the old court house stands. Subsequently, Vancouver city committed funds from the sale of the present gallery site.

In 1979 the gallery went public to raise $2.5 million. The very successful "Take the art gallery to court" campaign was launched and actually raised $5 million from the enthusiastic citizens of Vancouver between April and August of 1979, of which $2.5 million was set aside for the purchase of Canadian art.

In January, 1980, the former secretary of state, David MacDonald, announced a grant totalling $4 million in the form of $1 million per year. At the end of March, 1980, the provincial government committed $2 million, contingent on federal government funds.

We now have a situation where nearly $12 million has been pledged for both the gallery and the art bank, all awaiting confirmation of the federal government's $4 million. The delay is costly. A conservative estimate is that the delay is costing us about $100,000 per month.

If the art gallery does not go ahead, Vancouver will lose employment opportunities in cultural industries, a show case for major exhibits, such as the King Tut exhibit which attracts tourists, $2.5 million in grants for the art bank, $2.5 million in private pledges, $2 million from the provincial government, the site of the old court house, and $4.6 million from the city of Vancouver.

Surely, Mr. Speaker, the time has come to end this uncertainty and proceed with this project now while these pledges are available.

Mr. Peter Stollery (Parliamentary Secretary to Secretary of State and Minister of Communications): Mr. Speaker, I am happy to have this opportunity to clear up—I would not go so far as to say misunderstandings—the thinking of the hon. member who just spoke. Her thoughts on this subject are not very clear. I should like to emphasize that we are dealing not with government commitments but with election promises. That is very much part of the problem.

● (2215)

During the election campaign the former secretary of state went across the country promising a great many things. I note there was $3 million for an art centre in Thunder Bay; $500,000 in Vancouver for the Waterfront Theatre, and another $4 million in Vancouver for the art gallery. That was all very nice, but these were election promises and nothing more. At no time did the Conservative cabinet commit themselves to these projects, and at no time did the previous government give the projects Treasury Board or cabinet approval. In fact if the hon. member would take the time to look again at the wording of the former minister's press release she will note that all that was said was that the former minister was "—prepared to allocate up to $4 million" under "—a proposed federal program." There was no commitment on the part of the former government—again, only election promises.

Even more important, Mr. Speaker, is a subject that has been brought up by the hon. member—the question of the fairness of the Loto Canada agreement. Under that agreement $12 million would be allocated to arts and culture. Was this, in fact, the best deal for the cultural community? Had this agreement with the provinces not been made, it is estimated that 30 per cent of the total net revenues from Loto Canada would have been allocated to arts and culture on an annual basis. Loto Canada estimated this amount at $30 million. Even a more conservative estimate, forecasting increased competition in the lottery field, would estimate the yield to arts and culture being no less than $19.5 million per year. In fact the arts and culture community lost financing during the period of the last government.

These figures must be taken into account, Mr. Speaker. The government must be sure that the Loto Canada agreement negotiated by the previous government was the best deal for the people of Canada and gives a fair share to both federal and provincial governments. As soon as the issue concerning the distribution of the Loto Canada funds is resolved, the government will be in a position to reassess the capital project requests that have come from across the country. I must point out to the House that there are over 60 applications outstanding for these funds. The government would be in a far better position to meet those requests if the previous government had not, through its Loto Canada agreement, reduced the funds that would have been available to the arts community from Loto Canada.

HEALTH AND WELFARE—REPORTED MERCURY POISONING OF NORTHERN ONTARIO AND QUEBEC RESIDENTS—ACTION TO PREVENT

Mr. Bill Blaikie (Winnipeg-Birds Hill): Mr. Speaker, one of the observations of a report published by the Department of Health and Welfare entitled "Methylmercury in Canada" about a month ago, states that mercury levels being found in some individuals in northern Ontario and northwestern Quebec are a significant health risk, and that it is probable that some may show early or mild symptoms of mercury poisoning. The report concluded that even though milder forms of mercury poisoning quite possibly are occurring, it is difficult to prove it conclusively.

On April 29, 1980, the McGill University study on the effects of methylmercury poisoning on the health of residents in certain Quebec Indian communities was released. It found that there was an association between some of the neurological findings and estimated exposure to methylmercury. More surveillance of the population was recommended, and I concur, Mr. Speaker. But, in the end, it is not enough to describe a problem well. The politics of description is the classic liberal, social, scientific approach to the problem. Description changes nothing; only action does that.

In reply to my question in the House the other day the minister said she would have to wait until this last report was released. It has been released now, and we on this side of the House expect an answer. Therefore, I ask again what new steps are the minister and her department taking to stop the systematic poisoning of residents in northern Ontario and northwestern Quebec.

● (2220)

Pollution of our environment, especially that pollution already there in damaging proportions, is one of the most difficult, most frustrating and most tragic problems that industrialized countries will likely ever have to face. Make no mistake about it, we will have to face it. To be fair to the government, there are no easy solutions. There is no invisible hand which will correct, what has been for a long time, a serious predicament for the residents of northern Ontario and northwestern Quebec.

The situation as I see it is this: that innumerable studies have shown inconclusive but nevertheless significant evidence that poisoning of the river systems of northern Ontario and northwestern Quebec by methylmercury has affected deleteriously the health of the native population of the area. We have two sets of facts before us that should move the government to meaningful action.

First, we know that enormous amounts of mercury have been dumped and are continuing to be dumped into river systems. Second, we know that mercury poisoning causes certain types of symptoms, many of which have been observed

in places like Grassy Narrows, White Dog, and Mistassini. We know from the Japanese experience the fact that Minimata disease frequently appears only after years and years of eating contaminated fish.

I find myself wondering whether or not this government is going to act only when we do have conclusive scientific findings, when mental and physical abnormalities in children and adults can be proven to be caused by methylmercury poisoning. This burden of proof set-up that finds us in this, as in other environmental issues, waiting to die in order to prove that we are being killed, is morally depraved. It seems that society is willing to accept these risks, as they are euphemistically called, associated with its economic development and standard of living, and this government reflects this willingness to accept these risks. But risks to whom? In this case it is the powerless people who are on the periphery of our industrial society, almost untouched by its benefits but burdened with its wastes. While we unjustly force these people to take the present risks, I think it important to remind ourselves that if this madness keeps up we will all be forced to accept these kinds of risks in one way or another.

I wonder what would happen if our response to the problem would be any different if this situation were occurring in any one of our large cities? My guess is that the response would not be all that different. So charges of racism in this question are appropriate on the one hand but overplayed on the other, because no matter who the people are or how well they are integrated into our economy, their health would also be risked for the sake of a system that puts profits ahead of people. For all its ugliness, racism has at least a human quality. But what sort of inhuman system do we live in when nobody matters, when nothing interferes with the system? This indeed brings new meaning to the phrase "systematic poisoning".

I am not hopeful that this government will take meaningful action until it changes its attitude toward the problem of pollution and how to stop it. The government must stop describing the situation and start prescribing for it with courage and foresight. Instead, Liberal and Conservative federal and provincial governments have taken the view that the public should pay for the costs of suppressing industrial pollution because the public benefits from the reduction of pollution.

Liberal and Conservative governments use tax credits and public subsidies as instruments of policy to protect the environment. I submit that this is destroying our environment. It is no surprise that this government is continuing this dangerous path. For instance, witness the latest government giveaway to Great Lakes Forest Products Limited which recently bought out Reed Paper—of $38 million, $25.3 million from the Conservative government of Ontario and $12.7 million from this Liberal government in Ottawa, ostensibly to be used as an incentive grant to help rebuild its facilities at Dryden and Thunder Bay. I wonder if it is merely a coincidence that of the $335 million total program, $35 million will be spent on pollution abatement measures that—and I quote from a DREE press release:

—are expected to result in full compliance with the Ministry of Environment's requirements.

Is not the free market system wonderful? Is it not terrible how the government intervenes in the market place, and then only to bring full compliance after all these many years? We in the NDP believe that the polluter should pay the costs of suppressing pollution to protect the health of people and of the environment.

We must ask ourselves if we want the kind of society that places most of the risks of pollution on people who themselves do not pollute? Is it fair that it is us in the main stream of society who are the ones who generate disproportionately more pollution and the rich even more disproportionately, while governments act not to make the private sector pay the social costs on its activities, but instead pick up all the costs on behalf of the Canadian taxpayer?

● (2225)

Governments must act to redistribute not only the wealth of society more fairly, but also the risks to health and the costs of ill health. To do this, tough and enforced public regulation will be necessary along with compensation to the victims and efforts to rebuild broken lives through the development of alternate employment strategies. Governments that fail to do this by only monitoring the problem are as negligent and as guilty of destroying human health and the quality of life as the polluters themselves.

Mr. David Weatherhead (Parliamentary Secretary to Minister of National Health and Welfare): Mr. Speaker, the findings of the departmental mercury program across Canada are described in the document "Methylmercury in Canada" which was released in March, 1980, and are supported by the findings of the McGill University study in northern Quebec, which was released on April 29, 1980. Both documents come to the conclusion that while severe methylmercury poisoning or Minimata disease has not been found in Canada, milder forms of mercury poisoning, although difficult to prove conclusively, quite possibly are occurring in certain areas.

There is no specific medical treatment for the effects of methylmercury, and health programs must, therefore, concentrate on identifying those who may be at risk, and on a preventative approach in the form of health education to help individuals avoid taking in a significant amount of mercury. Therefore, the following actions are under way.

First, at risk areas are being identified based on knowledge of mercury levels in native people and fish and sea mammals.

Second, surveillance programs will be continued in these at risk areas so as to assist individuals to modify their diet to keep their mercury levels within acceptable limits.

Third, health education programs will be continued in the at risk areas.

Fourth, it is important that careful balance be established between the advantage of the traditional Indian and Inuit way of life, which can provide an excellent source of dietary protein in the form of fish and sea mammals, and the potential danger

to health due to elevated mercury levels in that food source. Medical Services Branch staff are committed to work with communities and individuals to devise local solutions tailored to specific circumstances, needs and lifestyles.

Fifth, for successful local solutions, adequate information on mercury levels in local fish and sea mammal food sources must be available. Medical Services Branch staff will continue to facilitate obtaining this information from federal and provincial departments of fisheries.

Sixth, blood mercury levels estimations will become a standard investigation in the antenatal care of women from communities in at risk areas.

Seventh, the area of Quebec in which the McGill study was carried out is part of the area covered by the James Bay agreement, and ongoing care in that area will be undertaken by the Cree board of health. The board has already taken action to establish a task force to design the future program. The task force will have at its disposal both the departmental and the McGill mercury reports, and has been offered whatever assistance they may need from this department and le ministère des affaires sociales du Québec.

I am sure, Mr. Speaker, that this answers the question of the hon. member.

[*Translation*]

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

Motion agreed to and the House adjourned at 10.28 p.m.

APPENDIX

ADDRESS
of
MASAYOSHI OHIRA
Prime Minister of Japan
to
Both Houses of Parliament
in the
HOUSE OF COMMONS CHAMBER, OTTAWA
on
Monday, May 5, 1980

The Prime Minister was welcomed by the Right Honourable P. E. Trudeau, Prime Minister of Canada, and thanked by the Honourable Jean Marchand, Speaker of the Senate.

[*Translation*]

Hon. Jeanne Sauvé (Speaker of the House of Commons): Hon. members of the Senate and the House of Commons are happy to welcome His Excellency Masayoshi Ohira, Prime Minister of Japan, and Mrs. Ohira.

[*English*]

Excellency, we are deeply moved by the honour you do us of addressing this joint meeting of members of the Senate and of the House of Commons.

[*Translation*]

I call upon the right hon. the Prime Minister of Canada to introduce our distinguished guest.

[*English*]

Right Hon. P. E. Trudeau (Prime Minister): Mr. Prime Minister of Japan, Mr. Speaker of the Senate, Madam Speaker of the House of Commons, members of the Parliament of Canada.

On behalf of the people of Canada and of their parliamentary representatives, I have the honour to extend to you, Mr. Prime Minister, to Mrs. Ohira, to Foreign Minister Okita and to all the members of your entourage, a most cordial welcome.

This is indeed an historic moment. I note with pleasure and pride that you are the first holder of the high office of Prime Minister of Japan to address the Parliament of Canada. Your presence in this Chamber is a living expression of the importance of Japan and Canada to each other, and of the mutual respect and friendship which animates the relations between our countries.

[*Translation*]

There are present today, Prime Minister, men and women representing the people of every part of Canada. Their presence, as members of the House of Commons and the Senate, symbolizes not only the unity of our country, but also the traditions of parliamentary democracy which are so deeply imbedded in our way of life.

The people of Japan share this commitment to a democratic system, and in recent years there have been increasing contacts between our parliamentarians. This friendship can only add to understanding between our peoples: and I am inclined to think, Prime Minister, that such exchanges are likely to become more frequent and more valuable for both our countries.

When we look at Japan, Canadians see many things. We see a country of many dimensions and contrasts: the tranquility and timeless beauty of the temples and shrines in Kyoto; the industrial might and dynamism of modern Osaka. We see a country whose economy is the great success story of our times. We see a country whose rapid economic adjustments in recent years attest to the remarkable resourcefulness and adaptability of the Japanese people. Most importantly, we see a friend.

Prime Minister, the inherent strength and breadth of our relationship has made it an increasingly vital force in contemporary Canadian life. Japan has become our second largest trading partner. Nonetheless we remain convinced that the full potential of relations between our two countries is far from being realized. As we begin the decade of the 1980s, I invite our respective people to focus their attention on gaining a better understanding of one another's culture and institutions, so that we may add to the variety and quality of our friendship.

Canada values Japan as a nation which realizes, as we do, that the countries of the world have never been more mutually dependent than they are today. Yet the world lurches from crisis to crisis. The rule of international law is being challenged. The immunity of diplomatic persons and premises is being violated. International economic life is subject to increasing strains and pressures. In our meeting this morning it was very much evident that we shared a strong determination to resolve these problems, and to work more closely together in our pursuit of that goal.

[*English*]

We agree that it is no longer possible, if indeed it ever was, for countries to create their own individual solutions to problems which are essentially global. We agree as well that the time when short-term, piecemeal responses could exert any real impact is long past.

Furthermore, the governments of both Japan and Canada are acutely conscious of the leadership demanded of us as members of the Summit group of major industrialized democracies. The world community rightly looks to us for effective solutions to the political and economic crises of our times.

The energy crisis, for example, crosses all international boundaries and has destroyed the myth that geopolitical and economic problems could be treated as if they were distinct, as if they were merely regional.

In co-operation with our Summit partners, we must help the world to build a stronger and steadier foundation for the home occupied by the family of mankind. That is why these few days of bilateral consultations, prior to the Venice Summit meeting in June, take on an added dimension of importance.

In the exercise of our shared responsibility toward the larger global community, both Canada and Japan have a common interest is strengthening relations among all our neighbours in the Pacific world.

During our discussions today, Prime Minister, you were kind enough to share with me your insights into the problems and potential of the Pacific community, your assessment of the prospects for greater co-operation in the Pacific region in the years ahead.

Canada is eager to be a full partner in that progress.

It is Canada's great interest in the Pacific community of nations, of which we are increasingly conscious of being a member, that will help to bring us closer together in the years ahead.

It is our great interest in Japan itself, in the accomplishments of its people, and in our potential for working together to build a better world, that prompts us to extend a warm welcome to you, sir, the leader of the government of a great and friendly nation.

It is therefore a great pleasure to invite you to address this Special Session of the Parliament of Canada, convened in your honour.

His Excellency Masayoshi Ohira (Prime Minister of Japan): Right Honourable Prime Minister, Honourable Speaker of the Senate, Honourable Speaker of the House of Commons, Honourable Members of the Senate, Honourable Members of the House of Commons and distinguished guests.

It is my great pleasure to be here this afternoon. I am indeed grateful for the honour you gave me to speak, the first time for a Prime Minister of Japan, before the distinguished members of the Canadian Parliament.

Ever since my last visit to Canada in 1974, I have always wished to return. On this trip, I have mustered my courage to deliver my speech in English. I ask for your indulgence if my accent does not quite sound Canadian.

I only regret that the time for preparation was a bit too short for me to try to learn French as well. Excusez-moi.

Today, I should like to focus my remarks on the nature of co-operation required of Canada and Japan. While our two nations have diverse and contrasting features in many respects—in their cultural background, historical heritage, land, natural endowment, and ethnic make-up—we have also much in common: we share our belief in democracy and freedom; we are committed to the principle of free and open economy; and we possess similar objectives in our respective efforts to build a just and peaceful international community.

I, therefore, believe that there exists a basis for a broad co-operative relationship to be developed between our two countries beyond the economic relations which are already growing in both scope and intensity every year.

The 1980s saw its opening in turmoil. The events in Iran and Afghanistan highlighted the kind of challenges that we face in the present multipolar world.

We respect the cause of the Iranian revolution and have a sincere desire to expand and strengthen our ties of co-operation with this important country in the Middle East. We cannot, however, tolerate the continued holding of American diplomats as hostage, not only because this unlawful act is unacceptable from any humanitarian point of view, but it constitutes a serious threat to the basic order of the international community.

It is for this reason that, while urging the United States to continue to act with patience and restraint, we have given our full support to the international efforts through the United Nations, repeatedly made our position clear to Iran that the hostages must be released immediately, and, more recently, joined with the nine European Community countries to take certain concerted steps towards Iran to urge them to cease their unlawful act.

Japan intends to act towards the early and peaceful resolution of the hostage issue in co-operation with other like-minded countries as a responsible member of the international community. I know that Canada takes the same position on this issue and should like to pay my sincere tribute to the dramatic and courageous role Canada played in January.

The military intervention by the Soviet Union in Afghanistan is another issue of global significance not only because of its flagrantly illegal character but because of its geopolitical implications as well. Thus, the issue calls for concerted responses by those members of the world community who are seriously concerned about the maintenance of international peace and stability. We take peace seriously and we cannot but condemn what the Soviet Union is doing in Afghanistan. Japan, therefore, has repeatedly called for the immediate withdrawal of the Soviet forces from Afghanistan. We have taken concrete measures to demonstrate our disapproval of such

Soviet action. We will continue to make our best efforts in concert with other like-minded nations in order to contribute to an early resolution of this serious situation. And here again, I am very much impressed and encouraged by the Canadian initiatives in expressing your deep dedication to the cause of international peace.

New challenges come not only from political issues but also from the economic front.

The first and foremost is the question of energy. Energy holds the key to a healthy and stable development of world economy in the 1980's and beyond it towards the twenty-first century. One of the most immediate tasks facing us is the conservation of oil. This benefits both producers and consumers. Japan has been making an effort to reduce the consumption of oil; between 1973 and 1978, while Japan's gross national product expanded by 19.6 percent, we managed to keep down the growth of the total use of energy to only 5.7 per cent and its use of oil to 0.7 per cent. We are also endeavouring to diversify the sources of oil supply and to facilitate the development of alternative sources of energy. I know Canada is at the forefront in developing new sources of energy, for instance, in the production of synthetic fuel, and utilization of solar energy and biomass. We are watching your efforts with admiration and I believe that there exist ample opportunities for us to co-operate together in this field. It is also my belief that the fruits of our research and development for conservation of energy and for development of alternative sources of energy should be made available to all the countries including developing nations.

Inflation is no less serious a challenge, and an enemy to our economic prosperity. We have recently introduced a comprehensive set of anti-inflation policies and are carrying out a determined fight against inflation. Through its vicious effects, inflation deprives national economies of their vitality and will definitely hamper our efforts to pursue steady economic growth. As inflation is internationally infectious, we should co-operate together with other industrialized democracies to curb this malicious problem.

None of the major economic problems, including the two I have just mentioned, can be dealt with effectively by isolated measures of any single country, but requires concerted efforts by all the major economies. It was precisely out of such spirit of co-operation, that the Summit meeting of major industrialized countries was born. The Japanese Government appreciates your active and constructive contribution in this regard, and wishes to continue our co-operation at the Summit meetings and in other fora.

Our co-ordinated efforts in managing both domestic and world economies are naturally of crucial importance. They alone, however, will not suffice. Progress in science and technology is essential to maintain the dynamism of the economies of the industrialized democracies and of the entire international economy. Canada is one of the countries that have the capacity and potential to lead the world in this most rewarding and yet most demanding field. Japan has also been doing much, and I am therefore certain that co-operation in the fields of science and technology will further enrich our relations.

Another area of international activities where our co-operative efforts can be very fruitful is economic co-operation with developing countries. Our long-term prosperity hinges, to a great extent, on the future of the developing countries. We know from experience that the development of human resources constitutes the basis for self-reliant nation-building efforts, and we attach importance to strengthening such basis through our assistance. We pledged in 1978 to double our official development assistance in three years, and we believe that we shall be successful in our endeavour. We are also making greater efforts to soften the terms and improve the ratio of ODA to GNP.

Canada, I know, has consistently been playing a leading role in coping with the North-South problem. For instance, the late Mr. Pearson's report, "Partners in Development", set the direction of international economic co-operation.

As an Asian country, we attach particular importance to Asia in extending our economic assistance. In this connection, we highly appreciate Canada's generous policy for the resettlement of the Indo-Chinese refugees, to which we, on our part, are making a substantial financial contribution. This program of yours is a noble humanitarian deed that also contributes to the peace and stability of the Asia-Pacific region.

The Asia-Pacific region contains some of the most dynamic economies in the world today. I believe that to promote co-operative relationships among the countries at the rim of the Pacific will contribute to peace and prosperity of the region. I feel that the Canadian and Japanese people have particularly important roles to play in strengthening the ties of friendship and co-operation in this region. I have no doubt that the Asia-Pacific region, which Prime Minister Trudeau once called "The New West", will benefit greatly from active Canadian participation.

We can be proud of the achievements we have made in recent years in the relations between Canada and Japan. The trade between us has grown five times in the past decade, and Japan is the second largest trading partner of Canada. We maintain close consultations on political issues, and the exchanges in cultural and academic fields have also increased, building on the foundation consolidated by the Cultural Agreement signed in Tokyo between Prime Minister Trudeau and the then Prime Minister Miki. But this is only a beginning. The horizons that we share extend much further.

Recent events demonstrate, in a convincing way, the imperative need for closer co-operation and co-ordination among the industrialized democracies. I believe that both Canada and Japan have useful and constructive roles to play as we share a common vision of the world we desire to shape in the new decade and beyond.

Today, I had extensive and extremely fruitful talks with Prime Minister Trudeau on a number of issues of mutual interest. As a result, I am convinced more than ever that Canada and Japan are not just neighbours across the Pacific

but are really close friends sharing common concerns and interests.

We are both pursuing prosperity for our own people. But I often realize, and feel that we are not just seeking success or achievement in terms of statistical figures. The rich life that we strive for is a life that rewards us with deeper satisfactions. We strive to create a world where our children and grandchildren can feel proud to be born into.

I know that Canada offers a very rewarding and rich life to its people. I am also aware that this is the fruit of your cultural, social and economic heritage, and of your democratic tradition. We, in Japan, similarly benefit from the efforts of our forefathers, and I believe it our duty to enrich this heritage and pass our achievements on to our future generations. Let us co-operate together in addressing this momentous task.

Thank you. Merci.

[*Translation*]

Hon. Jean Marchand (Speaker of the Senate): Mr. Prime Minister Ohira, Mr. Prime Minister of Canada, Madam Speaker, Your Excellencies, distinguished members of the Senate and of the House of Commons, ladies and gentlemen.

If I may, Mr. Prime Minister, I would like to say on behalf of my colleagues of the Canadian Parliament that it is a great honour for us to receive you here today. The fact that for the first time we have invited the Prime Minister of Japan to speak at one of our rare joint sittings shows how important our relationship with your country is to us. I am certain that the address you have given today will inspire us and encourage us to pursue our efforts to meet the objectives of co-operation that we have set for ourselves.

[*English*]

Mr. Prime Minister, detailed discussions will be held between yourself and the Canadian counterparts of your delegation on bilateral and multilateral issues which are of interest to both our countries. We anticipate great results from these contacts and exchanges, and I am convinced you share our expectations.

The ideals we share give a particular significance to our relations, and carry us forward on the road of an increasingly closer co-operation between our two countries.

Your presence here today is more than an event, it is the living symbol of our common faith in the human values proper to democratic societies. When strong international tensions threaten the world balance, it is most important that, through our concerted efforts in co-operation with friendly nations, we make sure that peace is safeguarded and world order respected.

[*Translation*]

Could the noblest objective of societies like ours be anything else but to bring more happiness to mankind? I am firmly convinced that this is our quest, both in Tokyo and in Ottawa. I know, Mr. Prime Minister, that the quality of life is one of the major concerns of your government. In the post-industrial era, our societies will have to adapt to new technologies which could either enrich or dehumanize the world. Like yourselves, we choose enthusiastically to remain hopeful that life on earth will be increasingly fulfilling for its inhabitants. We shall have to make full use of our imagination and creativity.

In many respects, your nation can serve as an inspiration for us in deciding the best way to react to the need for change while preserving the most valuable elements of our heritage.

I trust that on your return to Tokyo, Mr. Prime Minister, you will transmit to your colleagues of the Diet the best wishes of Canadian parliamentarians and our desire to maintain close, friendly and beneficial relations with your people. The ideals and aspirations we all share are ripe with the best promises for the future. In conclusion, let me extend my best wishes for a pleasant visit and a happy return trip.

Hon. Jeanne Sauvé (Speaker of the House of Commons): Mr. Prime Minister, we are pleased and honoured by your visit. We listened with utmost interest to the message you gave us on behalf of your Parliament. It was an eloquent expression of your and your people's feelings for this country.

There are indeed ties that bind us and make us co-operate in building a prosperous world with institutions emphasizing the principles of fraternity and freedom examplified in Japan.

In today's universe where distance is abolished, we can easily join together and address that common task of uniting men and women with a common humanistic ideal. The maintainer of a long and rich civilization, your country generously brings us the resources of its culture and thought. It is our wish that such ongoing and increasing exchanges enhance the respect of our fellow Canadians for your people and move them to follow it on the road to arts, science and technology.

[*English*]

The presence among us of your official delegation consisting of hon. members of your House of Representatives and of your House of Councillors is also an honour to us. We wish to express to them our highest respect and esteem. Your Excellency may be assured that we are grateful for the opportunity we are given to meet those who work with you for the well-being of the Japanese people. We hope this visit will pave the way to further meetings which will enable us to share our experience of parliamentary democracy and lead us beyond our national frontiers to the exciting world of the universal man.

Listening to what you were saying a few moments ago, I recalled the diversity and beauty of your country, with its dynamic and industrious people. I felt the attraction of a nation rich in history and great achievements.

I thank you for having, through your presence, sir, brought us something of your radiant country.

[*Translation*]

Mr. Prime Minister, I would like to repeat the thanks of senators and members of this House, and I would ask Your Excellency to express our feelings of sympathy and affection to all your countrymen.

Let me now say that this House stands adjourned.

HOUSE OF COMMONS

Tuesday, May 6, 1980

The House met at 2 p.m.

● (1405)

ROUTINE PROCEEDINGS

[*English*]

EXTERNAL AFFAIRS

CONGRATULATIONS TO GREAT BRITAIN ON ACTION TAKEN TO CONCLUDE SIEGE AT IRANIAN EMBASSY, LONDON—MOTION UNDER S.O. 43

Mr. Peter Lang (Kitchener): Madam Speaker, I rise, under the provisions of Standing Order 43, on a matter of urgent and pressing necessity.

In view of the fact that the British commandos were able to conclude successfully the six-day siege at the Iranian embassy in London and rescue 19 of the hostages in a daring raid, I move, seconded by the hon. member for Victoria (Mr. McKinnon):

That this House convey congratulations to the commandos who took part in the operation at the Iranian embassy in London, and to the British government for their courageous stand against terrorism.

Madam Speaker: Such a motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Hon. Erik Nielsen (Yukon): Madam Speaker, I was on my feet. The motion is debatable. All I want to say is that the hon. member for Victoria (Mr. McKinnon) had agreement from the other side that his motion, which was in like terms, would be seconded by the other side. Normally, the practice we follow in the House is to recognize an opposition member before recognizing members on the other side.

Some hon. Members: Hear, hear!

Mr. Lawrence: You do it again and we will debate it.

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

Some hon. Members: Agreed.

Motion agreed to.

NATURAL RESOURCES

NOVA SCOTIA—JURISDICTION OVER OFFSHORE RESOURCES—MOTION UNDER S.O. 43

Mr. Howard Crosby (Halifax West): Madam Speaker, I rise under the provisions of Standing Order 43. In spite of Nova Scotia's long-standing claim to ownership and control of submarine resources and the historic and legal basis for the claim, the Minister of Energy, Mines and Resources (Mr. Lalonde) has unilaterally and publicly proclaimed that the provincial legislation exercising these rights of ownership and control is unconstitutional. I move, seconded by the hon. member for South Shore (Mr. Crouse):

That this House condemn the action of the Minister of Energy, Mines and Resources in proclaiming that the Nova Scotia legislation is unconstitutional, thereby usurping the authority of the Supreme Court of Canada and wilfully undermining the function of the Minister of Justice and the negotiations for settlement of the offshore resources dispute.

Madam Speaker: Such a motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

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ENVIRONMENTAL AFFAIRS

MOVEMENT OF OIL BY TANKER—LEGISLATION TO DEAL WITH OIL SPILLS—MOTION UNDER S.O. 43

Mr. Jim Fulton (Skeena): Madam Speaker, I rise, under Standing Order 43, on a matter of urgent and pressing necessity.

In light of the increasing tanker traffic on the British Columbia coast and the growing concern of B.C. residents that there is inadequate legislation and clean-up equipment to deal with a spill, I move, seconded by the hon. member for Comox-Powell River (Mr. Skelly):

That this House go on record unanimously calling for a west coast marine pollution act with regulations capable of dealing with oil spills.

Madam Speaker: Such a motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

S.O. 43

[*Translation*]

TOURISM

REQUEST FOR AID FOR OTTAWA CONVENTION CENTRE—MOTION UNDER S.O. 43

Mr. Jean-Robert Gauthier (Ottawa-Vanier): Madam Speaker, under the provisions of Standing Order 43, I ask for the unanimous consent of the House to move a motion dealing with an important matter of pressing necessity.

Considering that eight years ago already the federal government promised to take part actively and financially in the development of the Rideau Centre in Ottawa-Vanier; considering that the municipal and regional governments have decided to build the convention centre in the Rideau Centre; and considering the importance of the announcement made yesterday by the federal government that it would take part in the building of a commercial centre in Vancouver, I move, seconded by the hon. member for Nepean-Carleton (Mr. Baker):

Considering the urgency and the importance of a federal contribution to the convention centre in Ottawa, the House urge the federal government to undertake imperatively some negotiations with the various levels of government to ensure a financial participation in the construction of the convention centre and thus guarantee the development of the Rideau Centre.

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

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

● (1410)

[*English*]

PARKS CANADA

RECOVERY OF EXPENSES INCURRED IN PROPOSED RELOCATION OF REGIONAL OFFICE—MOTION UNDER S.O. 43

Mr. Bill Domm (Peterborough): Madam Speaker, I rise on a matter of urgent and pressing necessity, under the provisions of Standing Order 43, concerning the move of Parks Canada to Peterborough which has been cancelled.

In view of the fact that the last Progressive Conservative government obtained Treasury Board's approval to negotiate a lease arrangement in Peterborough, and that the present government has cancelled the move resulting, regrettably, in the eviction of retail merchants and professional persons from the old Eaton's building in downtown Peterborough, I move, seconded by the hon. member for Durham-Northumberland (Mr. Lawrence), whose riding lost Eldorado Nuclear through a similar political flip-flop a few weeks ago:

That this government guarantee the full financial recovery of expenses incurred under the relocation policy to all businesses evicted from their premises to make room for the Parks Canada regional office which no longer intends to locate in Peterborough, and that the government further advise the House where they propose to obtain the many millions of dollars lost in this flip-flop political decision, and exactly how much this political reversal of the Parks Canada regional office move back to Cornwall and a minister's riding has cost Canadian taxpayers.

Some hon. Members: Hear, hear!

Madam Speaker: Such a motion would require the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

SMALL LOANS ACT

REQUEST LEGISLATION BE REPEALED—MOTION UNDER S.O. 43

Mr. Gordon Taylor (Bow River): Madam Speaker, I rise on a matter of urgent and pressing necessity under section 43 of the Standing Orders:

Whereas the Liberal government in October, 1976, indicated that the Small Loans Act would be repealed; and whereas the Progressive Conservative government later indicated that it was prepared to repeal this legislation; and whereas the Small Loans Act was passed in 1939 to serve an entirely different purpose and era; and whereas this bill will now force the registration, federally, of some 4,400 credit unions and caisses populaires, all of which are presently administered well under provincial legislation, I move, seconded by the hon. member for Simcoe South (Mr. Stewart):

That the Small Loans Act be repealed at the earliest possible time.

Madam Speaker: Such a motion requires the unanimous consent of the House. Is there such consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

CORPORATE AFFAIRS

REBATE OF PUBLIC UTILITIES INCOME TAX—MOTION UNDER S.O. 43

Mr. Bill Yurko (Edmonton East): Madam Speaker, I rise, under the provisions of Standing Order 43, on a matter of urgent and pressing necessity.

As the Public Utilities Income Tax Transfer Act 1966-1967 specifically authorizes the rebate of 95 per cent of the corporate income tax paid by investor-owned utilities to the province within which the investor utility provides the utility service, and since the federal government has apparently acted in an

illegal manner since, without any changes to the act, it has advised some investor-owned utilities—one being Calgary Power—that as of April 1, 1980, it will rebate at the rate of 50 per cent rather than 95 per cent, causing utility rate increases of 6.5 per cent, I move, seconded by the hon. member for Red Deer (Mr. Towers):

That this House direct the government and the Minister of Finance to immediately rebate 95 per cent of the tax paid by investor-owned utilities in the ten provinces and in the Northwest Territories to the respective provinces and the Northwest Territories, and that this House rejects any changes to the Public Utilities Income Tax Transfer Act until such time as the matter is fully discussed and decided upon at a federal-provincial conference of first ministers in a manner similar to what was done at the conference of first ministers in 1965 at which time the decision to rebate 95 per cent was adopted.

Madam Speaker: Such a motion would require the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

● (1415)

PUBLIC SERVICE

CONTRACT OF EMPLOYEES OF UNEMPLOYMENT INSURANCE COMMISSION—MOTION UNDER S.O. 43

Mr. Benno Friesen (Surrey-White Rock-North Delta): Madam Speaker, I rise, under the provisions of Standing Order 43, on a matter of urgent and pressing necessity, especially for the employees involved.

In view of the fact that the clerical and regulatory group of employees of the Unemployment Insurance Commission have been working without a contract since last November, and in view of the fact that the Treasury Board has presented to them an offer which is obviously totally unacceptable to them and borders on insult, I move, seconded by the hon. member for Calgary West (Mr. Hawkes):

That the Treasury Board negotiators and those board officials earning more than $30,000 a year take a 10 per cent cut in pay until such time as the contract is signed.

Madam Speaker: Such a motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

ORAL QUESTION PERIOD

[*English*]

ENERGY

TAX ON NATURAL GAS EXPORTS—GOVERNMENT POSITION

Hon. Bill Jarvis (Perth): Madam Speaker, my question is to the Deputy Prime Minister and Minister of Finance. Is the government considering imposing or discussing with producing provinces a tax on the export of Canadian natural gas which would bring to the federal government treasury all or part of the difference between the domestic gas price and those prices now received from the United States for Canadian gas exported to that country?

Hon. Allan J. MacEachen (Deputy Prime Minister and Minister of Finance): Madam Speaker, as far as I, myself, am concerned, I have had no discussions with respect to a tax such as the hon. member suggests, and certainly no decision has been taken along those lines. If one were to be taken, obviously it would be a tax change that would be announced in the usual way. But by saying that I am not even suggesting that the hon. member ought to expect it.

An hon. Member: What is the usual way?

Mr. Jarvis: Madam Speaker, the Minister of Finance, of course, will be familiar with the statement attributed to his colleague, the Minister of Energy, Mines and Resources, in a March 4 article by John Howse in the Calgary *Herald*, in which his colleague was reputed to have said that he was considering this alternative. One would like to know whether that alternative has been discarded.

Is there some other form of federal tax or levy on the income stream generated by the transportation and exportation of Canadian natural gas; and, if so, would the minister tell us, in general terms at least, the nature of such contemplated tax or levy?

Mr. MacEachen: Madam Speaker, I have no such tax or levy under consideration.

Mr. Jarvis: Madam Speaker, may I then ask the Minister of Finance whether he is considering a more general form of energy or resources export tax which, for example, might add electricity, natural gas or, indeed, any other Canadian resource to the already existing export tax on crude oil?

Mr. MacEachen: Madam Speaker, in a sense the hon. member is asking for specific information with respect to specific taxes. He has raised the possibility of an export tax on energy. Obviously, that is a possibility which could and can be considered by the government, but no decision has been taken on that matter.

Oral Questions

FORMULA OF OIL PRICING AGREEMENT

Mr. Harvie Andre (Calgary Centre): Madam Speaker, my question is to the Deputy Prime Minister and Minister of Finance. Was the Minister of Energy, Mines and Resources stating government policy yesterday at a Halifax news conference when he stated that in order to subsidize the generation of electricity from oil in Atlantic Canada, as was provided for by the previous Conservative government, Ottawa could only do this if there were a rich oil pricing agreement? If the Minister of Energy, Mines and Resources was stating government policy in that regard, could the Minister of Finance indicate to the House what a rich oil pricing agreement is?

Hon. Allan J. MacEachen (Deputy Prime Minister and Minister of Finance): Madam Speaker, it is obvious to me and to the hon. member that one of the sources of additional revenue which has to be contemplated by the Government of Canada, as was the situation with the former minister, is through an oil pricing agreement.

Mr. Crosbie: A revolutionary development.

Mr. Andre: Madam Speaker, through this minister and others, the government is deliberately or otherwise appearing totally confused on this whole energy policy issue.

Mr. Collenette: You are confused.

Mr. Andre: In his budget statement, the minister said the pricing agreement would save a billion dollars—a specific figure. The minister was unable or unwilling to give a specific formula to the House in terms of that pricing agreement. The minister's colleague, the Minister of Energy, Mines and Resources, said the government would be collecting as much revenue from the oil pricing agreement as was required in the December 11 budget. The Minister of Finance continues to refuse to tell the House where that money is going to come from.

● (1420)

Can the minister at least inform the House when there will be an end to this confusion, with its detrimental effects on both consumers and producers? Will he at least tell that to the House, if he will not be a little more specific in terms of some of the details?

Mr. MacEachen: Madam Speaker, on the question of the $1 billion to which the hon. member has referred, and to which I referred in the statement I made in the House of Commons, I said that the implementation of a blended pricing arrangement could result in a saving of as much as a $1 billion. The hon. member may understand that that was an illustrative figure of the possibilities that exist in this particular field.

Some hon. Members: Oh, oh!

Mr. MacEachen: The hon. member referred to confusion and he asked when the confusion will end. The hon. member is doing his own bit to create that confusion. But I want to tell him quite seriously that the uncertainty which exists at present will be ended when it is possible to reach a pricing agreement or establish a pricing regime, and that cannot take place until there have been full discussions with the concerned provinces, and in that particular pursuit the Minister of Energy, Mines and Resources is engaged at the present time. So I think it is rather unproductive, or futile, at the present time to pick up every possible speculation, every possibility, and bring it up in the House as if it were a final decision of the government.

Some hon. Members: Hear, hear!

* * *

THE CANADIAN ECONOMY

ACCESS OF MANUFACTURED GOODS TO JAPANESE MARKETS

Mr. Bob Rae (Broadview-Greenwood): Madam Speaker, my question is also for the Deputy Prime Minister and Minister of Finance. It concerns our economic relations with Japan.

In light of the fact that there is such a substantial imbalance in our trade relations with Japan, not in a monetary sense but in the sense that we export, by and large, raw products to Japan and import about $2 billion worth of finished products, is the minister in a position to tell us what specific proposals have been put to the Japanese delegation led by their prime minister, who is now in Canada, to correct this imbalance and ensure that Canada's manufactured goods have access to Japanese markets?

Hon. Allan J. MacEachen (Deputy Prime Minister and Minister of Finance): Madam Speaker, the Government of Canada, certainly through negotiations which we had in connection with GATT, pressed very hard, as did other countries, to secure additional access to the Japanese market for additional processed Canadian goods. As my hon. friend knows, there was very strong resistance at that time. None of the industrialized countries, including the European Community, achieve the access to the Japanese market that was required. These points, obvioulsy, were repeated in the discussions yesterday with the Japanese prime minister.

Mr. Rae: Madam Speaker, I appreciate the answer of the Deputy Prime Minister. We are aware of those discussions. I have a supplementary question with respect to the use of non-tariff barriers by the Japanese.

We know that Canadian manufacturers are being hurt by the Buy America policy in the United States, and we know that there are discussions under way at the moment concerning those laws. I should like to get an assurance from the Deputy Prime Minister as to the representations being made by the Canadian government with respect to Japanese non-tariff barriers, since we are leaving ourselves open to tremendous penetration by Japanese exporters if we are not able to have access to Japanese markets for our manufactured goods.

Mr. MacEachen: Obviously, one of the tasks which this House will have to undertake before the end of this session is

consideration of the changes that have been made to the international law on the subject of non-tariff barriers. For the first time we have, and will have, some additional instruments at our disposal in order to meet the kind of threat to which the hon. member referred, and we will be able to discuss these in detail at a later date.

● (1425)

Mr. Rae: Madam Speaker, I should like to ask the Deputy Prime Minister a supplementary question with respect to our relationship with Japan in the auto industry. It has been mentioned many times in this House that the Japanese are establishing, and have established, auto plants in the United States for the North American market. This clearly affects Canada's interest in the auto pact.

I should like to ask the Deputy Prime Minister, in light of the competition that this places on manufacturers in Canada, not only of assembled cars but also of auto parts, can he tell us what specific proposals have been made to Japanese government and to the Japanese auto manufacturers to ensure that as well as building plants in Marysville, Ohio, and in California, these manufacturers will also be considering Canadian sites for the production of their cars for the North American market?

Mr. MacEachen: Madam Speaker, I cannot tell my hon. friend directly what particular representations were made on the question of auto parts and automobiles, but I think he will realize that at the present time Japanese cars produced in Japan are probably selling in Canada at a lower rate than they are in the United States in the absence of these particular plants to which he has referred; at least, that is a complaint I have received from interested parties.

What we would be interested in is whether there is any possibility of providing some anti-dumping assistance, and that has not yet been available to us based upon a study of the facts.

* * *

INDUSTRY

CHRYSLER CANADA—DECISION OF GOVERNMENT

Hon. Michael Wilson (Etobicoke Centre): Madam Speaker, my question was intended for the Minister of Industry, Trade and Commerce, but in his absence I will direct it to the Deputy Prime Minister.

This morning, on a television program, Mr. Douglas Fraser—the head of United Auto Workers in the United States—stated that the Chrysler Corporation could go bankrupt if no agreement was reached this week. He went on to state that one of the key elements in reaching an agreement in the United States was the position the Canadian government would take; time was clearly of the essence because of the problems of that corporation.

My question to the Deputy Prime Minister is, can he assure the House that an agreement will be reached this week; and, if not, what contingency plans does the government have in place?

Hon. Allan J. MacEachen (Deputy Prime Minister and Minister of Finance): Madam Speaker, I cannot guarantee the hon. member that an agreement will be reached this week. It may be that the gentleman to whom my hon. friend was referring was using some pressure tactics in order to get a quick decision out of the Government of Canada that might not be fully in the interests of Canadian workers and Canadian production.

Obviously, as my hon. friend knows, the Minister of Industry, Trade and Commerce is working to reach an agreement which would provide the suitable guarantees for Canadian jobs and production. I would not advise my colleague to enter into any agreement that would not have that result, even under the pressure from the Auto Workers in the United States.

Mr. Hnatyshyn: Bankruptcy!

Mr. Wilson: Madam Speaker, I want to impress upon the Deputy Prime Minister that the pressure is not just from the head of the Auto Workers in the United States; the pressure is from the marketplace, the pressure is from the banks and the pressure is from the individuals who will be directly affected by any bankruptcy of Chrysler Canada.

My supplementary question is this: Is the government considering any alternative plans? Time is running out. What alternative plans are in place? Does the government regard the bankruptcy of Chrysler Corporation as one of those alternatives?

Mr. MacEachen: No, Madam Speaker, we are not working in this situation in expectation of a bankruptcy.

An hon. Member: You will prop it up.

* * *

THE CANADIAN ECONOMY

STEPS TO INCREASE DOMESTIC MANUFACTURING OUTPUT

Hon. John C. Crosbie (St. John's West): Madam Speaker, my question is to the Deputy Prime Minister and Minister of Finance. While Chrysler is one aspect of a depressed Canadian economic situation—if we just leave aside the auto industry for the moment—will the minister advise the House what steps the government is taking to increase real domestic output, manufacturing output, and employment in Canada this year, particularly in view of the forecasts by the Conference Board that real domestic growth will be down .6 per cent and manufacturing growth in Ontario will be down 4 per cent in this present year?

● (1430)

What steps is the government taking—forgetting the auto industry—generally to help battle this depressed economy and

to overcome unemployment and those other things forecast that I have mentioned?

Hon. Allan J. MacEachen (Deputy Prime Minister and Minister of Finance): Madam Speaker, I am surprised the hon. gentleman would describe the current situation, or the situation that is projected for another year as a depressed economy, because the forecast which I gave two weeks ago in respect of output is not much different from the forecast which my hon. friend made last December in his formal budget.

I would remind him that the magnitude of the current deficit, with which he is quite familiar, is rather a strong stimulative factor in the present circumstances and it will be my obligation, when I consider a budget presentation, to take into account what further steps may be necessary in order to stimulate demand.

Mr. Crosbie: Madam Speaker, the Deputy Prime Minister and Minister of Finance, as usual, is as forthcoming as the sphinx. I am not asking the minister to compare his forecast with mine. His forecast is worse than mine and the facts are going to be even worse because of his lack of action. I am asking him what are this government's plans, that is, this government that got itself elected on February 18 promising economic miracles, promising it was going to lower the interest rates, promising there would be made-in-Canada interest rates, and promising a new industrial strategy?

My question is: What steps is the government taking to overcome the depressed conditions in these industries and, I might add, is the minister satisfied with the present level of the value of the Canadian dollar, and should it remain around its present position? What is his future conduct with reference to the value of the Canadian dollar as an assistance to our manufacturing exports? Can he deal with these questions? Try to give an answer. You are now in the government again. You are the Minister of Finance. Try to give us an answer.

Mr. MacEachen: Madam Speaker, I have no objection to the hon. member framing his own questions, but I do object when he starts framing the answers.

An hon. Member: We have to get them somehow.

Some hon. Members: Oh, oh!

An hon. Member: We don't get them from you.

Mr. Crosbie: Somebody has to help you.

Some hon. Members: Order.

Mr. MacEachen: May I answer the hon. member's final question which I extracted from that onrush of hyperbole that preceded the question, and that is in respect of the external value of the Canadian dollar. My hon. friend knows that the Canadian dollar is reacting to market forces at the present time. He knows, as well, that one of the reasons the export performance in Canada has been as healthy as it has been is the decine in the value of the Canadian dollar.

He should also bear in mind—and this has been one of the objectives of the governor of the Bank of Canada—the dollar should not be permitted to decline to the point where it makes possible the importation of additional inflation which his leader described as the number one problem during his speech three weeks ago. Today, the number one problem, according to the hon. gentleman, is declining output. Three weeks ago the number one problem referred to by his leader was rampant inflation. I wish they would get together.

Some hon. Members: Hear, hear!

Mr. Crosbie: Madam Speaker, I want to remind the hon. gentleman that it is now his position as well as his government's to deal with all those problems. Rampant inflation is one, and increasing unemployment is another. They are contradictory problems.

Some hon. Members: Order.

Mr. Crosbie: My final supplementary question—

Madam Speaker: Order, please. I recognized the hon. member for the purpose of asking a supplementary question. He must now ask his question.

Mr. Crosbie: My further supplementary question is this, Madam Speaker: Is the Deputy Prime Minister and Minister of Finance satisfied with the present level of the value of the Canadian dollar, and is his policy to keep it at the present level of value or is he prepared to allow it to rise? What is his position in that regard?

Mr. MacEachen: Madam Speaker, the Canadian dollar has fluctuated rather widely in the last two months.

Mr. Crosbie: So have you.

Mr. MacEachen: The governor of the bank has permitted that fluctuation to take place, and I believe that is a comment in itself to the hon. member.

* * *

ENVIRONMENTAL AFFAIRS

STATUS OF STUDY ON KOOTENAY LAKE WATER QUALITY

Mr. Lyle S. Kristiansen (Kootenay West): Madam Speaker, my question is addressed to the Minister of State for Science and Technology and Minister of the Environment. It is in relation to the Kootenay Lake water quality study, long being conducted by the inland waters directorate of his department.

In view of the importance of this long-delayed report to both the fishery and tourist industry in and around Kootenay Lake, which is already facing closure, and having regard to the effects which the report's findings may have on international negotiations regarding possible Columbia River treaty mitigations, current Kootenay River flows at Libby Dam, and B.C. Hydro's plans for the Kootenay River diversion, would the minister kindly inform the House as to the current status of

this report and when we can expect the official report to finally see the light of day?

Hon. John Roberts (Minister of State for Science and Technology and Minister of the Environment): Madam Speaker, I am informed that the report should be available publicly by the end of this month.

Mr. Kristiansen: Madam Speaker, it is certainly reassuring, after more than a year, to hear that. In view of the fact that the release of this important report was originally scheduled for the spring of 1979—later, assurances were given by officers of the department, in committee, that it would be available for publication on July 1 of last year—and having regard to widespread suspicions that the report is being altered or tampered with to suit the designs of either B.C. Hydro or the B.C. government, will the minister undertake to launch an immediate investigation in order to ascertain the real reasons for this unconscionable delay and to determine whether the report has, in fact, been altered to suit the needs of B.C. Hydro's latest plan of attack on the interests of the people of Kootenay West and Kootenay East-Revelstoke?

Mr. Roberts: To the best of my knowledge, Madam Speaker, the assertions of the hon. member are false. As I said to him in my first answer, my expectation is that the report will be published by the end of this month. He can then make whatever judgments he himself would like to make.

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[*Translation*]

CULTURAL AFFAIRS

INQUIRY WHETHER CULTURAL AFFAIRS COMMITTEE STILL ACTIVE

Mr. Serge Joyal (Hochelaga-Maisonneuve): Madam Speaker, my question is directed to the Secretary of State. As his predecessor in that portfolio, the Hon. David MacDonald, had set up a committee made up of representatives of various fields of cultural activity, committee whose purpose was to re-evaluate the Canadian policy in that particular sector, and because of the favourable reaction to the creation of that committee of the various groups interested, can the minister tell the House whether that committee is still active, when it will present its reports, and whether he intends to refer the report of the committee to the House Standing Committee on Communications and Culture?

Hon. Francis Fox (Secretary of State and Minister of Communications): Madam Speaker, I thank the hon. member for his question and take the opportunity to advise him that the committee in question is still at work and holding hearings; it continued holding hearings during the last few months. I had the opportunity of meeting the committee and taking part twice in its sittings this last month. However, the committee is not in a position to present its report to the Secretary of State and will not be for a few months yet. At this point, I intend to encourage the committee, once its preliminary report is completed, to hold public hearings throughout the country, in order to complete its preliminary report precisely in light of the recommendations that may be made to it by the various interested groups from all over Canada, and have the report referred later on, as completed, to the parliamentary committee.

* * *

● (1440)

[*English*]

AGRICULTURE

HARMFUL DRUG AND ANTIBIOTIC RESIDUES IN MEAT

Mr. Gus Mitges (Grey-Simcoe): Madam Speaker, I direct my question to the Minister of Agriculture. In view of the fact that harmful drug and antibiotic residues are still being found in meat and meat products passed for human consumption, with serious consequences for those consumers who are allergic to specific drugs and antibiotics, what action has been taken by the food production and inspection branch of Agriculture Canada to ensure the absence of such harmful drug residues from meat and meat products emanating from abattoirs under federal inspection?

Hon. E. F. Whelan (Minister of Agriculture): Madam Speaker, I have checked into the matter of the inspections and I feel that I must disagree somewhat with the hon. member's statement about harmful side effects. Recent figures which I have viewed show that several thousand such tests have taken place, none of which has concluded that there are harmful residues present in the different meat products which have been inspected.

My department is continuing its vigilance of the product. I feel confident that everything possible is being done. We are not letting up on the program but are actually stepping it up.

Mr. Mitges: Madam Speaker, I would like to thank the minister for his answer. However, according to a recent report which I have received, approximately 14 per cent of all inspected meat and poultry sold for human consumption in Canada contains drug residues. Certainly this is indicative that the present testing for residues is either insufficient, inaccurate, or both.

Will the minister take the necessary action to make available to the food production and inspection branch of Agriculture Canada whatever else may be needed in manpower, equipment, etc., to step up and increase this important service in all federally inspected abattoirs?

Mr. Whelan: Madam Speaker, I have before me, in my briefing books, thousands of these tests. I will make them available to the hon. member if he does not already have the information. If he, after viewing these reports, still feels that there are some things which are not being done properly, and

if he can prove his statements, I will be glad to review the matter.

* * *

FINANCE

INCENTIVES TO ENCOURAGE EXPLORATION FOR ENERGY

Mr. Peter Ittinuar (Nunatsiaq): Madam Speaker, my question is to the Deputy Prime Minister and Minister of Finance. The chairman of Dome Petroleum has been quoted recently as saying that Dome has been given assurances that some kind of incentive will be granted to encourage frontier exploration.

Instead of giving such assurances to Dome Petroleum—a company which had a 50 per cent increase in profits in the first quarter of this year—will the minister assure the people of Canada that any new measures which he introduces will not allow such companies to make windfall profits at the taxpayers' expense?

Hon. Allan J. MacEachen (Deputy Prime Minister and Minister of Finance): Madam Speaker, the hon. member is obviously referring to the cancellation of the super-depletion allowance. He also knows that an announcement was made by the Minister of Energy, Mines and Resources and myself to the effect that that particular allowance would be replaced, or that consideration would be given to replacing it with an expenditure program. When this program is in place, it will not be necessary for the hon. member to worry about windfall profits through that particular source.

Mr. Ittinuar: Madam Speaker, super-depletion is another name for incentive for these oil companies. The chairman of Dome Petroleum has also been quoted as saying the company is confident that their profit picture will follow the upward trend set in the first quarter of this year. Will the minister table documents in the House which will prove that the oil companies do, in fact, need such extensive incentives and tax breaks?

Mr. MacEachen: Madam Speaker, the proposal to which I have referred deals with the replacement of the super-depletion allowance which was intended to encourage frontier exploration through a new expenditure program. It seems to me that that would take care of the concern which the hon. member had in his mind when he began his questions.

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LABOUR DISPUTES

CAPE BRETON DEVELOPMENT CORPORATION—STATUS OF CONCILIATION PROCEEDINGS

Mr. Dave Dingwall (Cape Breton-East Richmond): Madam Speaker, my question is directed to the Minister of Labour. In view of the fact that Local 684 of the International Association of Machinists and Aerospace Workers has been operating without a contract since December 31, 1978, and whereas a partial walk-out occurred on Friday, May 2, 1980, can the minister inform the House as to the steps his department has taken or is apt to take to facilitate the negotiations between Local 684 and the Cape Breton Development Corporation?

Mr. Hnatyshyn: Bring back Andy Hogan.

Hon. Gerald Regan (Minister of Labour): Madam Speaker, I thank the hon. member for his question. The conciliation commissioner, Judge Nathan Green, has been meeting with the parties to obtain briefs with relation to pension positions, and will be meeting directly with the parties this week to give his findings in an effort to settle the dispute.

Judge Green was appointed after the conciliation officer was unable, despite lengthy negotiations, to achieve an agreement between the parties. A maintenance unit of some 50 employees is involved in this industrial dispute.

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AGRICULTURE

STEPS TO ERADICATE CORN DISEASE

Mr. Walter McLean (Waterloo): Madam Speaker, I, too, have an infectious question for the Minister of Agriculture. It concerns head smut in hybrid corn. This is not a smutty question.

As the minister will know, this new disease was discovered last year in Norwich county, which suffered crop losses as high as 35 per cent. The disease is a potential danger for all corn crop areas. Testing has been done at the University of Guelph. Chemical treatment is apparently available, but it has only a 40 per cent effective rate.

Will the minister inform the House what specific action he undertook with regard to corn smut when he met with the corn industry and, in terms of the infected corn, will he tell us what action will be taken?

Hon. E. F. Whelan (Minister of Agriculture): Madam Speaker, the disease mentioned by the hon. member can cause severe economic losses to corn producers. There are certain varieties of corn which are more susceptible to this disease than others. It can cause anywhere from 10 per cent to 40 per cent loss in crop production.

An hon. Member: Answer the question.

Mr. Whelan: My department has been running tests on the seed corn, and those companies which have the varieties with corn smut spores on them have been told to withdraw that seed corn from the market. However, in case there are some infected corn seeds on the market, the crop losses which could be suffered by those producers or the growers of commercial corn who buy that corn seed will be covered by crop insurance.

Mr. McLean: Madam Speaker, in view of the horrendous danger this disease presents to farm crops, will the minister, then, not order the seven identified hybrids to be taken from

the market by the four companies that are marketing them? "Yes", or "No"?

Mr. Whelan: Madam Speaker, the hon. member mentioned earlier a meeting which I held with some of the representatives of the seed corn industry, both producers and companies. We are standing by our instructions to these groups, that those known seeds which are infected with the head smut spores be withdrawn from the market.

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RAILWAYS

CNR AND CPR PENSION PLANS—ACTION ON RECOMMENDATIONS OF HALL REPORT

Hon. Stanley Knowles (Winnipeg North Centre): Madam Speaker, I had intended to put my question to the Minister of Transport, but he seems to have eluded us momentarily. In his absence, I shall put it to the Minister of Labour. It is a question which concerns both ministers. The question arises from the report of Dr. Noel Hall on Canadian Railway pension plans which was submitted a few years ago to the then minister of labour, now the Minister of Indian Affairs and Northern Development.

In view of the fact that neither the Canadian National Railways nor the Canadian Pacific Railway has taken any substantial steps to meet the recommendations of Dr. Noel Hall for improving the pensions of railway workers, will the Minister of Labour or the Minister of Transport—now that he has returned to his seat—make representations to these railway companies to consider this report, bearing in mind that both railways have received many advantages and many benefits from the taxpayers of Canada?

Hon. Gerald Regan (Minister of Labour): Madam Speaker, I thank the distinguished and honourable gentleman for his question. I must say to him that, while it has not appeared that there have been dramatic results on the recommendations of the Hall commission of a number of years ago on pensions in the railways, nevertheless both the Canadian National and the Canadian Pacific have made changes in the time period involved which have improved the pensions.

● (1450)

Those changes perhaps are more attributable to negotiations with the unions involved than anything else, but some of them do reflect the goals that were laid out in the Hall report.

Mr. Knowles: Madam Speaker, may I say to the Minister of Labour that the view of our railway pensioners is slightly different from the view of the Minister of Labour.

However, as a supplementary question, may I ask either of the ministers—no, I think I shall ask this one of the Minister of Transport: In view of the fact that Dr. Hall made, as a major recommendation, the proposition that the Canadian Pacific Railway should at least bring its pension standards up to those of the Canadian National Railways, will the Minister of Transport carry that recommendation to the Canadian Pacific Railway, perhaps with more effectiveness than was done by the Hon. Otto Lang.

Hon. Jean-Luc Pepin (Minister of Transport): For today, Madam Speaker, I can only promise to do my best to bring about this accomplishment.

An hon. Member: Not good enough.

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PARKS CANADA

ILLEGAL OCCUPATION OF LAND IN KOUCHIBOUGUAC PARK, NEW BRUNSWICK

Mr. Bob Corbett (Fundy-Royal): Madam Speaker, I would like to address a question to the Minister of the Environment who is responsible for Parks Canada. As the minister is aware, a dissident group is presently illegally occupying land in Kouchibouguac Park, New Brunswick.

The dissidents have exhausted every legal avenue in an attempt to regain this land. They have threatened to exercise force in their efforts to realize their goals, and already there has been violence. What positive measures is the minister taking to resolve this conflict once and for all, and what is he doing to ensure the safety and protection of those brave souls who might venture into Kouchibouguac Park for recreation?

Mr. Hnatyshyn: Bring in the British commandos.

Hon. John Roberts (Minister of State for Science and Technology and Minister of the Environment): Madam Speaker, this is a very tense, difficult and delicate situation. I am anxious not to say anything which might exacerbate the present difficulties.

An hon. Member: Move it to Peterborough or Cornwall.

Mr. Roberts: I have been in continuing discussion with the premier of the province. We have been discussing, together, a variety of approaches which we might take to release tensions in the area.

I cannot say much more to the hon. member than that at the present time. I cannot assure him that I will very soon be able to say much more. I can assure him that we are very concerned about the situation. It does have our attention, and continuous discussions are taking place with provincial authorities.

Mr. Corbett: Madam Speaker, the minister's response is small comfort, I am sure, to those who live and work in the region and must depend upon it for their living.

I would ask the minister if he has taken into his confidence his colleague in the other place, the former premier of the province, who engineered the Kouchibouguac situation—or the deal betweeen the federal government and the provincial government—and also whether he would be prepared to go to Kouchibouguac, perhaps in the company of the minister of fisheries from New Brunswick—who has been strangely silent

on this particular matter—in an effort to get the matter resolved.

An hon. Member: Wear an armoured vest.

Mr. Roberts: Madam Speaker, these are very interesting suggestions and I will give them the weight of consideration which they deserve.

Mr. Crosbie: Take Roméo with you.

* * *

SUPPLY AND SERVICES

TABLING OF FIGHTER AIRCRAFT CONTRACT

Mr. Bud Bradley (Haldimand-Norfolk): My question is for the Minister of Supply and Services. Since the new fighter aircraft contract has been announced, and since the minister is reported as saying he would table the contract two weeks ago, could the minister inform this House when, in fact, the new fighter aircraft contract will be tabled?

Hon. J.-J. Blais (Minister of Supply and Services): Madam Speaker, as I have advised members of the opposition, it is my intention to table the contract as soon as practicable.

An hon. Member: You said that two weeks ago.

An hon. Member: Same old secret bunch.

Mr. Bradley: Madam Speaker, through fear the same old bunch is using the same old time-frame. Could the minister possibly inform this House how soon "as soon as practicable" may be?

Mr. Blais: Madam Speaker, I thought that my reply was clear.

An hon. Member: You are wrong.

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CONSUMER AND CORPORATE AFFAIRS

CALL FOR INVESTIGATION INTO REASON FOR B.C. TELEPHONE RATE INCREASE

Mr. Ray Skelly (Comox-Powell River): Madam Speaker, my question is for the Minister of Consumer and Corporate Affairs, and it pertains to the rate increase by the B.C. Telephone Company to sponsor a $300 million capital investment program.

The president of Gentel, the owner of B.C. Telephone, says that the capital equipment is not required and the rate increase will, in fact, involve a reduction in service and local lay-offs. Could the minister undertake to investigate the basis for this rate increase and the relationship between the B.C. Telephone Company and its suppliers, especially AEL Microtel, and intercede in those hearings if irregularities do appear from the investigation?

[*Translation*]

Hon. André Ouellet (Minister of Consumer and Corporate Affairs): Madam Speaker, my reply to the first part of the question is yes. As to the last part, I am not sure that the recommendation made by the hon. member is appropriate. In any case, I am still prepared to consider it.

* * *

[*English*]

INDIAN AFFAIRS

NEGOTIATIONS ON B.C. INDIAN CUT-OFF CLAIMS—STATUS THEREOF

Mr. Lorne Greenaway (Cariboo-Chilcotin): Madam Speaker, my question is to the Minister of Indian Affairs and Northern Development.

Last week I asked the minister if he would be kind enough to inform this House whether or not there were negotiations under way regarding the British Columbia cut-off claims. He told us that he intended to discuss the matter with the Indian leadership at the all chiefs and elders conference last week, and that he would have a specific answer for us this week. I now ask the minister for that specific answer, please.

Hon. John C. Munro (Minister of Indian Affairs and Northern Development): Yes, Madam Speaker, with respect to the B.C. cut-off claims we have undertaken—and I have undertaken—to get the negotiations again under way as quickly as possible in an endeavour to resolve the question.

Mr. Greenaway: Madam Speaker, I have a supplementary to the same minister. Would the minister be willing to give the standing committee a reference on this matter, so that we could discuss it fully in a non-partisan and productive atmosphere as was intended by the previous government?

Mr. Munro (Hamilton East): Madam Speaker, I am certainly prepared to take that course under consideration and discuss it with my colleagues; but I would indicate now that, with negotiations getting under way, I would like to get the views of the parties with respect to that particular suggestion.

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[*Translation*]

HOUSE OF COMMONS

INQUIRY WHETHER COST OF LIVING INCREASE WILL BE CONSIDERED IN REVISING SALARIES

Hon. Roch La Salle (Joliette): Madam Speaker, my question is directed to the President of the Privy Council, a Commissioner of Internal Economy of the House.

Considering that the employees of the House are very concerned by the fact that no decision has been made about the review of their salaries, could the minister tell the House today whether he intends to make public a study which should normally have been tabled on April 1, as today is already May 6? If so, would the increase in the cost of living be taken into account were the review favourable to the employees of the House?

Hon. Yvon Pinard (President of the Privy Council): Madam Speaker, I shall find out whether there is a basis to the concern which my hon. colleague has referred to. If such is the case, I shall find ways to remedy this situation.

Mr. La Salle: Madam Speaker, first of all, I would like to ask the President of the Privy Council if he intends to recommend a study on the issue to the other commissioners. I think this is now a great concern to House staff.

Mr. Pinard: As I have said, Madam Speaker, I will try to ascertain if that concern is justified. If that is indeed the case, we will take the appropriate measures and the hon. member will be advised in due course.

* * *

[*English*]

TRANSPORT

SOUTHERN ONTARIO TRANSPORTATION STUDY

Mr. John McDermid (Brampton-Georgetown): Madam Speaker, my question is to the Minister of Transport, if I can get his attention. Seven months ago the SOMPS report, a discussion paper, was released in this House. What discussions have taken place in southern Ontario with regard to transportation, and does the minister have any vehicle by which the public can participate in those discussions?

Hon. Jean-Luc Pepin (Minister of Transport): Madam Speaker, extensive discussions have taken place with the public at large, and my hon. friend is aware of some in which my officials and officials of the department of transport of Ontario have answered questions from the public. Discussions are ongoing in my department, and I hope within the next month or so to be able to present a set of views on the whole of this issue.

Mr. McDermid: Madam Speaker, I have a short supplementary. There are two contentious items in this report that must be resolved in the very near future: one is terminal 3 and the other is a fourth runway for the Toronto international airport. Would the minister care to give us his position on those two items?

Mr. Pepin: Madam Speaker, that is exactly what I was trying to avoid.

Some hon. Members: Oh, oh!

• (1500)

Mr. Pepin: In due course I will address very clearly the two aspects mentioned in the question.

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AIRPORTS

COMMITMENT TO UPGRADE MOUNT HOPE AIRPORT

Hon. Lincoln M. Alexander (Hamilton West): Madam Speaker, now that we are talking about airports, and now that the minister has included Hamilton with Malton in answer to a question raised by the hon. member for Hamilton-Wentworth, has the minister now had an opportunity to discuss the expansion of Mount Hope airport with his colleague, the Minister of Indian Affairs and Northern Development?

Can he now tell the people of Hamilton why he so blatantly broke the promise which his government gave to the city of Hamilton whereby it committed $100 million to the upgrading of the Mount Hope airport?

Some hon. Members: Hear, hear!

Hon. Jean-Luc Pepin (Minister of Transport): Madam Speaker, I feel I have answered this question a number of times. I hope there will be a debate one day on airport matters where this question can be aired. As recently as last week I thought I had put to rest these promises that had been made. With respect to the promises made by my hon. friends on the other side, it was just an agreement in principle by the cabinet and never saw the door of the Treasury Board. That is important to underline at this time.

Mr. Alexander: That is nonsense. I have listened to the minister flim-flamming the opposition with respect to that question. This has been going on for some eight or nine years.

Madam Speaker: Order, please.

Mr. Alexander: I am just coming to the question, Madam Speaker. Either the minister has not been briefed, or he does not know what his job is all about. I would ask the minister this question: Can I have a firm commitment from the minister that he will bring down a decision one way or the other, so that we can remove the doubt and the haziness as a result of the incompetence of this government by the end of July, because I understand that is how long we are going to sit? Can I have that commitment, so that the people of Hamilton can know just what is going on? Is the minister capable of giving me that answer?

Mr. Pepin: Madam Speaker, I did give a firm promise the other day that a commitment would be made with respect to the Hamilton airport. I did say that. I also said there were a number of matters to be elucidated before a decision could be made on the amount of money that would be needed. I thought I had the sympathy of most members of the House when I said

very emphatically that the expenditures would be made for the development of the Hamilton airport that will be needed.

* * *

POINT OF ORDER

MR. WHELAN—STEPS TO ERADICATE CORN DISEASE—QUESTION BY HON. MEMBER FOR WATERLOO

Hon. E. F. Whelan (Minister of Agriculture): Madam Speaker, in a question from the hon. member for Waterloo (Mr. McLean), he mentioned seven companies. It probably should have been seven varieties. There are over 300 varieties of corn seed sold in Ontario. We found seven varieties on which we issued orders that they be withdrawn from the market. Because of the economics of this and the concern, I thought it should be put on the record.

ROUTINE PROCEEDINGS

[*Translation*]

QUEBEC AND MONTREAL PORT WARDENS ACTS

MEASURE TO AMEND

Hon. Jean-Luc Pepin (Minister of Transport) moved the first reading of Bill S-3 (from the Senate), to amend an act to provide for the appointment of a port warden for the harbour of Quebec and to amend and consolidate the acts relating to the office of port warden for the harbour of Montreal.

Motion agreed to and bill read the first time.

* * *

[*English*]

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. D. M. Collenette (Parliamentary Secretary to President of the Privy Council): Madam Speaker, the following questions will be answered today: 116, 322, 342 and 630.

[*Text*]

HULL, QUEBEC—NUMBER OF PUBLIC SERVANTS

Question No. 116—**Mr. Cossitt:**

1. In each of the past six years, what was the total number of public servants working in the Hull, Quebec, area?

2. What is the total at the present time?

Hon. Donald J. Johnston (President of the Treasury Board): 1. During the last six years, the number of public servants working in the Hull area—Quebec—was as follows:

December 1974:	3,988
1975:	4,812
1976:	5,341
1977:	5,709
1978:	14,511
1979:	13,904

2. In March 1980 the number of employees working in the Hull area—Quebec—was 13,822.

Note: The data reflect the number of employees on strength reported by departments and agencies in respect of which Treasury Board is the employer—Part I, Schedule I of the Public Service Staff Relations Act—and who are working in the greater Hull area defined at this date as comprising: Aylmer, Lucerne, Deschênes, Gatineau, Templeton-Ouest, Village de Templeton, Pointe-Gatineau, Hull, Buckingham, Buckingham Sud-Est, Masson, Hull, Municipalité de Hull-Ouest, Pontiac, Eardley, Onslow-Sud, Quyon, Val-des-Monts, Portland, Wakefield-Est, Perkins, La Pêche, Municipalité de Wakefield, Village de Wakefield, Ste-Cécile-de-Masham et Masham-Nord.

Source: Personnel Applications Centre
Department of Supply and Services
Master Support File and Incumbent System
Report B0095
December of each year

LARGE CORPORATIONS—TAX RETURN AUDIT

Question No. 322—**Mr. Herbert:**

1. In each of the past three years, how many tax returns of the approximately five hundred largest corporations in Canada, were audited?

2. What was the amount of the additional assessment resulting from the audit?

3. What amount of the additional assessment was contested?

Hon. William Rompkey (Minister of National Revenue): There are no statistics maintained which would permit ready retrieval of the information requested. It could only be obtained by a long and costly review of the files.

VETERANS AFFAIRS—BENEFITS IN PENSION

Question No. 342—**Mr. Herbert:**

1. How many former prisoners of war are receiving pension benefits from the Department of Veterans Affairs or its boards and commissions by the (a) theatre of operation (b) level of benefit of the veterans concerned?

2. How many applications for benefits are outstanding from former prisoners of war?

3. What is the estimate of the number of eligible former prisoners of war who have not submitted applications for benefits?

Hon. Daniel J. MacDonald (Minister of Veterans Affairs):

1. (a)	Prisoners of war of the Japanese—	1,048
	Prisoners of war of another power—	5,343
		6,391

(b) 50 per cent—1,042
20 per cent—1,699
15 per cent— 735
10 per cent—2,915
6,391

2. 4.

3. It is estimated that less than 180 former prisoners of war may not have applied. The above figures include escapers and evaders.

VETERANS AFFAIRS

Question No. 630—**Mr. Howie:**

How many persons engaged in public relations, publicity or media relations, are employed on staff in the Department of Veterans Affairs?

Hon. Daniel J. MacDonald (Minister of Veterans Affairs): As of April 25, 1980—15.

[*English*]

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

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

Some hon. Members: Agreed.

Madam Speaker: Orders of the day.

GOVERNMENT ORDERS

[*English*]

BANKS AND BANKING LAW REVISION ACT, 1980

MEASURE RESPECTING BANKING INSTITUTIONS

The House resumed, from Monday, May 5, consideration of the motion of Mr. Bussières (for the Minister of Finance) that Bill C-6, to revise the Bank Act, to amend the Quebec Savings Banks Act and the Bank of Canada Act, to establish the Canadian Payments Association and to amend other acts in consequence thereof, be read the second time and referred to the Standing Committee on Finance, Trade and Economic Affairs.

Mr. Bill Kempling (Burlington): Madam Speaker, I have just a few minutes to finish the remarks I began last evening, when I spoke of the difficulties faced by many businesses in Canada in financing their operations, particularly small and medium-sized businesses, and the ends to which some of them have to go. This whole matter of financing a business is not very well understood. I am sorry to say I do not think it is very well understood by the banks as well as some of the people in business.

Before foreign exchange rates began to fluctuate, we had situations where it was easier and cheaper to finance inventories outside of Canada than in Canada. In other words, suppliers came to potential Canadian customers asking them to give them a year or two order for a product and they would put that inventory on the shelves at approximately half the rate that was available in Canada. There is an area here where the Canadian banks could move in and perform a service to help many of our businesses retain that sort of financing within Canada.

When you commit yourself to a year or two years' supply at fixed financing terms to someone outside the country, it leaves the businessman with not too much flexibility. It does not give him an opportunity to look around. He is enticed into this type of arrangement by the fact that he can get very low interest rates. I notice as well with the EX-IM Bank in the United States that many times American suppliers will come in and in fact supply a product that is already made in Canada. However, the financing rates are considerably lower than what can be had here. Consequently the Canadian consumer will make his purchase from the United States rather than from a Canadian supplier because he can get cheaper financing.

As we consider this act—and I repeat that I hope we can handle it with a reasonable amount of dispatch in the days and weeks ahead—I hope we will be able to leave the banks free to enter into more types of financing of inventories. I would like to see a consortium of our banks get together to handle collectively some exporting for the small and medium-sized business sector of our economy. There is an opening there.

In my business experience, I have done a little bit of exporting. On a couple of occasions I had to go to a finance company in order to export to a customer in the Caribbean. There is an opportunity here for Canadian banks to move into that area and stimulate that part of our economy which employs the largest number of people in our labour force.

That, Mr. Speaker, concludes the remarks I have to make. As I say, I hope we can move with a good deal of dispatch and see this bill passed on to the other House in good order.

• (1510)

Mr. Nelson A. Riis (Kamloops-Shuswap): Mr. Speaker, it is a privilege, indeed an honour, to be able to discuss this afternoon the bill before us.

Bill C-6, which will revise the Bank Act and amend the Quebec Savings Banks Act and the Bank of Canada Act as well as establish the Canadian Payments Association, is clearly the most important piece of long-term legislation with which this Parliament will have to deal. It will establish the legislative framework within which the Canadian banking system will develop over the next ten or, as we have seen lately, perhaps 13 years. Thus, it is of crucial importance that we consider very carefully the provisions of this bill and their long-term implications for the development of Canada.

Mr. Speaker, the Canadian banking system plays a central role in the performance of the Canadian economy. It develops in large part the major payments mechanism facilitating transactions in our mixed market system. In holding the great majority of Canadian chequing accounts and savings deposits the banks assume a special responsibility in managing the nation's money supply. But the banks' most important function in terms of long-range development of the Canadian economy is to provide for the allocation of financial capital among alternative investment opportunities.

The Canadian economy is faced with a number of very serious structural problems as we enter the 1980s. Our balance of payments has deteriorated to unprecedented levels. Our $11.5 billion trade deficit in finished manufactured goods portrays a colossal failure on the part of the government to implement a foreign trade policy and domestic industrial strategy consistent with the long-term development of our economy. We are becoming increasingly dependent on the export of primary resources that provide expanded opportunities for the employment of foreign capital in Canada while our manufacturing sector, which provides the greatest opportunity for increasing the employment of Canadians, slips slowly into oblivion, I am sorry to say. The key, high-technology sectors of our economy continue to be dominated by foreign interests. As a result, research and new-product development is inadequately funded. But more important, there has been no attempt to rationalize the Canadian industrial structure to make these industries more competitive in the world economy.

The solutions to these problems are clear to most Canadians. We need efficient, world-scale industries. We need to increase Canadian control in order to stop the drain of financial resources out of Canada. We need to encourage import substitution and to develop efficient capital markets to provide the financial support required to rationalize and to modernize Canadian industry. The Canadian banking system can play a key role in achieving these national objectives and that is what makes the revision to the Bank Act before us for debate today so crucially important.

As the major financial intermediaries in the Canadian economy, the banks receive deposits and lend out huge amounts of capital. Will the Bank Act ensure that these pools of capital will be used to support Canadian business, to promote Canadian industrial development and reverse the trend toward foreign domination? I have my doubts, Mr. Speaker, but let us consider for a moment the proposed legislation.

Revising the legislation governing the Canadian banking system appears to be a ritual engaging this House every ten years or so. In my reading of the record one of the most clearly stated objectives of this ritual in the past has been to increase the level of competition in Canadian banking. This time around it appears that the Minister of Finance (Mr. MacEachen) has decided that competition can best be promoted by allowing foreign banks access to the Canadian economy.

This seems a rather curious decision to me. What is even more curious is why the chartered banks have not objected, indeed, why they have agreed so readily to allow foreign banks access to the Canadian capital market. The government thinks such access will increase competition in this highly concentrated sector of the economy. But, Mr. Speaker, the banks know better. And so, too, should the members of this House, especially those members more experienced than I, and in particular those members who have debated this very act over the past few years. As a new member of Parliament representing the concerns of my constituents about the effectiveness of federal government policy, I find it difficult to reconcile the objective of increasing competition in the banking system as expressed by some members of this House with the actual performance of the banks themselves.

In 1954 the four largest chartered banks held $8.7 billion in total assets. This represented 76.8 per cent of total chartered bank assets. By 1979—25 years later—the assets held by the same four banks had grown to $182.6 billion, representing 77.7 per cent of total chartered bank assets. Therefore, over the past 25 years there has been virtually no change in the concentration of assets among Canadian chartered banks.

The credibility of our legislative commitment to ensure greater competition in banking is most seriously questioned by the performance record of the chartered banks in concentrating corporate profits. In 1954, the four largest chartered banks received $51.8 million in profits before taxes. This represented 70.6 per cent of all chartered bank profits before taxes. By 1979 the pre-tax profits received by the four largest chartered banks had grown to $1.1 billion, representing 80.6 per cent of all chartered bank profits before taxes.

In spite of the well-intentioned objectives expressed by so many members of this House, Mr. Speaker, the chartered banks in Canada are no more competitive today than they were 25 years ago. Indeed, a strong case can be made for them being less competitive today. I am afraid that the hon. member for Edmonton West (Mr. Lambert) was all too correct when he suggested the other night that what we were doing here in debating this bill was akin to laying down the rules for the manufacture of horse collars in an age of jet propulsion, rockets and advanced electronics. Still, we are told that this new legislation will increase competition and the chartered banks are on record as agreeing with this. I want to suggest that the kind of competition the banks are talking about is definitely not the kind of competition I have heard discussed by members of this House. But I will return to that point later.

First let me say something about the source of this new competition in the Canadian banking system. The new Bank Act will allow foreign banks to establish banking subsidiaries in Canada. This section of the bill provides very little in the way of federal leadership. In fact, it validates and formalizes a trend which has been growing for some time. Once again, like the banks' involvement in auto leasing, we act after the fact rather than before. We are followers, not leaders. Foreign banks have significantly expanded their activities in Canada over the past decade. The Minister of State, Finance (Mr. Bussières) very briefly indicated the number of financial affiliates of foreign banks the government has been able to identify.

The minister also indicated that the total assets of these affiliates reporting to the Bank of Canada exceeds $6.4 billion.

Mr. Speaker, there are a number of things that are very disturbing about this entire question of foreign banks operating in Canada. First, we seem to be responding after the fact in providing a legislative framework for the activities of foreign banks in the Canadian economy and, furthermore, we are justifying this belated action on the grounds that subsidiaries of foreign banks will increase competition in Canada. However, the government has not provided the members of this House with any comprehensive information on, or analysis of, the activities of currently operating financial affiliates of foreign banks in this country. We in fact know very little about their activities.

● (1520)

I must agree with the comments made in this House last evening by members sitting on the Conservative benches that these foreign banks will not necessarily be operating in the best interests of Canada or Canadians. The question whether these foreign banks will be offering services in small communities throughout Canada and especially northern Canada was posed. Will these foreign banks or their subsidiaries be offering services to the small entrepreneur in the Canadian context? Will they be providing financial services to everyday working Canadians? I suspect not. I suspect, as the hon. member indicated last evening, that these will be metropolitan banks, perhaps skimming off the best deals in the resource and industrial sectors, and that they will do little for the new small Canadian banks becoming established in Canada today, such as the bank in my own province, the Bank of British Columbia. Of course, credit unions and caisses populaires are already under undue disadvantages as compared with our chartered banks. No, I do not feel we need the Bank of America in Canada today.

Frankly, I am concerned about the deterioration of our economic performance in the 1970s, and it appears that we can expect these trends to continue, at least in the early 1980s. Regional disparities and structural weaknesses in our economy have become worse, not better, over the past few years. Our manufacturing sector continues to decline, employing only 19 per cent of the nation's labour force in 1979. In 1970, nine years ago, 21 per cent of Canada's exports were manufactured goods. Today they represent 10 per cent. Our balance of trade deficit in manufactured goods stood at $3 billion in 1970, whereas last year it was $11.5 billion. In the past five years $13.8 billion in dividends and interest payments were drained out of Canada. An additional $8.5 billion left Canada in management consulting fees, patent fees and licence and copyright fees.

I suggest that these are very serious matters. Yet we are asked to approve those provisions of Bill C-6 which would allow for the expanded activities of foreign banks in the Canadian economy without knowing the role financial affiliates of foreign banks have played or can be expected to play, first, in improving or contributing to a further deterioration of our manufacturing sector; second, in facilitating foreign penetration in Canadian industry; and third, in improving or contributing to a further decline in our balance of international payments. These are questions of concern to all Canadians, and this legislation fails to address these concerns.

We are told that we are debating the question of competition in Canadian banking. I suggest that we are debating much more than that: we are debating the future of the Canadian manufacturing industry and the future of our balance of payments. As all of us in this House know, major changes are now required in our manufacturing industry in an effort to improve the status of our balance of payments situation in Canada.

To return to the point concerning the differences between our conception of competition and that of the chartered banks, the Minister of State for Finance, in moving the motion for second reading of Bill C-6, indicated that this latest revision of the Bank Act would have the effect of increasing bank competition and thus lead to better service for consumers and business borrowers requiring credit. There are, of course, no *a priori* reasons, let alone historic evidence, to indicate that these results will follow automatically. The large Canadian chartered banks are today among the world's largest. They have already achieved the economies associated with large scale banking enterprise. The challenge to us is to ensure that those economies are passed on to Canadian consumers and Canadian businesses. Unfortunately, Bill C-6 will fall far short of this objective.

The point is that the large Canadian chartered banks have little to fear from a handful of specialized subsidiaries of foreign banks. The chartered banks know this, and that is why they support this legislation. The kind of competition the chartered banks are looking for in this bill is the leverage that it will afford them in gaining access to foreign capital markets.

This was stated quite succinctly, if not unwittingly, by the Parliamentary Secretary to the Minister of State for Science and Technology (Mr. Simmons) when he said just last week, and I quote: "It will mean that our banks will have access to foreign markets." It remains to be seen how this increased activity of our chartered banks overseas will benefit Canadian consumers, home owners and businesses.

I suggest that we are debating much more than a series of revisions to the Bank Act in this the Thirty-second Parliament. We are debating what may in effect become an international charter for the large scale banks in Canada, a proclamation of the increasingly international ambitions of our chartered banks and what may be a growth commitment to international allocation of financial resources on the basis of greatest profit.

The chartered banks have been granted a privileged position in our economy by the people of Canada. They exercise a tremendous influence over the allocation of financial resources in the economic system and thus have a profound impact on our ability to achieve important national goals. As representatives, it is our responsibility to ensure that the legislative framework we provide for the activities of the chartered banks

promotes behaviour consistent with the achievement of our national goals.

One cannot overemphasize that the chartered banks should be encouraged by this House to provide funding for socially responsible areas. The banks ought to assist us in our attempts at developing an industrial strategy for Canada. The banks should assist us in obtaining the national goals of a serious, well rounded employment strategy for Canada, regional development, improvements in transportation and communication, and a move toward more Canadian control in the affairs of Petro-Canada, a principle and concept that in the last election the people of Canada indicated they supported, and supported very seriously and strongly.

Will the banks assist us in developing a serious housing policy for Canada? Will the banks assist us in providing opportunities for small entrepreneurs, encouraging them and enabling them to enter into new and foreign markets? Will the banks assist our agricultural sector? Will they provide assistance to the native people on reserves across the country to enable them to take advantage of opportunities that they are creating every day?

In considering the entire question of competition and the banking system I am somewhat surprised that the government has placed its emphasis on increasing the role of foreign financial institutions in Canada, for if there has been one source of increased competition in the Canadian financial capital market during the 1970s we have just come through, it has come from the growth of wholly Canadian non-bank financial intermediaries, particularly credit unions and caisses populaires.

During the 1970s public confidence in big business fell significantly, but that was not the case with credit unions. Between 1967 and 1977 the total assets of banks and trust companies grew at an annual compound growth rate of 15 per cent and 16 per cent respectively, but the assets of credit unions increased by 19.2 per cent. In 1967, 4,308,000 Canadians belonged to credit unions or caisses populaires. Their membership represented 56 per cent of the labour force in Canada. By 1978 membership had nearly doubled, to 8,318,000 Canadians, or 78.4 per cent of Canada's labour force.

This growth performance among credit unions has occurred in spite of numerous legislative obstacles which have hampered the development of non-bank financial intermediaries. For example, the Financial Administration Act prevents the federal government from maintaining deposits with credit unions. Through that act the federal government discriminates against credit unions in favour of chartered banks. Chartered banks are also favoured by the provisions of the Small Businesses Loans Act, the Farm Credit Act and the Fisheries Improvement Loans Act, all of which require credit unions to register individually in order to be able to provide services under those acts.

● (1530)

All members of the House, I am sure, are aware of the inequity created in the marketplace by the Small Loans Act in that it does not apply to chartered banks. By imposing a 12 per cent interest rate ceiling on loans under $1,500, obviously it severely limits the flexibility of credit unions to provide revolving credit to their members. Chartered banks are, of course, unhindered by this legislation and can provide this service through direct loans or through their credit card operations.

The point is, Mr. Speaker, if we are really serious about promoting Canadian enterprise and increasing competition in the financial capital market, then we should not be making it easier for foreign banks to operate in Canada. We should be considering a comprehensive revision of all financial legislation that inhibits the establishment of more Canadian banks, the expansion and diversification of credit unions and caisses populaires as well as the development of alternative financial institutions such as postal savings banks.

Mr. Speaker, over the past few years, and especially since becoming a member of Parliament, I have become increasingly aware of the many problems individual Canadians, and especially Canadian businesses, have had in dealing with the chartered banks. This is an area of banking we tend to dismiss as unimportant, but I would suggest it requires far more attention than it has received in the past or will receive in this legislation.

The chartered banks are monolithic, secretive institutions. We need to know more about their operations, but information is often not available or very difficult to obtain. In general, chartered banks are too nervous with small companies, and often loans are recalled prematurely. If a business requires additional short-term credit instead of increasing the loan, some banks prefer to use overdrafts which end up costing the small business in the range of 25 per cent to 30 per cent. Numerous cases exist where a businessman was making regular payments and a demand loan was called by his bank. These factors along with highly variable interest rates make it especially difficult for businesses to plan for even the near future, let alone do any long-term economic planning.

Decisions by the banks to alter the terms of credit or call in a loan add to the uncertainty and risks of small business. A significant number of bankruptcies could be avoided if there were better communications between small companies and banks and if banks were required to be more accountable for their decision to withdraw financial support to business ventures.

In a recent study of consumer satisfaction with financial services, 21 per cent of more than 1,000 respondents indicated that in the previous two years they had one or more experiences with financial or insurance services with which they were highly dissatisfied. Sixty per cent of those reporting dissatisfaction indicated they had had five or more bad experiences during that time period. This does little toward improving the investment climate for entrepreneurs interested in Canada's future.

Among the highly dissatisfied purchasers of financial services who cited financial institutions as most unsatisfactory, chartered banks received the highest percentage at 32.6 while credit unions received the lowest percentage at 4.3. Trust

companies, credit card services and consumer loan or finance companies fell in between these extremes.

The most frequently cited reasons for consumer dissatisfaction with financial services were as follows:

The service was provided in a careless and unprofessional manner.

And the person—

—was treated like an object rather than as an individual.

Another survey of 16,000 businesses across Canada, although indicating that Canada's chartered banks are providing better than reasonable service to a majority of small and medium-sized businesses, highlighted a number of serious problems. For example, many small and medium-sized businesses are not receiving the quality of service enjoyed by older, established businesses. About 75 per cent of the operators of firms in business more than ten years believe their bank managers understand the nature of their enterprises, versus only 65 per cent of those in business less than four years. Again, I suggest, this does very little toward encouraging the new ideas and energies to enter the marketplace.

The survey also indicated that local bank managers are not visiting clients on a regular basis. Sixty-two per cent of the businesses surveyed had never been visited. This kind of contact undoubtedly plays a significant role in the bank manager's understanding of the small businessman and his problems.

In Saskatchewan, for example, 77 per cent of the respondents had been visited and 78 per cent were confident their manager understood the nature of their business, while in Ontario only 60 per cent of the businesses surveyed had been visited by their bank manager, and in that province only 69 per cent of the respondents believed their bankers understood clearly their operations.

These are all more or less serious problems facing small and medium-sized business in Canada. But a somewhat different problem exists in the very special relationship our chartered banks have cultivated with big business, and in particular the multinational corporations that dominate the Canadian economy. In a very real sense it has been easier for a Kaiser Resources Ltd. to borrow hundreds of millions of dollars from Canadian chartered banks to finance the takeover of an Ashland Oil Ltd. than it has been for many independent Canadian manufacturers to obtain financing for their own industrial expansion.

The historical record is all too clear on this crucial point. The chartered banks in Canada have played a central role in the sell-out of the Canadian economy. Who would better realize this than the present Minister of Industry, Trade and Commerce (Mr. Gray), author of a very important report seven years ago on the foreign takeover of Canadian industry. We on this side of the House congratulate the hon. member on his present appointment and look forward to his proposals for redressing this historical error in our country's industrial underdevelopment.

I am afraid that Canadians hold a fairly low opinion of their chartered banks, perhaps not as low as the oil companies but low nonetheless. Oh, they know they are financially sound, secure and very profitable, but they seriously question whether the chartered banks are conducting their business in a way that fulfils the public trust which we have placed in them. My colleague the hon. member from Comox-Powell River (Mr. Skelly) has pointed to the much broader commitment to disclosure among large banks in the United States and the glaring deficiencies in the legislation under debate which, although it is an improvement, falls short of what Canadians expect in the way of reasonable information and protection.

My colleague the hon. member from Broadview-Greenwood (Mr. Rae) has raised the serious question of interest rate spreads and price discrimination by the chartered banks. How is it, Mr. Speaker, that in 1980 we can pass legislation that is silent on the "rule of 78" and other such discriminatory practices?

The banks tell us that without a penalty on the prepayment of loans and mortgages, their profits would be squeezed, that they might even lose money! Yet credit unions have been operating without penalties for years and they manage to survive. Indeed, they have grown and become more popular.

I fear, Mr. Speaker, that the Canadian people have every right to be concerned about what we do here today. I have been discussing the financial leasing provisions of the new Bank Act with many automobile dealers in my riding. Recently I was in receipt of a letter from the Canadian Federation of Independent Business indicating that in a survey which they recently conducted with over 55,000 independent business people, 67 per cent were against the idea of banks becoming involved in the automobile leasing business. They are concerned, without having seen the regulations to be prescribed by the governor in council, that this may not only create a conflict of interest for the banks, but may also seriously reduce competition in certain segments of the leasing field over the long run.

Evidence would indicate that in the field of leasing we can expect to be falling behind those activities in the state of California. I understand that nearly 40 per cent of the automobile business in the state of California is now done through the leasing business. You can see that this, then, will probably be increasing in Canada in the years ahead. We can see that banks are interested in getting a piece of that action, and I suggest we would not be doing the independent dealers any good by following suit. Although the banks have indicated that becoming involved in the traditional leasing business is not their aim, I think either yesterday or the day before evidence was discussed in the House by other members that indeed it would appear the banks intend to get into it in much the same way as traditional leasing companies.

The hon. member for Edmonton West has pointed to the failure of this act to define the business of banking. I would suggest that it also fails to define clearly what the government means by competition in the banking system.

● (1540)

I previously mentioned that the chartered banks shared a dubious distinction with the oil companies—Canadians distrust them both. It is clear that we know little more about the

internal dynamics of the banking system than we do about the oil industry. Because of the privileged position of the chartered banks in the Canadian economy, Canadians have every right to know more, to have a better understanding of the role that our chartered banks play in the Canadian economy.

Other countries view the central role of their banks in the economy far more seriously than we have in the past, particularly if this bill is any indication. The provisions of Bill C-6 restricting public participation in the ownership of chartered banks denies the public an opportunity to participate actively in the banking industry. Such participation would not only provide a new source of competition in Canadian banking, but, to use a much-used phrase, it would provide a window on the banking industry which would allow Canadians better to assess the performance of their banking system.

I am sure this proposal will cause some concern for the members to my right and, of course, will barely arouse the members across the way who are determined to bring Canada's banking system into the nineteenth century with this legislation.

The proposal to promote public participation in banking is anything but unique. In West Germany the local levels of Government wholly own nearly all the savings banks. There are 675 such banks in West Germany with a total of over 20,000 local branch offices or agencies. While most of these savings banks are of a small size, taken together their liabilities exceed all but the four largest commercial banks in West Germany.

The West German banking system is two-tiered in nature. The top tier contains large commercial banks which are privately owned. These banks engage mainly in wholesale banking, lending to large businesses and owning equity in large industrial corporations, and financing these activities by issuing debt obligations. Retail banking, accepting chequing and savings deposits and making small personal loans and mortgages, is the almost exclusive preserve of the publicly-owned savings banks.

In France nearly all of the commercial banks operating at a national level are majority or wholly owned by the government. Following World War II the three largest banks in France—the Societe Generale, the Banque Nationale de Paris and the Credit Lyonnais—were nationalized by the government.

In the United Kingdom the government, through its department of national savings, operates the National Savings Bank. This bank has over 20 million active savings accounts representing deposit liabilities of close to three billion pounds. The bank has no premises, a marked contrast to our marble towers of Bay Street, but it operates through local post office branches throughout the United Kingdom. All other commercial banks in the United Kingdom are privately owned.

This very brief survey of different banking systems simply serves to highlight the narrowness of purpose, the neglect of national economic priorities and the lack of vision represented by this latest revision of the Bank Act. I began my comments by comparing the Bank Act to the laying down of rules for the manufacture of horse collars. It will be a great disappointment to the Canadian people that after years of parliamentary deliberations, after hundreds of thousands of man-hours spent debating this bill, they cannot at least expect better horse collars.

Some hon. Members: Hear, hear!

Mr. Gordon Taylor (Bow River): Mr. Speaker, I take great pleasure in saying a few words on the Bank Act. I will not attempt to give any high-faluting essay or speech on this very complicated act. Rather, I will try to speak in the language of an ordinary citizen and state what we expect from a banking system in this modern age, and to check whether or not we are now satisfied with what we are receiving from our banking system. I will do that by referring to a number of items.

First I want to deal with the matter of agriculture to the extent it is affected by the Bank Act. This act is of concern to many farmers because a section of it deals with loans to borrowers and security for such. That section is used largely by banks when making loans to packers and farmers. When I refer to "farmers", I include ranchers and various forms of agriculture. I cannot understand why the act sets out priority of rights to certain farmers and denies rights to other farmers who are also producing food for the benefit of the people. For instance, it provides priority of rights to growers of perishable products which are direct products of the soil and to the producers of dairy products. The formula which can be worked out from that would indicate that the maximum loan probably would be in the vicinity of $20,000.

I have a question for the hon. minister which I hope he will pursue to ascertain a reasonable answer or else change the legislation. Why leave out livestock producers, as one example? Why not include all producers, if we are to include any, and give them all the same privileges under the Bank Act? This making fish of one and flesh of another in such a vital matter as credit is not right. It will hurt the country and those deprived of those priorities such as livestock producers.

There should be no upper limit. Surely the banks can determine if the value is there, if the security is there or if the equity is there, without our telling them that they have to put on an upper limit in regard to loans to agriculture. An upper limit of $20,000 certainly is not satisfactory for the livestock business or for many other forms of agriculture. A level of $250,000 might be more sensible, but why should there be any upper limit? Are the banks themselves not able to determine the extent to which they can lend? Doing this by blanket legislation will hurt many operations. I cannot see why we, sitting in the House of Commons, think that we can make loans better than those who are doing it day by day and checking the security being offered.

Another item which bothers me very greatly is the security offered to packers in this country. They use the word "procedure" and not the word "purchase". Packers take in hundreds of cattle, probably thousands of cattle or sheep or hogs, but let us deal with cattle for the moment. They "procure" them but

they have not yet secured "ownership" of them. They still belong to the farmer until he is paid for those cattle; they still belong to the livestock dealer, the livestock operator or the rancher. But under the present wording of the act, the packer may use the cattle of other people to secure a much larger loan than he normally could secure. If there has to be foreclosure, the foreclosure is then on the cattle that did not belong to the packer. He procured them but he has not yet purchased them. I suggest that we change the word in the act, because there is a great principle involved, to the word "purchase". Once the packer has purchased the cattle, then he should be able to use them as security or equity or for any purpose he sees fit. Surely he should not use my 1,000 head of cattle or the livestock of any other producer for his own security before he has paid us for them. This is not fair when it results in foreclosure.

● (1550)

I suggest we will be increasing the number of such foreclosures by encouraging bankers, and probably many others who have procured the product but have not yet paid for it, to follow this practice. I would like to see the word "purchase" put in the act, or perhaps there is a better word. This item should certainly be discussed very carefully in the committee.

Another thing that bothers many individuals in this country is the trend toward monopolies. I enjoyed the address by the hon. member of the New Democratic Party who just spoke, but I completely disagree with him regarding the nationalization of banks or of anything else. I have yet to see the apple tree that grows more apples because it is nationalized. I suggest that the nationalization of an apple tree would result in the producer getting less, because there will be more civil servants working out rules and regulations as to how an apple tree can be kept, who can pick the apples, when, where and why.

Nationalization has its place, but this country was built, with all due respect to hon. members of the NDP, on the free enterprise system, the credit system and on the system of individual effort, not on nationalization and not by the government. It was built rather as a result of thousands of individuals who were willing to risk their shirts, using everything they had, in fact, sometimes only the strength of their backs, to go out and develop this country. Now because we have so much development it is suggested that we should start nationalizing this and that.

The banks can do a job without nationalization. Certain changes should be made, and I hope some will be made, but I am concerned about the trend we are moving toward, and that is the back door way of putting monopoly in our banks. There is a danger in this bill that this may very well take place.

Let us look at the part of this measure which is supposed to provide for competition. I heard a banker say, not longer ago than today, that this item was being put in so that banks could compete with automobile dealers and other businesses. Surely that is not why we are bringing competition in under the Bank Act. My understanding is that this will provide competition with and among other people doing the same business—the lending of money and the accepting of deposits. Surely we are not going to stretch the meaning of this word "competition" to enable bankers to compete with ice cream parlours.

When you walk into some of our drugstores today you do not know whether you are in a general store, an ice cream parlour, a restaurant, a hardware shop or a drugstore. They have everything in them. We should not start this with our banks. When there is a good thing going, such as with ice cream, under this legislation they could get into the ice cream business. I do not blame bankers for wanting to get into these businesses, but they are not in that field. Bankers see a good thing in the leasing of automobiles, trucks and heavy equipment so they now want to get into the leasing business, the actual merchandising of these products.

Let us follow this through. If banks are allowed to do this, they could get into the leasing business, dealing with perhaps just 100 trucks. They could fix the rates for leasing those 100 trucks, and that rate could go up or down as the banks see fit, within limits, with the result that the people who own the merchandise, garages and small dealers, would have to adjust accordingly. This could very well reduce their margin of profit to the point where they could not stay in business.

When a bank lends money to a dealer today it does so on the basis of the trustworthiness of that individual, the type of business he is operating, his assets, etc. If a man is in the business of leasing these pieces of equipment to individuals, whether it is one truck or 100 trucks, the banks base their loans on something else entirely. In this way the banks are interfering with the livelihood of others because they could well reduce their own interest rate to the point where the small operator could not stay in business.

Most of these small operators do business in small towns rather than in big places like Ottawa, Toronto, Edmonton, Calgary, Red Deer, although they are there too. They operate in places like Strathmore, Airdrie, Drumheller, a small city of 7,000 people, Rumsey, Claresholm, that type of town right across this country. If these people cannot continue in the leasing business and make a reasonable profit, they will move out of those small towns. If they cannot meet their requirements and their commitments, what will happen? I suggest there will be foreclosures and the banks will take back the vehicles. Where will these people then go? I suggest they will move to the big cities and again there will be a trend toward monopoly and centralization.

Even if someone is able to meet all his requirements and commitments, who will carry out the repairs and maintenance now being done by these automobile dealers in our small centres? If we want to put another nail in the coffins of our small towns let us continue with this proposal, because it is just another step to drive those people in our small towns out of business.

I saw this happen in relation to the machinery business. They started with one thing and then went on and on, and the first thing we knew was that in order to get parts we had to go to the big cities of Calgary, Edmonton or Regina in the west.

When a farmer needs parts he needs them now, not tomorrow and not the next day. The farmer cannot depend on the sun shining every day; he needs the services immediately. I suggest that the minister take a careful look at this idea of permitting our banks to get into this business of leasing, as this is something that could lead to monopolies and the destruction of our small cities.

This is not the kind of competition we expect in relation to banks. We do not expect that they should be in competition with automobile dealers and other merchants with whom the banks now do business, but rather with other banks.

This country is pretty well served by those in the garage business and in auto dealerships. They give a pretty fair deal to our people, providing maintenance and help when it is needed in this day of stress. When a farmer's truck breaks down in the midst of harvest, the small dealer in our towns will on many occasions lend the farmer his own or another truck. It is a service which our farmers and our people appreciate. Let us not kill small business in our towns. I am afraid that if this clause is put into effect it will lead to more bankruptcies.

● (1600)

There was discussion the other day about the figure of 546 bankruptcies in 1978. I wonder how many of those bankruptcies occurred due to foreclosure. I wish that figure were available. Sometimes foreclosure is made without heart, even though there are many warmhearted bankers. In many cases a little consideration and a little help would keep these small businessmen in business.

When I have a complaint with my garage or automobile dealer, I contact the consumer affairs department of the provincial government and they look into the matter for me. If there is provision in the Bank Act for the banks to take over leasing, to whom do I complain, other than to my MP or my MLA, who may not have the wherewithal to carry out the research necessary to determine if there is gouging or something of this nature.

Let us not mix up our jurisdictions. I suggest that the banks stay in the business of lending money and otherwise stay out of small business. Banks on the whole are doing very well today. They are not on the poverty line. There should not be any provisions in the Bank Act which will be detrimental to small business, small towns or small cities. The amount of money made by our automobile dealers and such businesses is not out of line. This clause seems to be a good thing, but the small dealers in our small towns sometimes bid on large contracts in order to stay alive and to remain in that small town. I would like to say that all leases are not necessarily foolproof, even though they may be arranged by banks, and there will be some incidents of foreclosure. Let us not kill our small towns by putting this service in the hands of our bankers.

Then there is the matter of credit cards. More and more banks want to get into the credit card business for the profit it offers. I suggest that the charges for credit cards are unfair in many cases to the customer who pays cash. Hon. members should not think that it is only the rich who pay cash. Many of our hard-working people buy things only with the money they may have available from their pay cheque. These people live from pay cheque to pay cheque and do not rely on credit cards. They do not mortgage their future with credit cards. When we provide for the extravagant use of credit cards, somebody is paying for them and in many cases it is the cash customer. This matter should be reviewed very carefully and if it is the cash customer who is paying, then remedial action should be taken.

The next point I would like to mention is the matter of interference by banks with individual accounts. I do not think this procedure is widespread. However, some four or five years ago I had a small savings account at one of the chartered banks. I did not use the account because it was a savings account which was held in trust. After I had had the account for some two or three years, I took my bank book in to get it balanced. At that time I noticed there was a service charge of $2. When I asked the clerk about the service charge, after indicating that I had not used the account and that the money had simply sat there for the use of the banks for two or three years, the clerk said, "You are being charged because you did not use the money." I instructed that clerk at the desk to take my book back to the manager and to tell him to take the service charge off. I felt that he had no authority under the Bank Act to charge me that $2. The clerk came back after 15 minutes and returned my book to me without the service charge. I forthwith removed my money from that particular chartered bank.

That is gouging, Mr. Speaker. Why should I be charged a service charge when I do not use my account and after the bank has had the use of my money? It was not a current account. Too often banks are using every possible excuse to charge for their services, and sometimes the charge is exorbitant. I recently saw a sign on a bank which said, "Fifty cents to cash a cheque, unless you are an old age pensioner". I would like to know what is the tremendous amount of work involved in cashing a cheque. Banks do not cash a cheque unless they are certain that it is good.

The Bank Act should protect the common people or working people who must transact their business with a bank. Just recently there was an article in some of the papers with regard to deposits. An individual wanted to deposit a large number of pennies. He went to several chartered banks, but they wanted to charge him for taking his money, which the bank could then use. Finally, the treasury branch of the Alberta government said to this man, "Bring it to us, we will take it at no charge". The treasury branch is not under the same authority as the chartered banks. Why should the banks be able to charge someone who wishes to make a desposit, whether it be in the form of a cheque, dollar bills or in pennies? There should not be a charge for making deposits. That is taking advantage of people. The Bank Act should protect not only millionaires or those who need large volumes of credit, but the common people, the ordinary, everyday people of this country, the backbone of this country. This is a matter which needs some attention.

Our banks should have as their primary purpose the service of extending credit to develop our resources. Wherever there is a situation which will benefit a community, a province or our nation, then our banks should be right in there to see what they can do to help. If that attitude were taken—it is taken by many bank managers, but unfortunately they are given orders which will not allow them to carry out what might be best for the community—it would benefit the whole nation. The bank managers know the needs of the communities they serve.

In connection with competition among foreign banks within the country, I would like to suggest that if foreign banks come into Canada they should provide more than just competition; we must make sure that they are coming here for the benefit of Canada and Canadians. Such banks would be expected to make a reasonable profit, but they should not be coming here to do great things for another country at the expense of the Canadian people. If the Bank Act is worded to cover this area, it will be of tremendous help.

I would like now to say a word or two about something which I am sure is mysterious to most people, and it may even be mysterious in some cases to the people within our banks. That is the expansion of credit. The government gave the right of banking to private companies and also gave them the right to expand credit under certain conditions. These banks can expand credit seven, eight, ten or even 13 times. When that credit is expanded, the money given to an industry and then returned, it is taken off the books. The loan has been repaid. Sometimes not even one dollar bill changes hands; it is all done by chequing and book entries.

● (1610)

I know the Canadian government has made use of this expansion of credit on a number of occasions, and properly so, although I would not say every time the government used this method it was for a purpose that I would support; but nevertheless it has been used. I would suggest that now is a good time to make sure that the banking fraternity is going to serve this country. We can do this by making sure that at least one half of the expansion of credit that takes place, because of the buoyancy in this country, is lent at a very nominal interest rate for the building of schools and hospitals.

This is not going to be in competition with anybody else and it is going to provide needed classrooms and needed beds across the country. If we could adopt a policy where only a portion of that expanded credit is used for this humanitarian benefit of building hospitals and schools at a very low interest rate, it should cut down a little on the banks' profits. Bank statements I have read do not show that they are in an impoverished condition. They can expand that credit only because they have the support of the people of this country. If there was a run on a bank and we lost confidence in our banking system, banks would go bankrupt tomorrow. Yet it is years and years since a bank has gone bankrukpt or closed its doors. I hope it is just as many years before it happens again.

I think the banks should become good corporate citizens, and, if necessary by law, a portion of the profits from expanded credit should be used to build hospitals and schools. Low interest loans should be given to our school boards and hospital boards right across Canada. This would be a tremendous load off the shoulders of the men and women carrying the burden of the hospital and school administrations. In my view, we have a wonderful opportunity to make sure that this Bank Act is going to work for the benefit of Canada and Canadians. Let us not throw away this golden opportunity.

Mr. Vic Althouse (Humbolt-Lake Centre): Mr. Speaker, it is a pleasure to address this House on Bill C-6, to amend the Bank Act. This is an act where we grant a very special privilege to a corporate group in our society, namely the banks. We are granting them the privilege to do business in our country and we are laying down the rules by which that business will be transacted until 1990. With the passage of this bill, Parliament will be allowing the existing Canadian banks to continue for another ten years pretty much as they have done in the past.

There are some exceptions. We are told that in this act we will be encouraging competition in banking, that is, unless a province decides it wants to get into the banking business. I think that is fair because the British North America Act has stated clearly that banking is the business of the federal government to legislate. We are saying in this act that subsidiaries of foreign banks may be allowed to operate in this country if the minister is satisfied that the bank in question has the potential to make a contribution to competitive banking in Canada and if we are able to provide reciprocal arrangements with the foreign banks' own governments.

I am afraid that perhaps we have not spent as much time as we should on this act regarding the competition in our banking system that we have right here at home. I refer to our trust companies and credit unions, the so-called "near banks". We submit that these are the Canadian alternative to the banking system and the only real source of competition that exists in this country today.

What has the federal government done to promote this kind of competition and improve the competitive position? In my view, the programs have not been overwhelming. For instance, the Financial Administration Act prevents the deposit of federal government funds in financial institutions other than chartered banks. The Canadian Wheat Board Act permits elevator and grain companies authorized by the board to borrow from chartered banks but not from credit unions. The Livestock and Livestock Products Act requires livestock commission agents to keep a shipper's trust account in a chartered bank, not a credit union. The Bills of Exchange Act defines a cheque as a bill of exchange drawn on a bank, again not a credit union.

When it comes to presenting government services, we note that the credit unions clear government cheques and orders at no cost. In Saskatchewan, this amounts to about 40 per cent of the clearances. In Quebec, the caisses populaires clear approximately 13 million items each year, worth about $2 billion. These figures I have quoted are 1977 figures so the volume may be increasing. Yet neither credit unions nor caisses popu-

laires receive compensation for their work. Granted, the banks do not charge for clearing government orders, but they at least have access to government deposits. For instance, by the end of 1978 these totalled approximately $6.7 billion. These deposits provide a considerable source of compensation for the chartered banks and, as I have already mentioned, credit unions do not have access to similar government deposits and therefore have no source of compensatory earnings.

Credit unions and caisses populaires also sell and redeem Canada Savings Bonds for the federal government which result in a net outflow of funds for which they are not compensated by federal government deposits. We say that a means ought to be found to compensate credit unions and caisses populaires for services rendered to the government. This could include balances allocated to credit unions and direct payment on a per item or lump sum basis for services rendered. I realize that not all of these impediments are created under the Bank Act; they are created under a number of other acts, but they do indicate the bias of this and previous legislation against the credit union movement in favour of banks.

In presenting the act to the House, the claim was made that we are going to be increasing competition. These claims ring a bit hollow when we look at the real promise of competition that exists here and now in the lending of money and the attendant service transactions that are not allowed to grow and develop to their full potential. This government talks about bringing into Canada foreign banks to provide competition. It almost shouts "Ignore our Canadian institutions, bring in the foreign competitors." That unfortunately is the policy which this country has been following, and we say it is about time it came to a stop. The credit unions do have a role to play here. In most western European countries, financial legislation has recognized the need for co-operative financial intermediaries to have broad international powers similar to those accorded to the banks.

In order to serve the financial needs of the various credit union members around the world, these legislative changes have been allowed. Some examples include the DG Bank in West Germany, Rabobank in The Netherlands, GZB Bank of Austria and Credit Agricole in France which, although co-operative banks, have international investment powers in other banks.

If Parliament is going to be looking at sections of this act which provide for a Canadian Payments Association, I think it is a credible step in the right direction because it will allow credit unions to become involved more fully in the banking system of this country. The credit union movement will benefit from the proposals in the bill to create a new Canadian Payments Association through which, for the first time, non-bank financial institutions that accept chequable deposits will be permitted to participate directly in the clearing system. The credit union movement appreciates this kind of legislation because it will be in keeping with the government's stated intention to provide more equitable competition within the Canadian financial system. It will allow credit unions to have equal access to the Canadian Payments Association in order to protect their future competitive position, especially since the CPA will become the focus for the evolution of electronic funds transfer systems that are being developed in this country.

● (1620)

Although the present clearing system, controlled exclusively by the chartered banks, appears to work efficiently, there is really no indication that it is cost-effective from the point of view of the credit union system, and so they welcome the Canadian Payments Association as a clear improvement over the old system.

Direct access by near banks to the clearing system has been recommended by the Commons finance committee in its 1967 report on the Bank Act, by the Porter Royal Commission on Banking in 1964 and by the Economic Council of Canada in its 1976 study of deposit-taking institutions.

As considerable time and effort has been devoted during the past number of years to preparing for the proposed participation by credit unions in the Canadian Payments Association, we think this part of the legislation should move ahead as quickly as possible.

Parliament will be granting the privilege and responsibility of this act to the banks. It has always been Parliament that has granted charters for new banks in this country, that is, until we pass this act. After that, issuance of letters patent for any new banks will be carried out by the cabinet. I think that right should have remained with Parliament.

There are many reasons for thinking this, but I will just say that the recent history in this country of regionalized representation which we have had in the past several governments indicates that we should leave the power within the hands of Parliament. Since the impact of any of these decisions falls on the whole of the country, such decisions should rightfully be taken by representatives from all parts of the country, and this can only happen if they are taken by Parliament itself.

I do not know if the item I am going to deal with now arises from the pleas of producers of livestock that they have been ignored or whether it is a simple case of oversight. I am referring now to section 178 of the proposed act which deals with the manner in which banks' claims against processing institutions are developed. To put it simply, section 178 lays down the ground rules whereby some producers of agricultural products are protected. The section I refer to is section 178(6)(b), which gives priority to claims by growers of perishable products of agriculture that are direct products of the soil. It also gives the same kinds of rights to producers of dairy products. However, it ignores producers of livestock. Producers of livestock do not have a similar kind of protection in the event that a processing plant goes broke or bankrupt and the bank has to move in and seize the assets of that processing plant.

The problem has been dealt with quite extensively in committee. Committee hearings were conducted in 1979. The committee heard recommendations to provide for changes to

the act and it made recommendations that such changes occur. We noted in the last election that Liberals, Conservatives and this party all agreed that the change should be made. Unfortunately, it was not included in the changes made previous to the act being presented to the House. I have written a letter to the Minister of Finance (Mr. MacEachen) asking him to correct this situation before we get into the committee stage so that the bill will treat all sorts of agricultural producers equitably in the event that a processing plant does have its assets taken over by a bank. It is a problem that does occur occasionally.

I will just deal with a few years. In July, 1973, City Meat and Sausage Company in Montreal went under with losses to producers. In September 1973, Coleman Packing Company went under and the producers lost money. In October, 1973, Fawcett and Cristie, in Moosomin, Saskatchewan, went under and the producers lost money. In January 21, 1975, Burkmeyers Meat Products Limited of Burlington went under and the producers lost money. In February, 1976, the same happened to Essex Packers Limited.

Producers lost money in all of these cases because the way that the act is now written, section 88, now 178, provides that the banks get prior claim if the product that the processor is handling is a livestock or a livestock-related product. That is not the case if it is a fruit or vegetable product or a dairy product. There is a hole in the act. That should be corrected in the interests of justice and basic equity to all producers delivering products.

In order to back up this kind of producer, there are a few housekeeping things that need to be done. Instead of talking about loans to processors and manufacturers of agricultural products for the "procurement" of products, banks should grant loans for the "purchase" of products. It does not seem to be a very big distinction. What we see happening with the product, whether it is livestock or poultry moving into the plant, is that the company which owns the plant takes out a loan against that livestock without paying the farmer. If the plant does in fact go broke, then the bank collects all of the assets that are in the plant and the livestock producers are left in the lurch. That is not the case with dairy producers or fruit or vegetable producers. I am sure we will get this provision changed when we are in committee. I urge that it be corrected before the bill comes back for third reading.

As well as changing those sections of the act, we should look at releasing the amount of liability that is mentioned in the act. It has been increased. The Conservative Bill C-15 referred to a formula that would pay $64 times a particular index that was quoted. This one uses the figure of $100 times that particular index.

• (1630)

There are a number of problems here, and probably the solution would be just to have no limit and give the producers an unlimited amount of protection. The problem with basing it on an index is that occasionally we change the basis of the index. In 1970 we got to the point where the index of agricultural products was approaching 200, so when we got into a new decade we said, "Let's turn that back to a base of 100." This could happen again in the 1980s, and because it is written into the act it would substantially reduce the amount of protection that is available to producers.

I urge the government and the House to make these small, though important, changes to the act, that we give them very real consideration, that we bring them forward in committee and that we speedily process them in order to bring about the kind of equality and justice that should exist in that section of the act.

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

The Acting Speaker (Mr. Blaker): Order, please. It is my duty, pursuant to Standing Order 40, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the hon. member for Red Deer (Mr. Towers)—Metrication—Request metric commissioners be relieved of duties; the hon. member for Prince George-Peace River (Mr. Oberle)—Transport—Movement of grain—Allocation of hopper cars to British Columbia Railway; the hon. member for Skeena (Mr. Fulton)—Environmental affairs—Acid rain—Canada-U.S. discussions.

GOVERNMENT ORDERS

[*English*]

BANKS AND BANKING LAW REVISION ACT, 1980

MEASURE RESPECTING BANKING INSTITUTIONS

The House resumed consideration of the motion of Mr. Bussières (for the Minister of Finance) that Bill C-6, to revise the Bank Act, to amend the Quebec Savings Banks Act and the Bank of Canada Act, to establish the Canadian Payments Association and to amend other acts in consequence thereof, be read the second time and referred to the Standing Committee on Finance, Trade and Economic Affairs.

Mr. John Evans (Parliamentary Secretary to Deputy Prime Minister and Minister of Finance): Mr. Speaker, in my remarks to this House on April 21, 1980, in response to the Speech from the Throne, I stressed the need to view government economic policy as trying to form a stable and certain economic climate. This would be an economic climate which would stimulate growth, encourage investment and have the effect of creating new jobs.

This was a commitment which the government took on. When the Minister of State, Finance (Mr. Bussières) introduced Bill C-6 for second reading, he was taking a step toward that commitment. At this time it is extremely important to the creation of a stable environment in the nation's financial sector that the Bank Act be revised and implemented as soon as possible.

Further extensions of this bill would be indeed regrettable. The current revision of the Bank Act began in September, 1974, which means that a large sector of Canada's financial community has been unable to engage in comprehensive planning for almost six years.

With the help of two parliamentary committees and as a result of the consensual reports which they submitted, we arrive at our current point, consideration of Bill C-6 at the second reading debate.

Let me make it clear that I am not asking for passage of this bill because of any deadline which may exist. I feel that this bill is the result of a careful review of what at this time would be good for Canada and good for Canadians.

[*Translation*]

Our responsibility lies in strengthening and developing the Canadian financial system by promoting efficient and fair competition.

[*English*]

In this process we must not lose sight of Canadians who must function and live within our economic structure. If aspects of Bill C-6 will make it harder for Canadians to live within their means, it is our responsibility to redress those negative aspects. Speaking generally, I do not believe this is the case with Bill C-6.

[*Translation*]

This bill is extremely long and very complex. It lays down the framework and the basic rules within which chartered banks, the Quebec savings banks and the Montreal City and District Savings Bank were set up, operate and are controlled.

[*English*]

There are countless issues in Bill C-6 which one can address. I want now to turn to five or six specific issues.

First, I want to consider the fact that Bill C-6 does not include a definition of the business of banking. The hon. member for Edmonton West (Mr. Lambert) raised this point in his remarks to the House, and I welcome the opportunity to ease his concern. Surely the goals of flexibility and control are the ones we should be striving for in Bill C-6. I do not see how a definition of the business of banking would help us achieve either of these goals.

It should be noted that the hon. members of the former Standing Committee on Finance, Trade and Economic Affairs also had no definition of their own for the business of banking, although they grappled with this issue for some time.

The hon. member for Edmonton West has called for a bill with a 25-year duration, which would allow the authorities administering this bill to discharge their duties. However, since 1974 when the current revision began in earnest changes have already occurred in the Canadian economic system due both to international and domestic circumstances. Our ability to control our banking system must rest on constant review, at least every ten years, of both the charter of the banks and the regulations which have been established to control corporate development.

The government has chosen not to define the business of banking in its present review because of the evolving nature of the banking system and the obvious federal-provincial implications of any comprehensive definition. Just as today's banking institutions are quite different from those of earlier years, an attempt to define the business of banking at this point may overly restrict the evolution of the business in the future.

Ten years ago we could not have predicted the growth of the credit card system on its current scale, expanded services in the form of multi-branch facilities and flexible banking hours. Let us not limit the growth of the banking industry inadvertently by imposing long-term restrictions now.

I would further like to stress the need for competition and openness in the banking system, but at the same time these requirements depend on a structure in which to operate. That is the logic of Bill C-6, and when hon. members argue that banking will be over-regulated as a result of Bill C-6, I am confused. It seems to me that while the ground rules will be established in the Bank Act and in the proposed Canadian Payments Association Act, some details of the new banking legislation can be better dealt with in the form of regulations. This approach will provide the flexibility which is essential in a rapidly changing economy.

The number of regulations offered have been kept to a minimum. The added flexibility provided in the regulation approach and the discretionary powers given to the Minister of Finance (Mr. MacEachen) and the inspector general of banks will also enable the authorities to deal equitably with the many more participants in the system in the future.

The hon. member for Edmonton West has offered this House a critique of the regulation approach which would rest on minimal regulation, tighter definition and a longer duration of the act. I would say to him that his approach locks us into a box when our goal should be flexibility leading to financial accountability and responsibility.

The third issue I would like to address is financial leasing, and here is an area where, as I said earlier, it is important to match the intent and the practical application of the bill. The intent of Bill C-6 was to permit chartered banks to enter the business of financial leasing, defined in the regulations to ensure that bank leases were the functional equivalent of credit. The draft financial leasing regulations which were released would have permitted the banks to do leasing only through subsidiaries and the property to be leased would have to have been acquired specifically for the leasing transaction. In addition, the lease would have been on a full pay-out and non-operating basis.

The white paper noted that financial leasing was clearly a banking activity and that the participation of banks in the area would be beneficial to the financial system. It is the intention of regulations to ensure that all leases are the functional equivalent of credit and tied to specific equipment. Banks will only be able to acquire the property to lease at the request of the prospective lessee, and the banks will be disallowed from directing lessees to particular suppliers.

Specific interests, such as automobile dealers, have raised objections to allowing banks into financial leasing. Their concerns are legitimate and should be given additional consideration.

We owe a debt of thanks to our colleague, the hon. member for Broadview-Greenwood (Mr. Rae), who has raised the potential conflict between the intent of the financial leasing provisions of Bill C-6 and how they would operate in practice. The information which the hon. member brought to the attention of this House was new and casts doubt, not on the principle of the financial leasing provisions of Bill C-6, but on the practical implications of this issue.

In light of the situation raised by the hon. member for Broadview-Greenwood, I believe that the Standing Committee on Finance, Trade and Economic Affairs would want to examine carefully the thrust of the financial leasing provisions of Bill C-6.

Other equally difficult issues can also be considered in committee—for example, the priority protection position demanded by the Canadian Cattlemen's Association.

● (1640)

Fourth, I would like to address myself to the entry of foreign banks into our economy as federally-incorporated enterprises. One could justifiably ask why foreign banks should be permitted to commence banking in Canada. Foreign banks are already engaging in business in Canada providing services which are available now from domestic banks and raising money for the purpose of borrowing in the Canadian money market.

[*Translation*]

Foreign banks have intensified their activities considerably in Canada since the Bank Act was last revised. Most of those activities were handled through affiliated financial institutions set up under provincial charters. About 100 such Canadian establishments have been identified in which foreign banks have interests and which seem to deal in financial activities. Some 50 foreign banks are shareholders in those companies. About half of them are American while the others, except for seven of them, come from member countries of the European Economic Community.

In addition, there are 50 offices which act as agents for foreign banks, almost 30 of which represent Canadian bank establishments. Total assets of Canadian businesses affiliated with foreign banks and which report to the Bank of Canada now amount to over $6.4 billion.

[*English*]

At present, these foreign bank subsidiaries are not subject to the Bank Act. Foreign banks should be encouraged to set up subsidiaries under the Bank Act because of the additional competitive and innovative forces they can bring to bear in the relatively highly concentrated Canadian banking system. They are to be encouraged, too, because of the additional financial support which they, with their world-wide connections, can bring to the development of our resources, industries and trade. There is also the further consideration that if we provide a basis in law for the operation of foreign banks in Canada, we can expect our own banks to obtain reciprocal recognition in other countries which is necessary if they are to extend their participation in international markets.

[*Translation*]

The time has obviously come to give foreign banks the opportunity to do business in Canada under the terms of our federal banking legislation. The result will be greater competition on money markets and that will benefit Canadians. At the same time, the provision included in the bill will guarantee that our banking system will remain predominantly Canadian.

[*English*]

To accommodate foreign banks in Canada, Bill C-6 has dropped the five-branch limit of foreign bank subsidiaries and has rejected the annual licensing approach suggested by some of the Canadian banks. The government has recognized that the five-branch limit suggested earlier was too restrictive on the operations of affiliates of foreign banks which might be interested in incorporation under the Bank Act.

In addition, with the authorized capital limit proposed in the new legislation, the branch limit would seem to serve no useful purpose. In this way, as the Standing Committee on Finance, Trade and Economic Affairs has pointed out, subsidiaries of foreign banks will not be restricted to locating their operations only in the largest Canadian cities.

[*Translation*]

Both committees recommended that the ceiling be abolished and the committee of the House proposed that ministerial authorization be dispensed with. Considering those recommendations and the representations received by the committees and the government, the bill embodies the recommendation of the committee of the House in eliminating the ceiling altogether. However, ministerial authorization will still be required to help in obtaining reciprocal treatment as well as some regional distribution of foreign bank subsidiaries.

[*English*]

I am aware that some jurisdictions prescribe annual licensing procedures for foreign banks. The Bank Act accepts the principle of licensing which will allow the government to maintain tighter control over the performance of foreign bank subsidiaries. Initial and renewed licences will be valid for a period of up to three years. It is believed that licences for three-year periods will allow adequate control over financial subsidiaries of the foreign banks.

Foreign banking in Canada is already a reality. It is our task to integrate foreign bank subsidiaries efficiently and adequately both to protect our domestic structure and to allow the entry of new competitive institutions.

I would now like to turn attention to the issue of competition, which has been raised a number of times in the House, and its relationship to Bill C-6. One of the major objectives of the Bank Act revision is that of maintaining and improving the competition which now exists both within the banking system and more generally throughout the Canadian financial market.

Equitable and vigorous competition within a framework of law and regulation, and subject to the basic control of the central bank, provides a number of benefits to the many consumers of financial services. Promoting competition is, of course, not the sole objective of the banking legislation and therefore in many cases provisions designed to encourage competition will also be shaped by other objectives, such as ensuring that organizations under Canadian control continue to play a dominant role in the financial sector.

A competitive environment is the most effective way of providing customers of the financial system with a wide choice of high quality services at the lowest possible costs, whether the customer be the ordinary wage earner who simply wants a convenient chequing account or a small businessman who will want a variety of payment and credit services.

The greater the degree of competition, the greater will be the degree of choice which customers will have between banks and among various types of financial institutions, the greater will be the incentive for banks and other financial institutions to offer innovative new services, and the greater will be the tendency for loan rates to be low and deposit rates to be high in relation to prevailing interest rate levels.

The bill presently before the House is the result of extensive discussions with all interested parties which began with the release of the white paper in August, 1976. Two of the major proposals in the white paper which were particularly aimed at increasing competition were as follows.

First, one group was designed to increase competition by providing easier entry of new or existing Canadian-owned institutions to the banking system. Second, a second group was designed to strengthen competition in the financial markets by constraining the business powers of banks in some areas such as data processing and underwriting of corporate securities while at the same time extending the powers of the banks to include financial leasing and factoring.

Let me now turn to outlining some of the parts of the bill which are designed to achieve these objectives, firstly with regard to promoting competition within the banking sector. In discussing the specific provisions of the bill I will divide them into two broad classes—those which promote competition within the banking system itself, and those which have an influence on either the competitive balance of the financial markets as a whole or on the interaction of the banking system with non-financial business.

As my colleague, the Minister of State for Finance, noted in his speech on second reading of Bill C-6, a number of measures are proposed to encourage an increase in the number of banks. Increasing the number of institutions offering banking services tends to widen the choice available to consumers and encourage such benefits as innovation, variety of services, and attractive borrowing and lending rates.

There are a number of provisions in the bill to encourage the establishment of new Canadian-owned banks. These facilitate both the incorporation of banks by letters patent and the conversion of an existing financial institution to a chartered bank. There are also proposals which would permit both provincial governments and non-deposit-taking Canadian financial institutions to play a role in establishing new banks.

Let me just make a few remarks on each of these in turn. As members are aware, under the existing Bank Act new banks can be established only by a special act of Parliament. This procedure applies only to chartered banks and is thus likely to be unfamiliar and to some extent a discouragement to any group of individuals contemplating the formation of a new bank. In addition, the procedure is more difficult and expensive than the letters patent route and, given the uncertainty of the parliamentary timetable, can involve risks as to timing which may be an additional negative factor in some instances.

The proposals permitting both provincial governments and existing non-deposit-taking financial institutions to play a role in establishing a new bank are intended to increase the range and types of organizations which may stimulate entry to the banking system. As the House is aware, one of the principles in the existing legislation is that Canadian banks should not be subject to domination by any particular individual shareholder or group of associated shareholders. Under the existing act, shareholdings by individuals or associated groups are in most cases limited to 10 per cent of the voting shares of a bank. At the time of the establishment of a new bank, however, entrepreneurs may be discouraged if they cannot obtain sufficient shareholdings to have an important influence on the early management of the bank and to reap an adequate return for their effort as the bank becomes a mature and successful enterprise.

● (1650)

The present act, therefore, permits those financial institutions which do not directly compete with the banks but which might nonetheless have some special expertise to hold up to 25 per cent of the shares of a new bank. It is also recognized that provincial governments may in some cases have a particular interest in encouraging the formation of banks with regional interests, and therefore similar provisions apply to shareholdings by provinces. These types of organizations are permitted to maintain up to 25 per cent of the voting stock of a bank for up to ten years. This provides adequate time for the bank to become firmly established, and after that period the pattern of ownership of shares must return to the 10 per cent limit which applies in most other circumstances.

It is, of course, true that when new banks are established they will inevitably be small and will take some time to grow to a size where they will be major competitors with the existing chartered banks. Therefore, the bill contains proposals to facilitate the conversion of existing financial institutions to chartered banks. This opens up the possibility that existing Canadian financial institutions with significant financial resources and an experienced staff will be able to enter the banking system and from the outset make an important contribution, and therefore further promote competition.

I might also mention that this bill provides additional flexibility in the ways in which banks may raise capital, by and large permitting them to make use of the full range of instruments available to other corporations. This will make it easier for new banks to raise the necessary capital to support rapid growth, as well as benefiting existing banks.

In addition to encouraging an increase in the number of banks under Canadian control, the bill will also permit the controlled entry into the Canadian banking industry of the subsidiaries of foreign banks, as I described earlier.

I would now like to address those aspects of this bill affecting the competition between the chartered banks sector and other financial institutions or other types of businesses, which is the second area that I mentioned earlier which has a great deal to do with the competitive thrust of Bill C-6.

In discussing the contribution which Bill C-6 makes to improving competition, it is important to note that it is competition in the financial markets as a whole rather then merely within the banking system as such which is important. For the individual consumer requiring such services as chequing accounts, savings accounts, consumer loans or mortgage loans, the competition between the individual banks is supplemented in a very important way by the operations of the credit unions, caisses populaires and trust and mortgage loan companies.

The Canadian Payments Association Act, which forms Part IV of Bill C-6, ensures that these institutions will be able to participate directly in the cheque clearing system, and equally, if not more importantly, ensures they will have a choice in the evolution of the payments system in Canada.

Since the provision of payments services provides an important first contact in attracting customers, the role which the Canadian Payments Association gives to non-bank deposit-taking institutions to participate in and influence the evolution of any new payments service will help to ensure that these organizations will continue to be in a position to provide vigorous competition to the banking system.

The government also is developing new savings bank legislation which will expand and strengthen the powers of the trust and mortgage loan companies. An important objective of this new legislation will be to ensure that trust and mortgage loan companies will have adequate and updated powers so that they may continue to play an important role in the financial markets. It should also be noted that the bill limits chartered bank mortgage holdings to 10 per cent of their Canadian dollar deposit liabilities and debentures, unless these mortgages are held in a subsidiary operating under the same rules as existing trust and mortgage loan companies. This will help to ensure more equitable competition between the banks and the specialized mortgage lenders without interfering with the significant contribution that the chartered banks now make in supplying funds to the mortgage market.

Vigorous competition in the financial markets also requires that the banks offer a full range of financial services to their customers. In some smaller centres a chartered bank may be the only type of financial institution and thus unnecessary limitations on the chartered bank powers will represent a particular inconvenience to people living in those regions. At the same time there must be concern that the banks are not given powers which would give them an unfair competitive advantage with respect to some other financial or non-financial businesses.

It is the types of considerations which I have just mentioned which have shaped the proposals in this bill affecting the business powers of the chartered banks. The banks' powers have been expanded to permit them to enter both factoring and financial leasing, as I mentioned earlier, two forms of business financing which have developed since the 1967 revision of the Bank Act and which highlights why it is necessary to have decennial reviews of this legislation. Permitting the banks to enter these markets will widen the range of choice and further competition in markets which to date have been largely dominated by foreign-controlled firms.

At the same time, legislation and regulations, particularly with respect to leasing, have been carefully designed, as I have mentioned, although we have noted that there could be some possibility for change. In particular, banks in that area are not permitted to offer non-financial services already provided by existing industries.

Other changes to the banks' powers have, by and large, resulted in stricter or more carefully designed limits on the banks' activities. One of the basic principles which has existed in the Canadian banking legislation for some time is that banks should not directly or indirectly engage in any other trade or business. This prevents a situation arising in which loan customers of a bank find that they are selling a better service in competition with their banker. Bill C-6 defines quite carefully the range of services which banks may provide and also prohibits banks, with certain limited and carefully controlled exceptions, from holding more than 10 per cent of any other Canadian corporation. For example, in the sale and distribution of securities, banks are controlled so as to avoid any potential conflicts of interest and to ensure that the securities market continues to provide a viable alternative to the banks as a means of raising funds—

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

• (1700)

PRIVATE MEMBERS' PUBLIC BILLS

[*English*]

HOLIDAYS ACT

SUGGESTED REPLACEMENT OF DOMINION DAY BY CANADA DAY

Mr. Hal Herbert (Vaudreuil) moved that Bill C-201, to amend the Holidays Act, be read the second time and referred to the Standing Committee on Labour, Manpower and Immigration.

He said: Mr. Speaker, if I appear to have little enthusiasm this afternoon, it is because I have a major preoccupation, and that is the Quebec referendum. I must admit that my mood changes from day to day as I see what is happening in my chosen province. I find it an extraordinary coincidence that of the 300 or so bills on the order paper, this one should have been drawn first out of the hat and is the subject of discussion this afternoon.

Last evening, at one of the many meetings I am attending at the present time trying to present the advantages to Quebec by remaining in confederation, I was questioned on the ability of federal members of Parliament to do anything about changing our constitution. When we talk of renewed federalism, we talk about our faith in our country as it is presently constituted, but we cannot seem to do anything about it. This gentleman said to me, "If you want to make any change at all, you have to get the agreement of all the provinces." How true that is. He spoke of the English insensitivity.

I must admit that in the many meetings I have been attending in the last few weeks, it is abundantly apparent that we English have lots of logic which we use to try to convince our Francophone colleagues in Quebec, and on their side those who want to promote the separatist cause—the independence of the province of Quebec—that they are extremely emotional. It is very difficult to combat emotionalism, so the argument at the present time is logic versus emotion.

I made a choice. During the last war when I came to this country to train in the air force, I was stationed here in Ottawa. I liked what I saw. I enjoyed the people. I enjoyed the opportunities that were available. So, when the war ended, I decided to come to Canada and to become a Canadian. Of all the provinces in Canada, I chose Quebec. I did not choose Quebec because it was English. I chose it because I liked the way of life in the province of Quebec. But I chose it because it was one of the provinces of Canada, and my first choice was this country—surely the richest, one of the most beautiful countries in the world. We have tremendous natural resources. We have everything to make us very proud. But maybe that is our problem. We suffer sometimes from a lack of pride in our country, and particularly in Quebec I find that a lack of pride is one of the difficulties.

I have pointed out that in the province of Quebec the provincial government already has complete and full authority for education, culture and language—the items which are probably the most important when we talk about the powers of the provinces—but always they bring up the point that when one is a minority one cannot always have one's own way. The problem is that everyone is a minority in some way or another. Whether it be the Francophone minority in Canada, or for that matter the Francophone minority in North America, the Francophone minority in the English provinces or the Anglophone minority in the province of Quebec, we are always in a minority position in some area and therefore we have to make compromises.

It was back in 1946 that the change I am suggesting in this bill was first proposed and the bill got as far as the Senate. Since then the bill has twice got into committee, and as late as last year it was killed in this House on third reading.

When I speak of logic, one could very easily argue that there is not much sense to bringing forward this kind of bill today because for most Canadians July 1 is presently celebrated as Canada Day. Incidentally, just last week when I was talking about this bill and the fact that it has been drawn out of the hat as the first bill, an individual said to me, "Why are you talking about making July 1 Canada Day when it already is Canada Day?" It is this kind of irritation that is causing us so much difficulty. It is an emotional thing. Obviously the people in Quebec look at it as another example of what we federal members are not able to do—to say on July 1 that we want to celebrate our national holiday using the name of our country, as every other country would surely want to do.

The secretary of state of the previous Conservative government used the words "Canada Day" in the literature from his department. The Canadian Broadcasting Corporation uses the words "Canada Day". Most newspapers throughout the country use the terminology "Canada Day". The previous Liberal government on a couple of occasions—and one of our ministers who is present in the House today is well aware of this—introduced a bill to change the terminology so that we can legally use the words "Canada Day" on July 1.

I am making a plea this afternoon. I understand all the arguments of the persons opposed to this change. They are all on the record and I am sympathetic to their arguments. But it still does not change the fact that surely there should only be one designation for our national holiday.

The proposal in this bill is to simply change the wording in section 2 of the Holidays Act so that our national holiday will be celebrated on July 1 as Canada Day. I ask hon. members of this House to express their agreement with what we are trying to achieve this afternoon by passing this bill on second reading, so that once again it can continue its progress through committee and back to this House for third reading.

Some hon. Members: Hear, hear!

Mr. Bill Yurko (Edmonton East): Mr. Speaker, I am pleased to get up in my place and speak on this private member's bill requesting that the July 1 holiday be changed to Canada Day from Dominion Day.

• (1710)

I find myself, Mr. Speaker, living in a country which is not sovereign, which has a constitution that goes back over 100 years which is resident in another nation. Ever since I decided to get into politics in 1967, after living for half a dozen years in the United States, I have constantly been intrigued by the fact that this nation called Canada, celebrating Dominion Day on July 1, has a constitution resident in another country, thereby being a nation not sovereign in law or in fact. We have had to journey to our mother country to change the most basic law of this nation.

I have attempted to review the events that occurred during our attempt to change and patriate the constitution over the last 50 years. In all instances it seemed to me that when we talked about the constitution, the first step was patriation and the second step was to seek or find the evolution of an amending formula. On that score there was not unanimity.

We then became involved in changing the distribution of powers, our institutions of Parliament and other institutions throughout the land, and always there were two sides. Some people have said, let us work on this process a step at a time. The moment we started, other people said, let us evolve a total package with a whole new constitution; let us find a process of constitutional convention, or some type of gathering, such that we can put together a whole new constitution that this nation can adopt and be sovereign in law and in fact. They have suggested we do that in such a way that the Parliament of Canada and the ten provinces can agree on this new constitution; but history has shown that this package was always too big to swallow.

Some have said we should go back to the beginning and start step by step. The moment we started for the second time some province or some party said, let us evolve an over-all concept with a whole new constitution, and the process started all over again.

This has been much like a tiger chasing its own tail around and around for 50 years or longer. I believe we are coming back to the same process, a process in which we will again be chasing our tail in relation to the evolution of a new constitution.

A series of events has occurred in the last 50 years during which time we have seriously tried to patriate the system or find an amending formula to revise the constitution. One of the most dramatic events that has evolved during that time is the referendum event in Quebec. That event in Quebec is not something that has cropped up quickly out of nowhere; it is something that has come up after years of consideration, after years of discrimination and difficulty in terms of self-expression by different peoples in this country.

After the Quebec referendum, irrespective of the vote, I believe that the Parliament of Canada and the provinces of this nation will have to undertake something constitutionally meaningful to indicate to the people of this country that there is a willingness, a desire and a requirement to make Canada truly a nation in every way. It is my belief that the necessary step will be patriation of the constitution.

In my estimation, and in my recognition of the law of the land and the partners in this federation, one thing this Parliament can do, with or without the approval of the provinces, is to patriate the constitution so that our constitution becomes a Canadian constitution, with Canada becoming a whole nation.

If an amending formula cannot be found during the course of patriation, then an amending formula does exist—unanimity among the provinces and the federal Parliament on changing any aspect of the most fundamental law of Canada. So there is an amending formula and that formula is unanimity. This country can patriate its constitution and become a whole nation, with an amending formula involving unanimous agreement among the provinces and the federal government on any change to the constitution.

The question has always been, is the formula too rigid; is it so rigid that the process of constitutional change becomes very difficult? One then must seek a new formula, a formula in respect of which we do not have unanimity. The Victoria charter came close to finding a formula. The Fulton-Favreau formula also came close. The provinces were unanimous then for a short period of time.

A formula that is workable can and will be found by a nation that is intent on finding a formula to amend its basic law. The point is that the first step must be taken, and the first step in my estimation will have to be taken at the earliest opportunity after the Quebec referendum. This Parliament will have to express to all the people of Canada in the strongest possible terms that it wishes the nation to become sovereign with its own "made-in-Canada" constitution, if you like.

It was my intention to speak as a member of a third group of people in this nation other than French or Anglo-Saxon. In some parts of this nation this third group of people, made up of those from countries all over the world, represents 50 per cent of the population. We have a vital interest in this nation remaining a single, whole nation called Canada.

• (1720)

On occasion, I have expressed a distaste for the term "ethnic" or "ethnic groups". Who are these people? I know that Canada is a nation of minorities. In national totality the French are a minority group and the Anglo-Saxons are a minority group. We are all minority groups. Canada is truly a nation of minorities. Some extra privileges have been given to some of our minorities. For example, there is language. We have adopted as our national official languages the languages of two of our major minority groups, and that is as it should be.

These two minorities acquired a pre-eminent position in Canada resulting from the great expansionary empires which in the past conquered much of the world. Interestingly, one could speculate that Spanish might have been our official language if Columbus had strayed a little farther north, and the same can be said of other explorers.

Most of the remaining minority groups came to this country as refugees from turbulence, poverty, oppression, and all of them were seeking land, opportunity, freedom and eventually equality of humanism. Above all else, they sought, first, a strong nationhood and, secondly, roots.

Many came from areas of turbulence where nations crumbled and borders changed which, in turn, caused plunder, loss of human rights, human dignity, economic opportunity, broken families and loss of the privilege to hope and to dream. Most of them knew first hand the consequences of crumbling nations and passed such concerns on to their children and their children's children.

An hon. Member: What of the others?

Mr. Yurko: They are still to come. Most, therefore, want a strong central government and will support such a government. They know that when boundaries change minorities suffer most.

My ancestors' roots are from a part of the world where boundaries changed often and nationalism was born and died with equal ease. I therefore tremble at referenda which have implications for changing boundaries in the long term. Indeed, separation is a form of national treason. But for the freedom, the almost absolute freedom, which we enjoy in this nation called Canada, it would not be tolerated in most nations. Such is the breadth and depth of the freedom which has evolved in this nation. I therefore support the member's view of having a national day called Canada Day.

If I may be so bold as to attempt to speak for 30 per cent of the people of this nation who are neither French nor of Anglo-Saxon background, I would say that we want a strong country, strong regions and a strong federal government. Hon. members will note that I did not say a strong central government. We do not want to witness the disintegration of our country called Canada. This is our home where we have replanted our roots.

However, I can understand the burning desire of peoples of like culture and like language to congeal a nation of their own. For nationalism as the hon. member across the way has indicated, is a highly emotional matter. It is the most fundamental social instrument for perpetuating a culture, a language and a guaranteed place in history, because a nation guarantees roots and linkage with the past, as I said earlier.

In today's world, interrelated by technology and economic nationalism, there has evolved a new dimension which is called "economic well-being". Economic well-being requires access to a much larger pool of resources of technology and inter-relationship. This is provided in this modern age through something which we call a federation—federation of peoples, of areas, of groups, of governments. That is the new instrument of social organization which at the same time can provide the protection of language and culture, like ideas, like peoples, like emotions, as well as integrate the benefits of technology in such a way that the whole enjoys a much higher standard of living than each little area identified by boundaries called nationalistic boundaries or nations.

Federations can be structured and are structured. The Canadian federation is one of the oldest in the world today; I believe it is the third oldest federation. Federations can be structured in such a way that they safeguard a people's roots, language, culture, emotion and attachments. Our Canadian federation is one of the finest world examples, though it is very young. Certainly it needs revision and updating, but this is possible if we only have enough courage to make a beginning and to call our nation Canada, we have enough courage, as the hon. member across the way has indicated, to have Canada Day, a day for Canada.

Quebeckers, like the rest of us, are among the most privileged people of the world. We have land, resources, freedom, and we are progressing extensively toward equality of opportunity and humanism. It is a grand federation of co-operation, association, compromise and progress. The intent is not to homogenize cultures and languages, though at one time it was. Our roots are safe. Our future is bright. We would be committing a crime, in my estimation, against civilization itself if we allowed this federation to disintegrate or in any way break up this grand alliance of people from nations all over the world.

Why should Quebeckers try a new experiment which may be very chancy? This fuzzy and unacceptable experiment in social organization, in power politics called sovereignty-association, is a gamble of imponderable proportion for Quebeckers even if it were possible. That is my opinion. It is an egotistical, political power excursion by a few that could turn into a nightmare. It is a formula for fractionalization, a formula for constriction, a formula for human recession. It is a mirage, in my estimation a backward step.

Let no one think that new nationalistic borders will be fixed for long if this nation splits. Those new borders will be subject to constant change brought about by negotiation, coercion and even by force. Changing borders brings hardships. What can possibly be gained by national disintegration that cannot be gained within the federation?

• (1730)

Mr. Deputy Speaker: Order, please. I regret to interrupt the hon. member but I must inform him that his time has expired. He may continue only with the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

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

The hon. member for Prince George-Peace River (Mr. Oberle).

Mr. F. Oberle (Prince George-Peace River): Mr. Speaker, the bill before us as it is proposed by the hon. member for Vaudreuil (Mr. Herbert) is neither a novel idea nor is it the first time that the House has had the chance to debate this question.

An hon. Member: Let it go to committee.

An hon. Member: Filibuster.

Mr. Oberle: I take strong exception to the insinuation from the other side that it is my intention to filibuster a bill. It is my right to speak on this matter and I do not wish to be intimidated in this fashion. I certainly do not make it a practice, and I have not made it a practice in the past when the same matter was discussed by a member on this side which was talked out on the other side of the House.

I have some constructive comments to make about this bill because I share with the hon. member, who has proposed it, a very special kind of love, a very special kind of commitment to Canada, my country, because, like him, I too came here after the great war and I too have certain expectations about this country and my future here that Canadians who are born here have never felt.

The hon. member proposes that with the referendum in Quebec now is the time for the necessary inducement and impetus to remind all Canadians that we should make a very special and public commitment to Canada in terms of naming a particular day in the year Canada Day.

As you know, sir, and as all our friends and colleagues know, it will take quite a bit more than that kind of an expression from the House of Commons to convince people in the province of Quebec that they should vote either No or Yes in the forthcoming referendum. In fact it will take quite a bit more to convince Canadians in other parts of our great country, in the west, in the north, than that kind of an expression in the House of Commons to convince them that Canada as it exists today—the status quo—is an acceptable proposition for the future.

Some of us here in the House of Commons who are not yet as fluent in the two official languages have some difficulty in understanding and in interpreting the utterances of those who call themselves leaders in this referendum debate. I, for one, do not quite understand why *oui* should mean no and *non* should mean yes. I have difficulty translating that because, when I learned my French in school, the meaning was quite different. Why should it be now, just because there is a referendum in Quebec and people there say they will not go for the sovereignty-association situation why will that be sufficient indication for those who live, those who enjoy and are proponents of the status quo, to sit down after 50 years and talk seriously about a new form of federalism? I do not have the faith in the people on whom we would have to rely to begin these discussions, and that if the people in Quebec vote No in the referendum, it would be the impetus required to get these discussions under way. Nor do I think the problems being debated in Quebec today are isolated to that province.

There are other Canadians in other parts of our country who are as equally concerned and who feel equally alienated and discriminated against as do people in Quebec. They are not just the people of western Canada who have legitimate concerns over the way they have been treated by confederation. There are people in the north who are suffering the hardships of frontier and remote living, without any indication from the federal government that it is determined to strive to give them a greater degree of equity and fairness. There are natives who strive to become members in the partnership of founding nations and races.

For instance, there are people of German descent—and I know this will sound strange to you, Mr. Speaker—who feel that they have made a contribution to the founding of this nation. They were Empire Loyalists. Indeed, one of our great provinces, the province of New Brunswick, is named after the Braunschweig regiment which fought for the honour and integrity of Canada. Many of those soldiers who were on loan to Her Majesty the Queen settled in Canada in Lunenburg and other great traditional places in Canada. These people were of German descent who fought for this great country and who had a dream and a vision about this great country. Indeed, they had the same kind of vision that I had when I came here and that my friend, the hon. member for Vaudreuil, had when he chose this country to live in and bring up his family, and to help build on the natural strength that we inherit here in Canada. These people also feel that they have a right to say something about this nation.

What is wrong with the status quo? What is wrong with the constitution? What brought on these feelings of alienation and separatism which the hon. member wants now to correct with a bill in the House of Commons which would choose one day in the year to be Canada Day? How did these things happen in the first place?

Those of us who came to this land probably made a more thorough study of history than those who were born here. For example, Sir John A. Macdonald was a federalist as convinced and convicted as is our present Prime Minister (Mr. Trudeau). He wanted to keep everything in the centre: education, culture, and language. He wanted to regulate it all here. He was a Conservative, of course, one of the great Fathers of Confederation. But he was more of a political realist and he was a statesman who had a vision about Canada which this Prime Minister does not share. He was a realist, because he knew that Canada would never have been possible in the first place if he could not have given guarantees to the two founding nations that their culture, language and integrity would always be protected, if guarantees could not have been issued to those who joined confederation later, or to those who were initial partners, that the right over language, education and resources would always be an inalienable right and would be entrenched as such in the constitution.

The feelings of alienation and the feelings of separatism are not because of any great historic event. The feelings of separatism have come about because here we now have a new statesman who has a new vision. I respect him for it. He has one of the great minds of our time, there is no question about that. But he wants to turn the clock back 113 years and he wants to go back to the beginning.

What a great nation this would be if it would have been possible in those days to convince all the Fathers of Confederation that we should have culture, education and language under federal jurisdiction. If that had happened, there would

not be ten different history courses taught in the country today. All children graduating from school would be fluently bilingual and this would have been so for the last 100 years. All children would learn just one history course. How easy it would be to stimulate a truly Canadian identity. However, that was not to be. To think that one could turn the clock back 113 years now is just playing with disaster. To think that one could bring in a bill to declare July 1 as Canada Day which would free us of all these feelings of alienation and would once again remind people to celebrate Canada as a nation, is equally naive.

As I have said, I have the same kind of love and patriotism for my country. The problem in our country is that our love has never been tested. We have never been challenged from the outside, other than in the great war when we emerged as a nation. But since then we have never been challenged from the outside, and our love for our country has never been tested.

● (1740)

Let there be no doubt about the one third of Canadians of whom my friend from Edmonton has spoken, who have an equally great commitment and love for our country. I will never forget the time the Prime Minister asked me to accompany a group of German Canadians who were visiting the great city of Berlin to attend an international choir festival. All of them, of course, were Canadian citizens, and all of them post-war immigrants. I will never forget the time we were boarding a ship on the Rhine River. All of us were in a cheerful mood. One got the idea, because there were two Canadian members of Parliament, one of Liberal persuasion and myself, to persuade the captain to hoist a Canadian flag. Lo and behold, when the proposition was advanced to the captain, he did indeed hoist the Canadian flag, which we presented to him.

This group of German Canadians were standing there singing "O Canada" as we were boarding the ship. Tears were streaming down their faces, so deep is their love for their country. They are new Canadians. I often wonder whether Canadians who inherited this country by birth should not take a lesson from them. I, as a new Canadian, have something to which I can compare this country. I can appreciate the natural advantages we have here, in a much different way.

I compare the situation to the province of Quebec. We often talk about the family home that needs rebuilding when we talk about restructuring and rebuilding the constitution. We talk about the family. I am a father with four children. If you tell one of your children all the time that the others are much better, that he cannot do it on his own and if he wants to run away from home he will starve to death, eventually he will begin to believe that.

I wonder if our friends in the province of Quebec and our compatriots there are sick and tired of people who call themselves leaders in this referendum debate telling them that without Canada they would wither away. They have this dissent and distrust. It destroys the soul of people. I wonder if that is not the major impetus, and the people in the province of Quebec are finally coming to their senses and saying let us find out how good we are in comparison to others.

I wonder how much we can trust those who are happy with the status quo. They have many other incentives to ensure that Quebec stays in confederation because their own political future would be in question. If Quebec votes No in this referendum, why would that be sufficient reason after all these years to sit down and have all the premiers finally come to the bargaining table, just because Quebec has said it does not want sovereignty-association? Why would that, all of a sudden, be sufficient reason to sit down and agree to a new form of federalism? I do not have the faith in the present administration in Ottawa, or indeed in any of the other statesmen who represent the provinces, that they will come together.

The Prime Minister said we should not take any steps before the referendum to confuse the issue. Even though I support the hon. member's bill wholeheartedly, I wonder whether it would confuse the issue. I do not know if the Prime Minister is right. I would have liked him to come out and say, "If you vote No, here is what we will do, and we have the agreement of the provinces to do it."

There are two things we could do, to which all the provinces would obviously agree. They have already stated that. We could patriate the constitution; bring it home. Each of the provinces at a point could designate a minister and staff to support that minister to move to Ottawa, to stay here and consult with his government on a daily or weekly basis. He would begin the process of reforming the constitution and achieving a new arrangement under confederation. Many of us have talked about this at length. It could form the nucleus of a new upper house, a house of the provinces, following the example of other countries whose constitutions are not as old as ours but are much more functional. Maybe that new arrangement could become the nucleus of a house of the provinces which has been proposed by members from both sides of the House. Let these people sit down and spend six weeks, eight weeks, one, two or five years, and not come out of the meeting room until they have something that is palatable and meets the legitimate needs and aspirations of people not just in the province of Quebec but in western Canada and the north as well.

As much as I support the hon. member on his bill, I do not think, nor would the Prime Minister think, it is the right time to approve such a measure in the House today or before May 20. It would be viewed in the province of Quebec as another candy: "Please stay in it. After all, we are going to celebrate Canada from now on and we are doing that on July 1." That is not the kind of answer the people of Quebec want. The people of Quebec want the equity and fairness to which we are all entitled as Canadians.

Mr. Blais: Mr. Speaker, will the hon. gentleman permit a question at this time?

Mr. Oberle: Yes, Mr. Speaker.

Mr. Blais: Mr. Speaker, is the hon. gentleman aware that in the province of Quebec and in all areas of Canada there is a very strong love and admiration for this country and that there is a great deal of desire to see the name Canada survive, not only in terms of being the nomenclature attached to this country, but being a receptacle which incorporates all of the values and all of the realities of this country? Is the hon. gentleman aware of and has he paid any attention to the debate taking place in the province of Quebec at this time?

Mr. Oberle: Mr. Speaker, I have stated my position. I am very much aware of the love for Canada which exists in all parts of the country, including the province of Quebec. I am very much aware, as are all members of this House and all Canadians, that there are 18 per cent or 20 per cent in the province of Quebec who would probably wish to pursue a separatist option. The vast majority of people in the province of Quebec have a very firm and unequivocal commitment to Canada. Of course I am aware of that.

However, I am concerned when we see what is happening in the referendum debate. Why do we give so much credence to this ambiguous situation, this red herring that the premier of the province of Quebec is dragging across the floor—negotiate sovereignty association? Let us interpret this term. It confuses me. The hon. member or some of his colleagues who come from the province of Quebec are saying that if Quebeckers vote Yes in the referendum, that will be the end of Canada. I understand the premier of Quebec wants to hold another referendum, that he is merely seeking a mandate to negotiate something called sovereignty association.

Will the hon. member's colleagues who come from the province of Quebec all resign on May 21? Of course not. If the verdict is Yes, we will sit down and negotiate. Of course we will negotiate. We will have to. We will have to take the premier of the province of Quebec at his word that he will hold another referendum whether the outcome is Yes or No.

I would like my friend to answer the question: what are they going to do on May 21? Does he believe that a Yes verdict out of the province of Quebec will be the end of Canada? I do not believe that. Like him, I have great faith in our compatriots in the province of Quebec, our fellow Canadians, 80 per cent of whom would never tolerate a split up of this country.

What we have to do is see this referendum for what it is. I would have preferred a massive campaign telling Quebeckers to stay away from voting instead of participating and giving the question credence, such as we have. There are people throughout the country today who actually believe that if there is a Yes verdict, the country will split up. I do not believe that will be the case, nor do I think my hon. friend does.

● (1750)

Mr. Roberts: Would the hon. gentleman accept another question?

Mr. Deputy Speaker: I believe the hon. member's time has expired. He may continue only with unanimous consent. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Deputy Speaker: The hon. member for Bow River (Mr. Taylor).

Mr. Gordon Taylor (Bow River): Mr. Speaker, a poet once said a rose by any other name would smell as sweet. Sometimes we are inclined to place too great an emphasis on a particular word. Also, I think it is wrong for any of us, at this time particularly, to be questioning the patriotism or the love of country of people anywhere in this great Dominion of Canada.

The word "Dominion" was chosen at the suggestion of Sir Leonard Tilley in the early days of our country. I think most of us admire the wisdom and the foresight of our forefathers who wrote the constitution in the first place. I admire their wisdom in not choosing a phrase such as "the Kingdom of Canada", for example, which would have indicated we were copying only one group—the British with their Kingdom of Great Britain. Sir Leonard Tilley suggested that the word "Dominion", which originally came from the French language, would mean a great deal to this country. It seems to me that the love which was envisaged by Sir Leonard Tilley and the Fathers of Confederation has, indeed, developed for the phrase "the Dominion of Canada". The suggestion was that it would tie in, too, with the strength we derive from the faith we place in an omnipotent God.

Canada is known around the world as a Christian country and we endeavour to practice that Christianity by recognizing the rights and freedom of choice of others. There exists, for instance, that splendid organization known as the Organization of Christians and Jews, in which we come together over many issues; we do not enunciate differences but, instead, we enunciate and build on areas of agreement. I believe Sir Leonard Tilley had this in mind.

Canada was founded by the British and by the French, but Canada today consists of more than the descendants of the British and French. People from countries all over the world came here. Many of them came to enjoy freedom of religion which they had not enjoyed in their own lands. The words "Dominion of Canada" indicate the importance we attach to freedom of religion, because the very words which were chosen are taken from the scripture, Psalm 72, which says, "He shall have dominion also from sea to sea, and from the river unto the ends of the earth".

Hon. members should recognize that when we talk about the Dominion of Canada we indicate our faith in an omnipotent God, and those who do not wish to see this have the freedom, of course, not to do so. For myself, I look upon that choice of words as being very important; they show the faith we have in an omnipotent God in this country, freedom of religious choice, in a country whose people subscribe to many religions involving a belief in God.

A second thing which I believe Sir Leonard Tilley must have had in mind when he recommended the word "Dominion" and

saw it accepted by so many people in the early days, was the great future which lay before this country because people from so many nations would come here to make Canada their home and help develop this dominion which would stretch from sea to sea.

Mr. Blais: On a point of order, Mr. Speaker, for the information of the House, "Dominion" is quoted in the Oxford dictionary as meaning "domain of feudal law, territory of sovereign or government." I do not see any biblical connotation there.

Mr. Deputy Speaker: I must point out that there is no point of order there.

Mr. Blais: I apologize.

Mr. Taylor: The minister should have known that was not a point of order. When we say "Dominion of Canada" there is no thought of feudalism, no thought of submitting ourselves to other people. In any case, merely changing the name is not going to change anything else; this country will continue to be Canada, made up of the same people as before. The hon. member seems to think that by eliminating the word "Dominion" we are somehow going to change the whole outlook of people in this country. I believe he should get in touch with what people are thinking. I have spoken to people in every province and I have yet to hear a single person say, "Let us change the name to Canada Day and do away with the word Dominion". I will match the loyalty of the people of Alberta to that of any other province. We are just as loyal. None of us should be judging the loyalty of others or suggesting that, for some reason, we are practising feudalism in this country. We are not practising feudalism. We have no relation to feudalism, and the minister should know that. We are a nation—

An hon. Member: A colony.

Mr. Taylor: We are not a colony. If the hon. gentleman thinks this is a colony he should resign from the position he holds. He has been named a minister of the Crown. You are one of the Queen's ministers—

Mr. Deputy Speaker: Would the hon. member kindly address his remarks to the Chair?

Mr. Taylor: I am, sir. I am answering people who do not have the courtesy to listen to what we have to say. We listened to their side. I think the points I am making are just as important and well thought out. "Dominion" does not mean feudalism and it does not mean "colony", and I question anyone who says it does. The people who formed this country chose the word "Dominion". They included representatives of both nationalities and they did not think of Canada as a colony. The word "Dominion" means we are a nation from sea to sea. I should like to repeat what a great Canadian once said—

Mr. Collenette: On a point of order, Mr. Speaker, I wonder whether it is the intention of hon. members opposite, before the hour of adjournment at six o'clock, to do what they did in the last session and allow this bill to get to committee, or whether they intend to talk it out.

Mr. Deputy Speaker: Order. It being six o'clock I do now leave the chair until eight o'clock.

At six o'clock the House took recess.

● (2000)

AFTER RECESS

The House resumed at 8 p.m.

GOVERNMENT ORDERS

[*English*]

BANKS AND BANKING LAW REVISION ACT, 1980

MEASURE RESPECTING BANKING INSTITUTIONS

The House resumed consideration of the motion of Mr. Bussieres (for the Minister of Finance) that Bill C-6, to revise the Bank Act, to amend the Quebec Savings Banks Act and the Banks of Canada Act, to establish the Canadian Payments Association and to amend other acts in consequence thereof, be read the second time and referred to the Standing Committee on Finance, Trade and Economic Affairs.

The Acting Speaker (Mr. Ethier): Order. When the debate was interrupted at five o'clock the hon. Parliamentary Secretary to the Deputy Prime Minister and Minister of Finance (Mr. Evans) had the floor.

Mr. John Evans (Parliamentary Secretary to Deputy Prime Minister and Minister of Finance): Mr. Speaker, as I was almost concluding when five o'clock came along, I am now at the conclusion of my comments. I would like to summarize the main points I have made in the area of competition about which I was speaking.

First, it is an important objective of this proposed legislation, Bill C-6, to promote and support the vigorous competition which now exists both within the banking sector and in the financial markets as a whole. This will lead to an important benefit for both individuals and businesses, which are the customers of the banking system.

Second, there are a number of proposals in the bill which ease entry into the banking system, help support competition between banks and non-bank financial institutions, and which ensure that the competition between the banks and the non-bank sectors of the economy takes place in a fair and equitable manner.

Third, in developing the various proposals in Bill C-6 designed further to promote further competition, such other

objectives as maintaining a dominant role for Canadian controlled companies in the financial sector, ensuring the continuing soundness of the Canadian banking system and avoiding as much as possible conflicts of interest situations, have also been taken into consideration.

I would like to conclude by indicating that this particular piece of legislation has now been considered for a period of six years from the inception of its consideration in 1974. It has gone through two House committees and a Senate committee. Reports have been written. Members from both sides of the House have examined the issues very carefully and put forward their recommendations, and I think it is imperative that we come to grips with this particular issue and move this bill forward as expeditiously as possible, referring it to the finance committee, getting it back to the House for third reading, and undoing the uncertainty which now exists in the financial community with regard to when and whether this piece of legislation will be moved forward into reality for our Canadian financial institutions.

Mr. Charles Mayer (Portage-Marquette): Mr. Speaker, it is a pleasure and a privilege for me to rise this evening and take part in this debate.

I have some concerns about Bill C-6, particularly as it relates to livestock producers in the country. What was section 88 in the old act will now be section 178 in the new act. This section pertains to the problem that I think producers can find themselves facing in being unsure of whether they will be paid after the seller disposes of their animals during a marketing process.

The situation now in the country with regard to livestock producers is one of some uncertainty. Hog people are facing declining markets. I think that is well known throughout the country. This is true of cattle people to a somewhat lesser degree. We have seen falling cattle prices in the last few years, and I think some of the uncertainty producers may consider that they could possibly face during the marketing operation of their cattle could be removed by some amendments to the bill.

There are many small producers in the country. There are approximately 100,000 cattle people in the country. The average size of a cow herd is something under 100 cows, depending on the part of the country one is in. In eastern and central Canada the average cow herd probably has 60 or 70 cows. What happens to a lot of producers? They risk a fair amount of effort and energy during the year to raise cattle. They have to put up with uncertainties regarding weather, marketing conditions, and problems associated with disease. When it comes to marketing, if there is anything we can do to take away the uncertainty, it is well worth considering it. I should like to pick up something which the hon. member for Bow River (Mr. Taylor) and the hon. member for Humboldt-Lake Centre (Mr. Althouse) have said, and emphasize it relating to this aspect of the Bank Act.

• (2010)

What I am mainly concerned about is the cattle business, although the way the act reads, all livestock is in the same position. The reason I speak about cattle is that the physiological nature of the cow means that we can get only one calf from a cow in a whole year. That means that many producers could end up marketing their total year's effort in one marketing operation. A lot of value can change hands in a short period of time. It is not uncommon for a load of finished animals to bring in in excess of $20,000 to $25,000. If it happened that a producer lost this revenue as a result of inadequacies in this act, he could suffer severe hardship. I think there are some amendments we could make to this act to prevent that from happening.

I should like to see two or three changes brought about. I should like to see as much security given the producer under this act as possible so that he can have every confidence that he will be paid. To do this we need to take a look at the kind of securities that the banks take on the processors for financing the processors' operation. I also think that the level of prior claim that is in the bill, which is in the neighbourhood of $20,000 and which has been raised from $7,500 in the old act, is inadequate. In fact I think there should be no level of priority claim as it relates to producers when it comes to marketing their livestock.

The security of being paid is very important because, if you understand the marketing process, the cattle business is carried out largely on trust. Deals representing thousands of dollars are made by telephone or by a handshake. There is a lot of trust in the cattle business. The situation that we have now is such that some of the small processors could be hurt because, if a producer is looking around to find marketing alternatives or opportunities and he is trying to get the best bid he can for his cattle, the last thing about which he should be concerned is the assurance that he will be paid.

Some of the smaller packers may be in a position to bid quite favourably to obtain the livestock. If there is some concern that the producer might have about whether he is going to be paid, that could hurt small processors if they are not known by reputation or are not one of the big three in Canada, that is, Swift, Canada Packers, and Burns. Not only is it a potential problem for small producers, it is also a potential problem for the smaller processors. There are many of them in the country.

Producers take a great risk in terms of variations in the market and in terms of financing their input costs. We all know what interest rates are today. Producers have to buy fertilizer, they have to pay for fuel, for wages, for repairs to machinery, and for operating loans. By the end of that time, if there is some uncertainty associated with marketing, it is not a healthy situation. I think we could improve upon it.

I also think that livestock should be treated the same as the other commodities which are mentioned in this act. I refer specifically to the dairy industry and also to what they call the direct products of the soil. They are given prior claim and a different kind of treatment than livestock. I cannot really

understand why there should be this difference. I should like to quote a clause from this bill to make my point. Clause 178(6)(b), at page 187 of the bill, reads:

(i) a grower of perishable products of agriculture that are direct products of the soil for money owing by a manufacturer to a grower for such products—

is exempted. It goes on to read:

(ii) a producer of dairy products for money owing by a manufacturer—

is in the same category. What this means is that if I, as a producer, were to decide to move my product to a processor, that processor could not claim it as his own and use it for collateral or equity in financing his day to day operations. It means that if something then happens to the processor to whom I decided to move my product, the product is not his until I am fully paid. Also, it means that in the case of two or three days elapsing before settlement, if I were to move livestock to a packing or processing plant and if, by the time my cheque went to the bank and was cleared, the processor were put into receivership or bankruptcy, I would be put on a very long list of creditors and have to wait a considerable period of time, and would end up merely taking a certain number of cents on the dollar for my value.

What should be done and what, I hope, will be done is that recommendations will be made which would simply say that a grower of produce, or a producer of agricultural products, would be given the same kind of consideration that dairy producers or direct producers of the soil are given. It is very important that this be done. We all know that we are operating in periods of higher costs. Producers spend, in terms of the cattle business and hog business, a considerable period of production to get their product ready for market. So it is more important now than it has been in the past because of the type of dollars with which we are working.

The United States has brought about this change. In 1976 there were major bankruptcies in the United States and so the Americans brought in their Packers and Stockyard act. I should like to quote a section from that act. It reads:

A burden on and an obstruction to commerce in livestock is caused by financing arrangements under which packers encumber or give lenders security on livestock purchased in cash sales when payment is not made.

To resolve this problem, the Act states—

The act referred to here is the Packers and Stockyard act across the border.

—in effect, that all livestock purchased by a packer, and all inventories of or receivables or proceeds from meat sales, shall be held by a packer in trust for the benefit of all unpaid cash sellers until full payment has been received.

That is something that has worked very well in the United States. Since 1976 there has not been a case there of a producer having lost a cent in marketing his produce. We can observe the results very closely and try to do something similar in this country. What happens is, very simply, that every sale across the border is deemed to be a cash sale unless some other agreement is made so that cash sale, by agreement with the producer, is given some terms of sale. But unless it is deemed otherwise, the cash sale is deemed to be made. In this situation most producers feel that the product is theirs until they are paid for it, but under the law here that is not the case. The packer having offered as security the value of goods secured but not paid for, awards to the bank the value of such goods in the case of a bankruptcy or receiving order. He does so without the knowledge or consent of the producer.

What we have here are two people thinking that they have title to the same goods and, as a result of the law being as it is, the producer is the one who comes out on the short end of the stick. The packer now has the legal right to do so. The producer believes, on the basis of morality and justice, that he has the right to expect full payment. As I said, this conviction or belief of the producer is not upheld in the law as it was previously written under section 88 nor is it upheld in clause 178 of the new bill.

I think that if packing plants are going to operate, they should finance their operations on their own equity. They should not expect the producers who sell to them to put up their equity so that the packing plants can literally finance their operations on somebody else's goods. It is tantamount to stealing, if this kind of thing is allowed to go on. You can almost make the case that if the situation is allowed to continue, we might find that some of the poorer operators would be allowed to continue in business, when really they are in the kind of condition that will put them out of business financially. They can hang on merely because they can make use of somebody else's equity. I do not believe that this should be allowed to continue.

There are three changes that I should like to see made when this bill gets to committee. We suggest that under clause 178 (6)(b) there should be a reference to a grower of products of agriculture, which would eliminate the specific reference to the dairy industry and the direct producers of the soil. That would include all agricultural products. Also under clause 178.(1)(a), to which the hon. member for Bow River referred, we should change the word "procure" to purchase. That simply means that when a processor acquires something, it is not his until he has actually purchased it and paid for it. Really that is nothing more than common sense. For the life of me I cannot understand why this has been allowed to continue in its present form without some correction before now.

● (2020)

I have in front of me—forgive me, colleagues—the Liberal party agricultural platform which was released from the Liberal National Campaign Headquarters on January 30. In part it reads as follows:

A change in the revision to the Bank Act (section 88) will be made in order to permit better financial security for the farmer, on agricultural produce in transit storage or processing, by providing protection to producers of all agricultural products (not just crop and dairy products) and that protection will be extended to a maximum of $250,000.

This was a campaign promise which was simply not carried out in the present act.

Mr. Deans: And you are surprised?

Mr. Mayer: I suppose I should not be surprised, but that does not mean I cannot hope. According to the formula the

level has been raised from $7,500 to $20,000. I would submit that even going to $250,000 is not adequate. I think the level should be removed completely. What we are talking about here is a principle, not necessarily putting a figure on it. The principle is simply that something is not yours and you cannot use it for whatever purpose you decide until it is fully paid for. It seem to me that should be a very simple principle to accept in law.

This kind of recommendation was made also in the Standing Committee on Finance, Trade and Economic Affairs back on March 20 under recommendation 22, when they said that concern was expressed about the priority of banks over unpaid sellers of livestock in the hands of the processors under section 177(5) of the proposed act, and the adequacy of the base amount of the exemption. That was the act which was then in front of us. Recommendation 22 reads as follows:

> That sellers of livestock be added to the list of those claimants dealt with under section 177(5)(b) and that the base amount of the exemption be increased. The proposed indexing method is accepted by the committee, but on the higher base figure.

This is something which has been talked about for a long time, and I would certainly like to see it carried out. Also I should like to refer to what the Minister of State for Finance (Mr. Bussières) said when he introduced this bill on May 1, as reported at page 623 of *Hansard*. It reads as follows:

> Furthermore, the Senate committee and the Cattlemen's Association have expressed concern about certain other features of clause 178 of the bill. The government will seek to prevent overlapping and confusion in the law and to ensure fairness in its operation.

I would submit that fairness at the minimum is simply ensuring producers that, when they sell something, in fact they are paid for it before it is taken away from them. When the minister says "fairness", I hope he means that, and that he will take a serious look at seeing that these kinds of recommendations and amendments are made in the bill.

The parliamentary secretary said that he would like to see the bill moved forward expeditiously, and I would certainly agree with that. I do not want to prolong the debate. Many things have been covered so far, but I should like to make one brief reference to my concerns over the banks and their intention or hope of getting into the leasing business. This is something that should be looked at very closely. I think the banks are in a little different position than other institutions in the country, in fact they are in the business of allocating money and seeing who gets loans. I think we must look very seriously at whether the banks getting into the leasing business, in competition with some of the other financial institutions and some of the automobile companies around the country, is something we want to let happen. We do not want to see it happen without taking a very serious look at it. I would rather see banks in the position of lending money to people who are in the leasing business and then let the leasing companies go on about their business as they have been.

But my main concern is the two or three things which I find not entirely in keeping with the campaign promises of the Liberals and not in keeping with the recommendations made by the previous finance committee over a year ago. I intend to pursue those matters at committee to see that we have some amendments brought in.

Some hon. Members: Hear, hear!

Mr. David Orlikow (Winnipeg North): Mr. Speaker, when the minister introduced this bill on May 1, as reported at page 620 of *Hansard*, he said the following:

> —the main purpose of the bill is to strengthen and develop the Canadian financial system through the promotion of effective and equitable competition.

Then he went on a couple of paragraphs later to say the following:

> The chartered banks, serving the public from over 7,450 branches, with total Canadian dollar assets at the end of 1979 in excess of $147 billion and foreign currency assets, based on their domestic and international business, of about $82 billion, are central in Canada's financial system.

We agree with the minister's contention that the banks are central to our financial and economic system, but we disagree with him completely when he implies, and in fact says very plainly, that in his view we have a banking system in which there is competition and that this act will serve to strengthen that system of competition. In our view there is no real competition in the banking business.

Probably over 90 per cent of the assets of the banks to which I have just referred belong to the big five banking companies—the Toronto-Dominion Bank, the Bank of Nova Scotia, the Bank of Montreal, the Royal Bank, and the Canadian Imperial Bank of Commerce. Their assets are tremendous, over $200 billion. They control by themselves, or with and through their associations with the other major corporations in this country, all the major business and industrial facets of Canadian life. In our view this bill gives the banks virtually everything they have asked for in recent years. It does so although the banks have not played the part we believe they should have played in strengthening and developing the Canadian economy.

What we have witnessed in recent years is that regional disparities are worsening, but they are accompanied by persistently high unemployment and low rates of job creation. We have the highest rate of unemployment of any of the western industrialized countries plus Japan. The deterioration of the manufacturing factor is continuing. That sector's share of the national work force was 26 per cent in 1970, and it has dropped to 19 per cent in 1979. In 1970, 21 per cent of Canada's exports were manufactured goods. Today they represent just 10 per cent. In 1970 Canada had a $3 billion deficit in manufactured goods trade, and last year it was $11.5 billion.

Foreign domination continues in most of the key sectors of our economy including petroleum, base metals, rubber, autos, chemicals, electrical products, and natural resources in general. Research and development are inadequately funded. We allocate the lowest percentage of gross national product of any of the industrialized countries of the world for scientific research and development. In the past five years $13.8 billion in dividends and interest payments left this country, and a further $8.5 billion left in management fees, patent fees,

licence fees, copyright fees and other similar payments. Our economy is potentially strong in resources, yet it is saddled with persistent and worsening weaknesses which point to the need for a large scale industrial strategy to change that imbalance and to gain control of and give direction to the economy.

● (2030)

What we need are efficient world-scale industries and efficient capital markets to finance the necessary technological and modernization changes. We need Canadian control over the economy to stop the drain of resources to foreign parents.

I had the opportunity and privilege of spending a couple of days in Japan last October. We had a briefing from our ambassador to Japan during which he described the Japanese industrial strategy and approach to scientific research and development. When I got back to Canada I was able to get a copy of the summary of that program described by our ambassador. Any resemblance between the Japanese system of free enterprise and our system of free enterprise is completely coincidental. No corporation or large business in Japan would dream of expanding without consultation with and approval by the government of Japan, to determine that what was proposed was in the interest not just of the company, but in the interest of the people of Japan and of the country.

There is not the slightest possibility that a Japanese company could have done what International Nickel has done, that is, take the money it had made in Canada in profits, along with loans received from the Government of Canada, to develop mines in Guatemala and Indonesia which are in competition with their Canadian operations and which have led to a very sharp reduction in the work force with major lay-offs in Sudbury and Thompson in my own province of Manitoba. No Japanese company would have dreamed of doing that because it simply would not be permitted, yet it is done in Canada all the time.

We say there is an obvious instrument at hand, the instrument we are debating at the present time, the banking system. By virtue of the chartered banks' self-proclaimed role as the major financial intermediaries in our economy, the banks collect and distribute huge amounts of capital. Under the direction of the government these pools of capital could and should be used to promote economic development which would benefit the country as a whole, while reversing foreign domination.

We have conferred tremendous economic power on the banks because of the way the banking system has evolved in Canada, yet the banks have been left alone to develop their own distribution and investment policies, regardless of the national interest. What the government is proposing with this bill is more of the same.

Because the Government of Canada, and I am talking about the present Liberal government, that short-term Conservative government we had last year, and previous Liberal and Conservative governments, had no industrial strategy, no clearly thought out objectives and no plans to bolster the manufacturing sector, which employs a smaller and smaller percentage of the labour force, the banks are being permitted and encouraged to concentrate on making profits. I do not blame them for doing that because that is why they are in business. I blame governments for not seeing that they do the job they should be doing. They have played an important role in the mergers that have swept this country, and which, I submit, bring no real benefit to the people of Canada.

Let me just give a few examples of what I am referring to here. We have the Hudson's Bay Company gobbling up Simpsons-Sears, only to find that they in turn were gobbled up by the Thompson interest which then proceeded to buy FP Publishers. Then we had Brascan, with the help and the financial co-operation of the Canadian Imperial Bank, moving to take over Woolworth's, a move which was unsuccessful, only to find themselves taken over by Seagram's.

The last of the illustrations I want to give tonight has reference to Dome Petroleum which has bought up in recent years Kayser Resources, Siemans Oil and Gas and a large part of TransCanada PipeLines, and this company has not paid a nickel in corporation income taxes since its incorporation because of the way in which our tax laws have been written and the way companies like Dome Petroleum can manipulate these tax laws.

Let me add just one more point about Dome Petroleum. It was the Calgary *Herald*, certainly no radical journal, that had a major article some months ago in which it was pointed out that for every dollar which Dome Petroleum invests in searching for oil and gas in the Beaufort Sea it gets back 97 cents from the Canadian taxpayer in the form of tax rebates. We have a system where the Canadian people pay for the search for oil and gas but the benefits go almost entirely to Dome Petroleum.

Instead of the banks being involved in fostering and helping more mergers, as they have in recent years, their investments should have gone into increasing the productive capacity of this country.

We oppose this bill because there is nothing in it that we can find which does anything to control the exorbitant profits the banks have made in recent years, and which would control the tremendous growth in the assets the banks have benefited from in those years.

Let me try to put some of the figures on the record, and I will try to be as brief as I can. Let me compare the assets and the profits of the five major banks as they were in 1973, and in 1979, six years later.

The Toronto-Dominion Bank in 1973 had assets of $9.4 billion, and by 1979 they had grown to $28.2 billion. Its profits in 1973 were $52.7 million, and in 1979 they had increased to $160.4 million.

The Bank of Nova Scotia in 1973 had assets of $10.3 billion, and by 1979 they had grown to $34.8 billion. Its profits in 1973 were $56.8 million, which had grown in 1979 to $180.9 million.

The Bank of Montreal has assets in 1973 of $14.4 billions, and by 1979 they had grown to $38.1 billion. Its profits were $68.5 million in 1973 and they were $228.7 million in 1979.

The Royal Bank had assets in 1973 of $18.3 billion, and by 1979 they had grown to about $57 billion. It had profits in 1973 of $99.2 million, and by 1979 these had grown to $270.7 million.

● (2040)

The Canadian Imperial Bank had assets of $16.1 billion in 1973, which had grown to $45.995 billion in 1979. Their profits went from $92.9 million in 1973 to over $201 million in 1979.

Let me summarize those figures. The increase in assets in those six years from 1973 to 1979 was over 300 per cent, and the increase in profits was over 250 per cent. Let me put just one more figure on the record. In 1975, the year in which the present Prime Minister (Mr. Trudeau) and the Liberal government felt that our inflation had reached crisis proportions, to combat inflation the government brought in the wage and price control program, and profits increased over 1974 by 46 per cent. It is the banks which should have had their profits controlled rather than the workers having their wages controlled.

We believe that the profits of the banks should be controlled and that they can be controlled by the government—because it controls the interest rates—by the interest rate spreads and by surtaxes on bank profits.

We are opposed to this act for another reason. This act would permit and indeed encourage bank directors to hold other business directorships. We believe that that is bad for this country, and we are not alone in this belief. As respected an organization as the *New York Times* said several months ago about Canada's policy of permitting bank directors to participate in interlocking directorships:

> The concentration of banks is so great—

And they are talking about Canadian banks.

> —and the alliances of companies with specific banks so strong that a single bank can find itself financing both the suitor and the sought. Such was the case last fall for the Bank of Commerce when Brascan went after Woolworth's.

The *Times* went on to say:

> The banks with their corps of 60 or 70 directors each and their circling clans of corporations also provide the detailed intelligence system so vital in the fraternity that is Canada's business establishment. This, and a system of interlocking directorates, provide the tips, the data, the shared experiences and, above all, the connections that smooth Canada's merger movement. It is no coincidence, for instance, that Consumers Gas and Hiram Walker, both use Toronto-Dominion, where Hiram's chairman, H. Clifford Hatch, is a director.
>
> Many in this network grew up at the same elite schools together, such as Upper Canada College. They join the same clubs, such as the Toronto, Ontario or Albany Clubs. Their children marry within the network.

That is not my view, although I subscribe to it. That is the view of as important and serious an organization as the *New York Times.*

We did a little work to see how this system of interlocking directorates really works in this free enterprise system of ours. I would like to put on the record a few illustrations.

Let me begin with the Bank of Nova Scotia. The chairman is Cedric E. Ritchie, who is also the president and chief executive officer. Among his other directorships, and I will not list all of them because it would take too long, are Empire Realty Company—there is the real estate industry; The Canada Life Assurance Company—there is the insurance industry; and Olympic Trust of Canada. George C. Hitchman is deputy chairman, and among other companies is director of Algoma Central Railway. So, the railways are represented. E. J. Courtois is vice-president and director of Gaz Métropolitain, which takes care of the gas distribution system in Quebec, Trizec Corporation—the giant real estate developers—Brinco Limited, Norcen Energy Resources Limited and Phoenix Steel, to mention a few. The hon. John B. Aird—and I am sure that my friend, the hon. member for Nepean-Carleton (Mr. Baker) will remember Mr. Aird when he was a Senator and chief fund raiser for the Liberal party—is not just a director of the Bank of Nova Scotia, but is also a director of Algoma Central Railway, Consolidated-Bathurst, Domglas Incorporated, National Life Assurance Company; and I could go on and on.

Let us look at the Toronto-Dominion Bank and the chairman and chief executive officer, Richard M. Thomson. Mr. Thomson is also director of Cadillac Fairview Corporation—another giant in the construction industry; Canadian Gypsum Company, Eaton's of Canada, the Prudential Insurance Company, Texasgulf Incorporated. J. Allan Boyle, president of the Toronto-Dominion Bank, is also a director of Regtor Investments Limited, Excelsior Life Insurance Company, and Aetna Casualty Company.

Mr. Fulton: Is he a Liberal?

Mr. Orlikow: That is not given in the summary. Let us look at the Bank of Montreal. Fred McNeil is the chairman and chief executive officer and is also a director of Canadian Canners Limited, the Dominion Life Assurance Company and Seagram Company Limited, to mention a few. Lucien G. Rolland, the vice-president of the Bank of Montreal, is director of Rolland Paper Company, Bell Canada, Great Lakes Reinsurance Company, Inco Limited and the Steel Company of Canada. There is not a facet of our economy in which the bank directors do not play a major, if not a completely dominating, role.

The chairman and chief executive officer of the Canadian Imperial Bank of Commerce is Russell Harrison. He is also the director of the Canada Life Assurance Company, the Dominion Realty Company, Falconbridge Nickel Mines Limited, and Royal Insurance Company of Canada. Lawrence Greenwood, the executive vice-president, is a director of the Dominion Realty Company, Kinross Mortgage Corporation, Imperial Life Assurance Company and Liberty Mutual Insurance Company.

Mr. Fulton: It sounds like a great big pork barrel, David.

Mr. Orlikow: That is exactly what it is. Each of them scratches the other's back. Another executive of the Commerce Bank is E. F. McLean. He is a director of Canada Packers Limited, Canadian General Electric Company, the

Dominion Realty, The Steel Company of Canada. Then we come to a distinguished citizen of my own city, George T. Richardson, who is a director of James Richardson and Sons, Hudson's Bay Company, Pioneer Grain Company, Hudson's Bay Oil and Gas Company and Inco Limited.

Now I come to that giant of banks in Canada, the Royal Bank of Canada, which has as its chairman W. Earle McLaughlin. He is a director of Sun Alliance Insurance Company, Algoma Steel Corporation, Canadian Pacific Limited, General Motors Corporation, Metropolitan Life Insurance Company, Power Corporation of Canada, and so on. The vice-chairman, Jock K. Finlayson, has a directorship on Royal Bank of Canada Trust Corporation, PanCanadian Petroleum Limited, Royal Insurance Company of Canada, Sun Life Assurance Company, and it goes on.

Now I come to a gentleman who has, along with his company, played a major and, I am sorry to say, not a very productive role in my own city, Ian Sinclair, the head of Canadian Pacific Limited. Along with being a director of the Royal Bank of Canada he is a director of Canadian Pacific Limited, Canadian Pacific Investments Limited, Canadian Pacific Airlines, Cominco Limited, Canadian Marconi, MacMillan Bloedel Limited, Marathon Realty Company, the Seagram Company, Sun Life Assurance Company, and it goes on.

With regard to Mr. Sinclair, I will illustrate something that is quite interesting. The only way in which the people of Canada could find out that Mr. Sinclair has a salary—and I am speaking from memory—of something like $350,000 a year was due to the United States law that when a company sells shares in that country the company must file a statement for the public showing what the officers of that company receive in the way of salaries. We have no law like that, so Canadians can only learn about Mr. Sinclair because of the American law. Mr. Sinclair went to court in the United States to stop that great radical journal, the Vancouver *Sun*, which thought that its subscribers had ample reason to have that kind of information. He went to the United States courts to try to stop the Securities and Exchange commission from presenting that kind of information.

● (2050)

That is just a short set of illustrations about the kind of interlocking directorships we have in our major corporations and the kind of power which they exert. As the *New York Times* put it so well, these people work together, live together and play together, and they look after each other's interests. I am not certain that their interests are always necessarily the interests of the ordinary people of Canada. I hoped that a Bank Act would try to plug some of the loopholes, some of the ways in which these kinds of people and these corporations have been able to amass tremendous profits, greatly increased profits, and seen large growth in their assets in recent years at the expense of and through overpayment by the Canadian people.

Let me close by giving some examples of how the bank directors' corporate connections work. I have been talking about Mr. Sinclair, Canadian Pacific Limited, and C.P. Investments Limited which has grown so rapidly to such a tremendous size that today's Montreal *Gazette* reports that the assets are now over $7 billion.

On the board of directors of Canadian Pacific Limited are the following directors of banks; W. E. McLaughlin, P. Paré, C. Pratte and A. M. Runciman who are all directors of the Royal Bank of Canada; T. G. Rust, F. H. Sherman, R. D. Wolfe, who are all directors of the Bank of Nova Scotia; H. J. Lang, J. H. Moore, who are directors of the Canadian Imperial Bank of Commerce; L. G. Rolland, F. S. Burbidge, G. A. Hart, and D. Kinnear, who are all directors of the Bank of Montreal.

Let us look now at Norcen Energy Resources Ltd. This is a major energy corporation. Its directors include E. J. Courtois, who is a director of the Bank of Nova Scotia; A. S. Leach, R. Lavoie, who are directors of the Bank of Montreal; E. C. Bovey, who is a director of the Canadian Imperial Bank of Commerce; and W. O. Twaits, who is a director of the Royal Bank of Canada.

Let us look at another one of our prominent corporations, and that is International Nickel. Included in its board of directors are the following: J. E. Carter and A. T. Lambert, who are directors of the Toronto-Dominion Bank; G. T. Richardson who is a director of the Canadian Imperial Bank of Commerce; L. G. Rolland, C. F. Baird, J. P. Gordon and G. A. Hart, who are directors of the Bank of Montreal; D. G. Willmot and D. W. Barr, who are directors of the Bank of Nova Scotia.

Mr. Fulton: Same old gang.

Mr. Orlikow: I could go on, but as my colleague, the hon. member for Skeena (Mr. Fulton) has just said, it is the same old gang. It is the same old gang who have been controlling and running this country I suppose ever since there was a country. They have grown rich and fat as a result of the work and effort of the Canadian people.

We are not opposed to the profit system. We believe that in the foreseeable future there will be in this country, as in most of the countries of the world, a mixed economy in which there will be a part of it owned, operated, and controlled by the people, and a large segment of the economy which will be owned and operated by the private sector. We are not opposed to that. But we may have what may seem a strange idea to many members of this House, particularly to members of the Liberal and Conservative parties, that is, we believe that the profits should be reasonable and that prices charged to Canadians should be such as they can afford to pay, still leaving a reasonable profit to the company. We do not believe that this Bank Act, which we have before us, does that or attains those objectives for the Canadian people. We believe that when this Bank Act is passed it will be essentially as it has been brought before us, because the Liberal party has a majority in this Parliament. I do not expect my Conservative friends on this side of the House to put up any real opposition to important sections of this bill.

An hon. Member: They have to scratch the same friends' backs.

Mr. Orlikow: Therefore, I assume that this bill will emerge, when it is finally dealt with by Parliament, much as it is today. We do not believe that this bill will meet the needs of the Canadian people, that it will give them the kind of financial system which they need, that it will protect them against exorbitant profits such as the banks have made in recent years, and for those reasons, and for many others which my colleagues will be dealing with, it is our intention to vote against this bill.

Mr. Bob Corbett (Fundy-Royal): Mr. Speaker, it is indeed a pleasure for me to rise and speak on Bill C-6. In my opinion it is time that the Bank Act was improved and changed. Many of the revisions that are presently included in the bill before the House have been before this House of Commons for a good number of years, as was pointed out previously by another speaker.

It is time for improvement, despite the fact that the banking system in this country is probably the very foundation of our free enterprise system, a system that has worked immeasurably well not only for Canada but for all nations in the free world. It is one that I think should be continued under that particular set of rules.

I listened with interest to some of my NDP colleagues, and although it was not included in the last speaker's speech, there have been suggestions that perhaps we should be looking at the possible nationalization of banks in Canada.

An hon. Member: The Tories want to nationalize the banks?

Mr. Corbett: I would strongly criticize that particular position if indeed it is the policy of the NDP. It is very, very difficult to try to determine what NDP policy is this day. As a matter of fact that party was instrumental in introducing a motion into this House which brought about the downfall of an extremely responsible government last December. The members of the NDP are sitting here on this side of the House as though they were the epitome of righteousness, condemning the very government they put in place and helped to support during the early years of the 1970s. We would see this situation again, I am sure, if the same set of circumstances were in vogue. It has been well said by a colleague that lack of principle is quite obvious.

During this time of repression, I look with interest at the great nationalization nation. I suppose the great champion of the nationalizing nations of the world is Sweden. Sweden has recently been in the news and we can now see the nationalization of its industries, including financial institutions, which was supposed to be such a workable situation among businesses, banks and unions and things of this nature that make it all happen, make the economy go around, and create jobs, seems to have fallen apart at the seams. The same thing very nearly happened in Great Britain. Fortunately for Great Britain and the people there, a Conservative government was elected last year or the year before. They are now in the process of salvaging what little bit was left after a decade or more of a socialist-labour government, the counterparts of the Canadian NDP.

• (2100)

As was stated by a former speaker, apparently the NDP approach to the solutions of the country's ills is to lower the interest rates. This seems to be the whole thrust of their position, lower the interest rates, get the interest rates down at all costs. It does not matter that it will deter the investment of foreign capital in this country, that foreign investors would obviously not be interested in coming to this country with their investment money which this country of 22 million or 23 million people dearly requires.

An hon. Member: What is your policy?

Mr. Corbett: The policy of this party when we were in power was to encourage foreign investment for the benefit of Canadians so that the net result would be a better way of life and better standard of living for Canadians. It is unfortunate that that policy did not have an opportunity to be implemented and put into place.

The other interesting aspect of lower interest rates and all of the goodies bundled up into the NDP package seems to be that, if there is not enough money to go around, we will crank up the old printing machine, grind out more dollar bills, hang them on the line, and hopefully we will not need them until such time as they have had an opportunity to dry on the line, and with those dollars we will purchase all of the goodies and provide all of the jobs that we so desperately need in this country.

What they conveniently neglect to address themselves to is what happens to all of the goods and services that are not presently available in Canada because our manufacturing service is not currently manufacturing all the necessities of life that Canadians need in order to enjoy the lifestyles that they have become accustomed to enjoying.

What about the cost of lettuce during the winter months as it comes to us from California, and all the other imported foodstuffs that come into this country? How do we afford them? I know the answer. Just speed up the old printing machine, crank out more dollars, put more dollars in the pockets of the people. It does not matter that they are worthless.

Canada is a marvellous country with probably the greatest future, provided we don't blow it with such frivolous policies as the NDP might force upon us. I suppose one of the suggestions, if everything else is to be nationalized, is that the unions should be nationalized as well and brought under the control of government. I have never heard anyone from that party address themselves to that, but I suspect that would just naturally flow. Unions would become part of the nationalized process as well. Perhaps at some other time we could have some comment on that situation from the NDP.

Last year the net debt of this country was billions of dollars. It is a debt we certainly cannot afford. We have lost more

man-hours in this country through strikes than any other nation in the world, and the loss to the economy of these dollars is just fantastic. I am very concerned that the irresponsible attitude of the present government, backed up by its cohorts on this side to my left, is contributing not only to labour unrest but to the fact that our production is among the worst in the world of the industrialized nations. It is great fun, and I suppose it makes great political games for the socialists to take on the hustings when the time comes, but this is a very serious business and very serious situation.

I point that out because I feel that nationalization is not the solution to this country's ills. I believe that the banks in this country have proved to be an immeasurable success with their contributions to this country, and to the very foundations that have made this nation great, and made all free nations of the world great under the free enterprise system. Obviously the banks of this country know their business. They know it very well.

As has been pointed out, the banks are extremely successful. They are successful in the business they are in, the money business. Their profits are more than respectable; in fact, they are questionable. There is no question about it. When profits exceed those amounts that can be rationalized by any thinking person in this country, then we must take a look at the way those dollars are made and at whose expense.

How do they do as well as they do? One reason is not by being a bunch of nice guys. The banking institutions of this country have formulated a policy over the years of obtaining collateral that, quite frequently has to be at least equal to and in a good many instances surpasses that of the particular loan or whatever that company or individual might want to have from them. Of course one of the reasons they have been able to do this is because they have had a corner on the money market of this nation for so long.

We have had relatively few banking institutions in this country as banks are known to most individuals. It is a healthy sign that we, as a nation, are prepared to look at and accept that there is room for competition in the banking industry. As was pointed out by the hon. member for Bow River (Mr. Taylor), the important aspect of competition in the banking industry is that the profits coming into the country through the medium of a bank if it is foreign controlled, are reinvested in Canadian businesses or businesses that are going to accrue major benefits to the Canadian people and the Canadian nation.

The attitude of banks over a period of years on a good many occasions and in a good many instances has been ruthless. They have had an opportunity to charge service charges when profits were in a very excessive position. The inclusion of new banks where profits are going to be reinvested in Canada will be of benefit to the nation.

Banks should stay in the business that they know. I am disappointed that this bill does not deal with that. In fact it seems purposely to exclude it. One of the most important provisions in the new Bank Act that has caused concern is the section that will permit the banks to enter into the auto leasing field, presumably in competition with auto dealers and others now involved. On the face of it one might consider that competition of this kind can have obvious benefits. I doubt if this would be the case.

• (2110)

I have discussed this matter with my hon. friend from Halifax West (Mr. Crosby) and others, and he and I, along with a good many others in the House, have concluded that the public might not benefit if auto dealers, the heart of the business community in many cities and towns, particularly in the rural areas, are jeopardized by unfair competition. So we have to ask: when is competition unfair? Mr. Speaker, it is unfair when the rules are changed without giving all those in the field equal opportunity. The banks already receive many benefits and have no responsibility in the auto business in terms of keeping facilities open. If we change the rules we must be careful of the result. If the result is to bankrupt auto dealerships, the public gains nothing.

The auto industry is presently passing through a particularly strenuous period. Every day we read in the newspaper about auto plants shutting down, the difficulties which Chrysler is experiencing, and the decline in sales. Many dealerships are making only a marginal profit, and some are making no profit at all. Their position, in relation to that of the banks, is very serious. It is my opinion, and the opinion of a great many members of this House, that the public would be much better served if the business of auto leasing were left in the hands of those who understand this business best. It should be left in the hands of those who obviously have the facilities to conduct it; the dealers have the repair shops and, more important still, they have a close interest because automobiles are their primary source of income. I would urge the minister to re-evaluate his position on the question of the banks entering the leasing field and to introduce provisions which would protect a vital and important section of business in Canada.

I should like to deal, as well, with the subject of credit cards and banking institutions—the buy now and pay later plans to which we are so often exposed in this country. I suggest it is not always in the best interests of the public when loans which likely command an extremely high rate of interest are not only available to the public but are promoted. We have all seen the signs in the windows of the banking institutions—"Come to the land of fun and sun," showing mama and papa and what-not basking in the sunlight on some tropical island. The message is, "Don't worry about the cost because you can go now and pay some time in the future when you get round to thinking about it." Mr. Speaker, we know this is not reality; this is not the way things are. This is a cold-hearted world, though people are somewhat prone to forget it. I do not think it is healthy for this nation to be bombarded with advertising of that type and to become a nation of debtors because banks and other financial institutions are determined to increase their profits at the expense of people who might be carried away by an urge to do someting they can ill afford.

I would ask the minister to consider some type of regulation which would deal with this type of promotion promising a life in the sun, a never-never land with no need to worry about paying for it. Life does not work that way, and part of the problem we are experiencing today has arisen because far too much of this so-called easy money has been available. We are paying for it now, and we shall be doing so for many years to come.

Another item to which I should like to address my remarks tonight has to do with agriculture. I see the Minister of Agriculture (Mr. Whelan) in his place over there. I am pleased to see him in his place this evening where he can have the benefit of some of the opinions which have been expressed with regard to the farming industry. Attention has already been directed to the difficulties in which producers find themselves when stock and carcasses become the property of the processors, under the Bank Act, before they have actually been paid for.

I suppose there is no single group of individuals in this country who have to work harder than the farmers, or who experience more difficulty in making ends meet. They are having to deal with the burden of rising costs—around 10 per cent last year—and decreasing receipts at the same time in the order of 10 per cent, or perhaps 7 per cent. I urge the Minister of Agriculture to plead with his colleague, the Minister of Finance (Mr. MacEachen), to include some provision in this bill to protect producers when their carcasses, cattle or hogs, are taken over by the processors in the event of a bankruptcy. I agree this is an unusual situation, but I believe we should show some compassion toward these people whose work is so vital to the nation, by dispensing with the provision in the bill which places them in the same class as International Harvester or any other of the equipment companies and suppliers in the eventuality of a processor going bankrupt. When the carcasses are not paid for, the farmer has not received his just due.

There is one other item in the bill which I find somewhat distressing. It seems that Parliament is to lose the right to grant charters to banks. I suggest this is an erosion of the rights of Parliament. Heaven knows, under the present government, in the last ten years there has been a great deal of erosion of the rights of Parliament, and I question the motives of the administration in including such a provision in the act. As I understand it, we will no longer have the right to debate in this House the issuance of new banking charters in this country. The authority is to be given to cabinet or some extension of the government, and these charters will not be brought before the House for debate.

I do not believe this is a healthy situation. I do not believe it is healthy for the future of the country to have this continuing erosion, because of a government that is now well known to be arrogant in a good many of its directions and decisions. Now to have another erosion of the rights of the members of this House of Commons, to discuss the issuance of bank charters, to the Canadian nation bodes ill for the future of the country, and I ask the minister to take this under consideration.

• (2120)

Hon. Sinclair Stevens (York-Peel): Mr. Speaker, in joining for a few moments in the debate on Bill C-6 I must admit that I am partly prompted by some of the remarks from our colleague, the hon. member for Winnipeg North (Mr. Orlikow)—

Mr. Orlikow: Thank you.

Mr. Stevens: —who, in his usual socialistic style, tried to get the best of all worlds. I say that because I find it odd to hear these socialists who sit on our left somehow criticizing the government and telling the government that it is not doing things properly, notwithstanding the fact that the government we now look at across the floor would not be in power if it had not been for our socialist cousins to my left.

An hon. Member: Socialist cousins? We are not related to you, Slasher.

Mr. Rae: I am not even your blood brother.

Mr. Fulton: We have nothing to do with you.

An hon. Member: Insults.

Mr. Stevens: The thing I find so strange about the line taken by the socialists generally, and in particular tonight by the hon. member for Winnipeg North, is how totally out of touch they are with the reality of the world, and how inconsistent they are in their arguments.

For example, the hon. member for Winnipeg North has told us that Canada needs world scale industries. Apparently he took a trip to Japan, which I am pleased he was able to do, and he was quite impressed with the way their industries are working. However, I would not have believed it if I had not been sitting in this House; before the same hon. gentleman sat down, he was criticizing our banks for being too big. He was indicating that somehow or other there was a strange relationship between the boards of directors of banks and the directors of corporations in Canada, presumably all because somehow or other in his mind that is capitalism, and capitalism is a nasty word to a socialist.

Mr. Rae: Not a nasty word; it is a nasty system.

Mr. Stevens: Let us get something into perspective. We heard that the hon. member for Winnipeg North went to Japan. I wonder if, while he was in Japan, he noted that of the 50 largest banks outside of the United States 18 are in Japan. Japan dominates banking worldwide outside the United States. The reason I mention this is that, included in those 18 Japanese banks, are 13 Japanese banks which are larger than our largest bank, the Royal Bank of Canada. The largest Japanese bank, Dai-ichi Kangyo Bank, had assets in 1978 of $73.5 billion, more than twice those of the Royal Bank of Canada. My socialist friend, the hon. member for Broadview-Green-

wood (Mr. Rae), has indicated—because he always reads faithfully *Fortune* magazine—that it is all set out in *Fortune* magazine.

Mr. Rae: You are using my copy.

Mr. Stevens: Perhaps I am. This is the first time a socialist ever did anything for me.

Mr. Fulton: He is your cousin, Sinc.

Mr. Stevens: However, as is pointed out in the August 12, 1979, edition of *Fortune*, Canadian banks slipped in their rating for the second year in a row. We now have only three Canadian banks which are listed among the 50 largest in the world outside the United States. If we include the American banks, we find we now have only two banks which are included in the largest 50 of the world. The reason I comment on this is that I think, certainly in this House and hopefully in the halls of government, a new sense of reality will start coming back into Canada. We seem to have become insular. We make speeches such as the one I heard from our socialist friend, the hon. member for Winnipeg North. At one time he states we do not have what he calls world scale industries, and before he sits down he decries any worthwhile relatively big company we have in the country and also points out how there is a nasty interlocking of directorships. If he did not check into this when he was in Japan, I ask him now to check the interrelationship between the banks and industrial concerns in Japan. What is the interrelationship between the banks and industries in Germany?

Mr. Orlikow: And the government?

Mr. Stevens: I think it is time we stopped burying our heads in the sand and trying to play, as I said at the beginning, this House for the best of all worlds. Hon. members to my left brought upon the Canadian public the government we now have ruling this country, and I think it is high time the socialists accepted that responsibility and stopped standing up in this House as if they had nothing to do with the government with which we are now faced.

Mr. Rae: It was your incompetence.

Mr. Stevens: At the same time that the hon. member for Winnipeg North was belabouring the growth of bank assets in this country—and I want to touch on that in a moment—I noted that he carefully avoided commenting on the deficit that he and his socialist friends assisted the government across from us in running up.

Mr. Orlikow: What about the deficit in Ontario?

Mr. Stevens: We did not hear them comment about the fact that during the years they were allied, this Liberal Trudeau regime ran up the deficit, which was merely $676 million in 1974, to $12.9 billion by 1978. I am pleased that the Minister of Finance (Mr. MacEachen) is in the House here tonight. He has warned us that the deficit could be over $14 billion in the current year. Is it not curious that our socialist friend in one speech belabours certain things because he says that that is capitalism, but on the other hand he and his colleagues mute their criticism of their friends in the present Trudeau government who have run up a deficit of a budgetary nature such as the one to which I have just referred?

Mr. Fulton: Let us hear about the difference between you and them.

Mr. Stevens: The difference was over $3 billion, and if the hon. member had been in the House that night, he would not have voted with his friends the socialists.

Mr. Rae: He was here. We were all here.

Mr. Stevens: Speaking about growth in bank assets, I think it is wise that we get it into perspective in two senses. First, I have indicated that, if anything, the Canadian chartered banks are actually losing ground in the world banking community as far as size is concerned. However, second, I suggest that the mere fact that the banks have grown at such a rapid rate should be one of the reasons our socialist cousins should be standing up in this House and saying, "Let us get on with the passage of Bill C-6 so that we can in turn bring the foreign banks under at least some type of control or regulation as contemplated in Bill C-6".

Here are the facts: In 1968, which was the year after the present Bank Act was passed, total bank assets in Canada were $36.7 billion. At the end of last year they had reached $225 billion. Of that amount, in 1968, about 21 per cent of their assets were made up in the form of currency. Today it is approximately 36 per cent. I think it is healthy that we have institutions which have got out into the world market and have been able to increase their assets in that market to the extent I have indicated. So we should be encouraging, not discouraging, those banking institutions in their endeavours to be, I suggest, world-scale industrial companies, or banks in this case, of which, as the hon. member for Winnipeg North Centre (Mr. Knowles) said, we needed more.

● (2130)

The reason I will suggest tonight to hon. members that we get on with passing Bill C-6 is that it behooves this House to recognize that the Bank Act is one of the few sunset types of legislation that we have in existence in Canada. It is a good concept, the concept that you pass a bill for a limited term, that you can review it, amend it, and then repass it, presumably with improvements. Initially it was intended that the Bank Act should be passed every ten years after a suitable review in committee and in this Parliament. That review has taken place. There have been prolonged debates with respect to the revision of the Bank Act.

Let me review what has happened since 1975. In that year the Department of Finance asked interested parties to submit briefs, in time, they said, for the preparation of the 1977 revision of the Bank Act. In August of 1976 a white paper was published in which the general principles to be incorporated in

the new Bank Act were set out. By the fall of 1976, the Senate banking committee requested and received a special reference to study that white paper. The House requested the same reference but the government refused to pass a motion in agreement because opposition members were not agreeable to limiting the House debate on this issue. That was in the fall of 1976.

In June of 1977 the Senate issued its report for government study. The government again requested submissions from interested parties. Some delay was caused by provincial objections that membership in the Canadian Payments Association required holding reserves with the Bank of Canada, that is, the near banks which, under the jurisdiction of the provinces, would have to hold reserves with the Bank of Canada. The provincial objections became quite loud as they felt that somehow their responsibility for near banks was being jeopardized.

The government of the day then decided to rethink those proposals and came to an understanding with the provinces. Meanwhile, the old bill, that is, the present Bank Act, which would have been extended to June, 1978, was extended once again. The opposition was anxious that a new bill be introduced, yet the government said it needed more time to study the recommendations. By May 18, 1978, we had introduced Bill C-57 which contained most of the broad proposals set out in the white paper but made a major departure from the white paper on the issue of the reserve requirements of the near banks. In June of 1978 the session ended and the bill died on the order paper. On November 2, Bill C-15 was re-introduced, which was substantially in the same form as Bill C-57, and after a very brief House debate it was referred to the finance committee of the House. The committee studied the bill, many witnesses were called and heard, and briefs were received. What I found so odd as I sat listening to the debate here tonight was to hear our socialist friends—

Mr. Knowles: Cousins.

Mr. Stevens: —now criticizing this bill, notwithstanding the fact that a representative from that party sat during those committee proceedings, heard the evidence, agreed with the in-camera recommendations that were arrived at, and agreed to the report which was finally tabled in the House.

Mr. Rae: Mr. Speaker, I rise on a point of order. I know that the hon. member for York-Peel (Mr. Stevens) would not want to mislead the House. The member to whom he is referring, Mr. Saltzman, filed a minority report at the time that the committee report was reported to the House of Commons last year. I am sure the hon. member for York-Peel would not want to imply that that was not the case.

Mr. Deputy Speaker: The hon. member has not made a point of order. It was a point of debate.

Mr. Stevens: Thank you, Mr. Speaker. You certainly know the rules of this House.

Mr. Knowles: But do you know the facts?

Mr. Rae: I got my point across.

Mr. Stevens: Mr. Speaker, the point I am making is that again we have an example of our socialist cousins, as my friend, the hon. member for Winnipeg North Centre likes to be referred to, liking to have the best of both worlds, in that while they sat through those committee hearings they accepted substantially all the recommendations and the points that were raised, but now they like to pretend that they are divorced from what went on before and they can stand up on behalf of whoever they stand up for and damn the bill, as they did tonight.

What I am suggesting is that I think the time has come, bearing in mind the long history of this legislation and the committee's reviews, for us to get on with passing Bill C-6. Certainly there are certain points which I hope will be raised in committee and there might be amendments yet to be made to this bill, but I believe it is substantially in a form that is acceptable, in a form that the people of Canada would like to see it passed and, above all, it is in the form that the financial community of the country, the industrial community and the banking community, would like to see it passed to bring some certainty back into this world instead of the uncertainty with which we have been living.

I brought us up to 1978. You will recall that when we formed the government in this country we acted promptly with respect to the bank legislation. We reviewed the reports of both the Senate committee and the House of Commons committee on the Bank Act, and in the fall of last year we introduced Bill C-14, which is substantially the bill we now have before us, namely, Bill C-6. Surely there is no disagreement in substance with regard to the provisions of Bill C-6 either from our side, from the government's side or, I suggest, from the socialists to my left. So why the prolonged debate?

If what we are witnessing is a general frustration that we were robbed of a proper budgetary debate by the Minister of Finance, whom I see in the House at present, if we are sensing in the House a degree of frustration because the theft was made, then let us do what we can to bring the Minister of Finance to account.

For example, I think it was quite proper in a committee of the House today to suggest that the interest rate review that we had instigated while we were in government be continued in a committee of the House. Frankly, I think all members of the Opposition, including the socialist members on that committee, were most startled to see that, to a man, the government members on that committee used their heavy-handed majority to vote down the mere suggestion that a committee of the House should review the interest rate structure and what could be done to achieve lower interest rates in this country, or at least to relieve the people from some of the side effects of our high interest rates.

What I am trying to point out is that surely Parliament is not functioning properly when we have before us a bill such as Bill C-6 which has been debated, or at least reviewed, since 1975. When we have a bill that is substantially agreed to on all

sides of the House, surely we are not operating properly by having a prolonged debate on that bill and, at the same time, having government members virtually stalling a meaningful review by a committee of this House of interest rates in this country. Having said that, and having urged that members get on with the passage of this bill, I should like to go further and say what are some of the pluses in the legislation.

● (2140)

I know the foreign bank question perhaps has been one of the more controversial, contentious issues which has been raised during the debate over the years concerning the Bank Act revisions. But I would suggest that if we are properly going to come into the 1980s, it is time we accepted that there is more to be gained than to be lost in Canada by making us an international banking centre, and that is exactly what the admission of foreign banks to a greater extent into Canada will do for us. I think there are pluses to opening up the banking system in Canada and letting, under the regulations that are contemplated in the act and in the regulations, foreign bank activity grow in Canada.

Since 1967 when the present Bank Act was last revised, foreign ownership of any chartered bank in Canada, as we know, has been restricted to a maximum of 25 per cent. However, there were no restrictions placed in that act on the establishment of subsidiaries by foreign banks. Since 1967 numerous foreign bank subsidiaries and representative offices have been established in Canada. For example, in the office building in which I had my office at one time, one day I counted 26 foreign bank agencies or representative offices alone. How ludicrous it is for us to allow that situation to continue, and perhaps most important, think how we look in the eyes of the world.

At last count there are supposed to be 100 corporations doing business in Canada that, to all intents and purposes, are really in the banking business and are controlled or owned in some instances by foreign banks. About 50 foreign banks have an equity interest in these corporations according to the Department of Finance press release of May, 1980, which I know my friend, the Minister of Finance, probably wrote with his own hand.

In addition to the 50 foreign bank representative offices, there are about 30 representative banks which do not appear to have any investments in Canadian financial corporations. The total assets of Canadian affiliates of foreign banks reporting to the Bank of Canada currently exceed $6.5 billion. In short, in addition to the banking assets to which I have referred, we have a situation where there is over $6 billion of banking activity going on within the affiliates, the agencies and the representative offices of foreign banking concerns in Canada. This act will attempt to regulate to some extent that activity, and I think that is good. First, I think it is good that hopefully we will know better what those banking concerns are doing, and second, it will help our banks expand into the foreign markets that we need so badly.

Also I suggest that as we face the current account deficit that we do in this country—the worst of any western industrialized nation—it is important that we recognize that to the degree we become more of an international banking company it should help our trade activity in those foreign countries. In short, let us be less inward looking, let us be less insular, let us be more world-minded, so that we can tap some of the tremendous economic activity that is churning in the world and which could churn to our greater advantage if we accepted the reality of the world such as it is today. I would suggest that among the various reasons we could give for endorsing the concept of opening up our system to foreign banks is the need to increase competition in Canada.

As we have indicated, we have large banks. On a world basis the largest is about thirty-fourth, but in terms of Canada they are undoubtedly very large. Surely it behooves us to open up the system to allow some of the foreign concerns to lend their innovative ways, their new approaches, their new techniques and their ingenuity to our Canadian banking system. I would suggest, from people who have talked to me, that already the foreign banks in the limited extent that they have been active in the country have rejuvenated many aspects of our banking business, and I think that is to be encouraged.

One point which I think was raised very effectively at committee was that, if we do not open up our banking system, we will find that there will be less reciprocity open to us as Canadians when we try to go into foreign banking markets ourselves. In short, let us catch up to the 1980s. I feel that if the socialist rump group to my left—

Mr. Knowles: Call us friends or cousins.

Mr. Fulton: What is happening? You called us cousins before.

Mr. Orlikow: I like it better this way.

Mr. Knowles: The blood stream is all mixed up here.

Mr. Stevens: Mr. Speaker, I do not know why they should be so sensitive to being called a rump group.

Mr. Fulton: I thought it was cousins.

Mr. Stevens: Perhaps they feel it very fitting, but what I am saying is that I think it is time that little group stopped playing it purely political, and accepted responsibility for their actions now that they have placed the Trudeau government back in power.

Mr. Fulton: I thought we had an election.

Mr. Stevens: I think it is time that they stood up and said, "We are jointly presenting Bill C-6; we hope the House will accept it; let us go get on with its passage." Instead we have heard speech after speech in which they attempt, if it suits their purpose, to disown the bill and, in any event, delay its passage.

Mr. Fulton: Name one area in which you are different from the Liberals.

Mr. Stevens: My friend is asking for one area in which we differ from the Liberals. I thought I had just mentioned one area in which we very dramatically differ from the Liberals, and that was on the question of the deficit. To me a $3.7 billion—

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

Mr. Deputy Speaker: The hon. member for Winnipeg North (Mr. Orlikow) seeks permission to ask a question.

Mr. Orlikow: I wonder if the hon. member who is so opposed to deficit financing by government would explain to members of the House how it is that the Conservative government of Ontario has had a deficit in the millions for each of the last half dozen years or so.

Mr. Stevens: If the hon. member would like to meet with me after this evening's session, I would be very pleased to go through the budgetary position in Ontario.

Mr. Orlikow: I would like to know now.

Mr. Stevens: I think he will be most impressed to see, if capital items are taken out, that the provincial budgetary position in Ontario is now in surplus. I think the Conservative government of Premier William Davis is to be complimented for keeping a current budgetary surplus in Ontario. To the extent that I can ever be moved to compliment the NDP, of course, in this connection I have to compliment the NDP opposition in Ontario who consistently support Mr. Davis and keep him in power. Clearly the deficit that the hon. member for Winnipeg North thought he saw in Ontario's budgetary position is non-existent. In fact, it is presumably so acceptable that even his cousins in Toronto—

• (2150)

An hon. Member: They are brothers.

Mr. Stevens: Apparently they are brothers, Mr. Speaker.

An hon. Member: Tell us one thing that is different.

Mr. Stevens: The hon. member is asking me to indicate one thing that we would perhaps differ on as far as the Bank Act is concerned. At the committee I think the hon. member may see one or two places where we suggest changes or amendments to Bill C-6, but I do not think that makes it necessary to delay its passage.

For example, one area where I think there should be further consideration is the extent to which it may be advisable to allow our banking institutions to get into leasing. Most of us have had discussions with those who might be affected by bank leasing activities. I think we would be wise at least to hear out those observations and hopefully come up with a formula that would give the banking institutions substantially what they want in leasing activity, because I think, certainly with regard to the big ticket items, there is a need to have further financing and development of leasing. On the other hand, I think it would be a pity if, in giving the banks that new scope, we somehow inadvertently killed off other forms of competition in the leasing of smaller ticket items.

Again at committee we should be more conscious of the fact that the trust and loan companies of this country might perhaps find it very difficult to compete if legislation is not brought in at an early date modifying trust and loan legislation in Canada, ensuring that trust and loan companies are given whatever new provisions are needed to make sure that they become truly competitive with Canadian banks, and to make sure that in no way are they put in a position that they cannot prosper and grow.

In short I am suggesting we do have a good banking industry in Canada. It is time we showed that, as a House of Commons, we can act. Since 1975 this bill has been under review and debate. Surely now there is absolutely no excuse to prolong the debate any further. Let us get Bill C-6 into committee, and if the changes to which I have referred, or other changes that might be suggested, are approved by the committee, that is fine, but let us for once show the business community in Canada that this House of Commons, and hopefully this Parliament, can act when it is clearly in the interests of all Canadians that some action be taken and politics be put in a secondary role.

Mr. Skelly: Mr. Speaker, I wonder if the hon. member would permit a question?

Mr. Deputy Speaker: With the consent of the hon. member for York-Peel (Mr. Stevens).

Mr. Stevens: Certainly, Mr. Speaker.

Mr. Skelly: The hon. member spent a great deal of time talking about foreign banks. I felt he was coming to the conclusion of his remarks and that it might be worth while if, following the presentation of the merits of foreign banking, since this particular act purports to provide for near-banks and other organizations to form banks more quickly and easily to compete with the major banks in this country, he would tell us whether, in his opinion, it would be advisable to provide those institutions that might desire to do so with an opportunity to compete as Canadians rather than having the competition by foreign banks. Would he tell us what hazards he might see in the possibility of extraterritorial control in Canada from these foreign banks? We see this government, and even the Conservative government, sincerely concerned about Canadian control of the economy. What kind of conduits are they creating by allowing foreign banks in this country rather than looking for new mechanisms to legitimize these organizations? Basically, can he answer the question about competition for Canadians and about creating potential extraterritorial control?

Mr. Stevens: Mr. Speaker, perhaps the hon. member for Comox-Powell River (Mr. Skelly) has forgotten that his party

voted us out of power. His question would appear to be much more appropriate for the Deputy Prime Minister and Minister of Finance, or my colleague, the former minister of finance.

Let me simply reply to him that I think we need both. We need encouragement to those who would start new banking concerns in Canada, and none of us are opposed to that. If the trust companies, loan companies, financial institutions and others wish to form new banks, fine, let us facilitate that. At the same time we have to accept that we are part of a very interrelated world banking community, and we cannot continue indefinitely to have the benefits of penetration into some of those foreign countries without accepting at least limited penetration by those foreign banking concerns in Canada. I am suggesting that such penetration is something we need not fear, because I believe with the restrictions in Bill C-6 they are not going to run away suddenly with the domestic Canadian market. On the contrary, I think they will be a very effective, new competitive force in the Canadian market which will make our own bankers even better than they are in serving the public.

Having said that, I do not think those two things are inconsistent. In fact if we do not begin to accept in Canada that we should be much more of an international power, and much more concerned with international activities, we will be destined to a rather secondary role in the world, and that should not be the role for Canada, and certainly would not have been had former Prime Minister Clark been allowed to continue to govern this country.

Some hon. Members: Hear, hear!

Mr. Knowles: We are not cousins any more.

Mr. Stevens: Think of the potential. If we properly change the banking legislation to permit foreign banking activities, such as I am suggesting, and Bill C-6 goes a long way, and if we tried to encourage an atmosphere in Canada for international banking activity, then I can see that Canada could easily become, in North America, the Switzerland of North America. Think of the benefits that would create. If foreign bankers felt that one of the most desirable places to be doing business of an international nature in North America was in Canada, that would be the type of thing I would wish to see encouraged. Let us take the blinkers off. This is a big country. Let us get away from the insular type of petty thinking that seems to be heard so much from my cousins to the left.

Having said that, Mr. Speaker, let me tell you this. If we, as a new Parliament, can pass this bill, that will go a long way toward creating a new sense of confidence in the economic community in Canada. This is needed, and I only hope that members will accept the challenge and say, "Let us debate it, get it into committee and passed." Thank you very much.

• (2200)

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

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

METRICATION—REQUEST METRIC COMMISSIONERS BE RELIEVED OF DUTIES

Mr. Gordon Towers (Red Deer): I wish to thank you, Mr. Speaker, for according me the privilege of bringing to your attention a very important matter. I wish to place before this House some facts about the metric conversion program in this country. They are facts, not arguments.

The fact is that the Liberal government has created a monster in the most devious fashion possible. The metric system was thrust upon the Canadian people by an order in council and by regulation. Surely it must rate as the number one subject which rankles Canadians. It is a costly mistake. It is too much, too soon. It is an over kill.

The metric conversion program was first introduced to this House in the form of a white paper which was tabled in 1970. The government had the courtesy at the time to give our spokesman, Mr. Ged Baldwin of Peace River, advance notice, but even then he had only scant minutes to reply in the House to a subject which has had, and is having, sweeping ramifications across this land. Even then Mr. Baldwin warned the government of the day of the pitfalls of proceeding with haste with metrication unilaterally, without working in concert with the United States, the country with which more than two thirds of our trade takes place.

No, the government decided to operate by stealth. Metrication was introduced through the back door and, like Topsy, it just grew. Last week in the House the Minister of State for Small Businesses (Mr. Lapointe) conceded that no formal metric bill had ever come before this House. I question, since this is the case, whether the metric program has effect in law. It was not passed by this House. Were indeed the estimates for the program passed by this House? I think not. What is the legal glue which holds this sticky wicket together?

We have had occasion to amend existing pieces of legislation so that they conform with the SI scale of measurements, amendments which could allow the use of metric standards in lieu of the inch-pound measurements. I would like to lay some facts before you, Mr. Speaker. Fact one, the metric program was introduced to the House in the form of a white paper. Fact, the white paper was not debated, merely commented upon by opposition spokesmen, and very briefly. Fact, opposition spokesmen warned the government of the suicidal course of going it alone without parallel measures coinciding in the United States.

Fact, the metric commission was established by executive order or by cabinet. Parliament was bypassed in the creation

of the overseers of the metric program. Not even the NDP raised a word about this fact. Fact, as the Minister of State for Small Businesses has readily admitted in his reply to my question of privilege, an omnibus bill which would allow us to debate the principle of the metric system was never brought before this assembly.

Fact, the metric program was imposed on the good citizens of three major centres of population, Peterborough, Ontario; Kamloops, British Columbia; and Sherbrooke, Quebec. Fact, the program has not been well received and the government has had to pull in its horns in all three areas. Fact, in Peterborough, Ontario, residents boycotted city stores which had to use metric and did their shopping in the neighbouring communities, which was a severe financial hardship on Peterborough merchants. Fact, despite the unpopularity of the metric program, the bureaucrats intend to introduce metric, cold turkey, in 25 or 26 other cities and towns early next year.

This is folly, Mr. Speaker. Why is the government so prone to rush in when it is so obvious there is built-in resistance to an unpopular program? Why can the government not admit a mistake and draw back until the time has come for metric? It may not be in my lifetime, but perhaps sometime in the distant future. Our young generations, our school children, will have little trouble assimilating metric along with their other studies. Perhaps the solution to the dilemma would be to have school children study both systems, become conversant with both, in order to plan for that day when metric might be introduced in a sane and rational fashion when it is needed.

You cannot teach an old dog new tricks, Mr. Speaker. I, for one, will probably always rely on the old measurements. Even though metric has been in effect for some years, I still convert in my head metric to the old scale.

● (2205)

I implore the government not to proceed with this foolhardy course it is taking. If it persists, let us get it out into the open, get a bill before Parliament where the principle of metric and metric conversion can be intelligently debated. Let us get it out in the open so that the elected representatives can voice the concerns that are being expressed to them by angry and confused constituents, businessmen and ordinary citizens.

If, as the Minister of State for Small Businesses admits, a metric bill has never been debated in this House, now may be the time to do it, now before the bureaucrats ram the program down the throats of Canadians in 25 or 26 other centres. Let us have a free vote.

Let us work in concert with our neighbour to the south. Let us find out what its plans are vis-à-vis the metric system. Let us get off this unilateral, undemocratic course, pushed at us by an arrogant government. The Prime Minister (Mr. Trudeau) said he would listen to the petitions of western members; let him now fulfil that promise.

Mr. Ralph Ferguson (Parliamentary Secretary to Minister of State, Small Businesses): Mr. Speaker, I think perhaps I should quote the president of the nation to the south, Mr. Carter, who, in January 1980, said this:

I personally support and encourage the use of the international metric system of measurement in the United States. Conversion to the metric system will help us to expand America's export market.

Mr. Carter concluded with these words:

Because I believe metric conversion holds important long-term benefits for our country, I am taking steps to encourage the use of this system in the private sector as well as in government.

With regard to the comment on working in concert with the United States, it is interesting to note that plans for the automobile industry in north America are for it to be completely metric by 1982.

Legislation on the subject of metric conversion has had considerable debate in this House. The use of the metric system was made legal by Parliament with the passage of the metric Weights and Measures Act many years ago. The Weights and Measures Act of 1971 included an amendment which made the international system of units the legal embodiment of the metric system in Canada. The policy that metric conversion was inevitable and in the national interest was established with the House leaders of all parties on January 15, 1970, speaking in the House in support of the white paper on metric conversion in Canada.

The Consumer Packaging and Labelling Act of 1971 made it mandatory for all pre-packaged goods to carry a metric contents declaration.

The Statute Law Amendment Act of 1976, which was debated in this House over a period of nine months, gave the governor in council the power to set dates in any sector of the economy after which the use of the customary or imperial system would be illegal.

A program of guideline dates for metric conversion recommended by Metric Commission Canada after consulting with industry, labour and consumer groups, was approved by the government and debated in the House of Commons on March 17, 1975. The Standing Committee on Finance, Trade and Economic Affairs studied this matter at length and voted unanimously in favour of it. It reported it back to the House of Commons on December 17, 1976, with a recommendation that the House consider the advisability of adopting this program and also introduce additional legislation to metric conversion. Subsequently the Statute Law Amendment Act of 1976, was passed by the House of Commons on July 25, 1977, and received royal assent on August 5, 1977.

In view of the fact that metric conversion currently is proceeding or has been completed in 88 of the 100 odd sectors of the economy which have published conversion plans, with the phasing and co-ordination of Metric Commission Canada, there is a proven continuing need for the commission staff and the commissioners to ensure that orderly conversion is made to the best advantage to consumers and to Canada.

It is interesting to note that an industry in my constituency has expanded its production threefold since going metric because it can now export to Europe.

Adjournment Debate

• (2210)

TRANSPORT—MOVEMENT OF GRAIN—ALLOCATION OF HOPPER CARS TO BRITISH COLUMBIA RAILWAY

Mr. F. Oberle (Prince George-Peace River): Mr. Speaker, I rise tonight to debate a matter which I discussed briefly during the question period with the Minister of Transport (Mr. Pepin). I choose this timing because it is my understanding that the minister visited this strange and mysterious land beyond the rocks which is called Colombie-Britannique. He just returned from there. I presume he had some discussions with the politicians and transport managers there. Maybe, just maybe, his parliamentary secretary will be able to make an announcement tonight with respect to this matter which has been of concern to me and the people I represent in the farm community in the Peace River area.

I asked the minister in the House why it is that the British Columbia Railway, which is known to some people in his department as a foreign railway because there is no direct subsidy or involvement by the federal government or the national railways in the ownership and operation of that railway, has never been allocated any hopper cars. These are the cars, as hon. members know, that are part of our modern grain delivery system. They are now essential to fulfilling the task of getting our grain to market.

The reason the minister used for not allocating any hopper cars to the railway relates back to the Crowsnest freight rate. As hon. members know, it has always been the understanding that the railways would have to haul grain from the prairies to the ports on a subsidized basis because, without that, it would be very difficult to compete in world markets. It has always been the understanding as well that, in return, the railways were granted large areas of land and other concessions. Over the years they have been granted other subsidies like branch line subsidies and so on. All of these things were never granted to the BCR.

The minister argues, and he said to me in answer to my question in the House that the subject is debatable. That is what I am doing here. He said the BCR, because all their grain goes to the west coast from the Peace River country, is not obliged to haul its grain on the same terms and conditions that the national railways haul through the Crowsnest Pass. That is quite true. However, nobody would ship any grain on the BCR if it were not shipped and transported in competition with the rates that prevail in other parts of the western prairies. The Peace River country, knowing the geography of this country, is the last part or the tail end of the prairies.

When the BCR extended its line to Fort St. John in the B.C. portion of the Peace River country, it had to compete with the Crowsnest rates. It began in 1958 to haul grain at the same price it was hauled to other ports by other railways. Therefore, that argument does not hold true. It has been very disconcerting to us because many farmers in the Peace River country have not been able to fill their quotas. There were never any cars. There are not sufficient cars there now to move the grain from the elevators to the port.

As well, the system is being modernized and changed to the point where these cars are essential because it is very difficult to unload the conventional cars at the ports now with all these modern elevators.

In 1973 the federal government purchased the first 2,000 hopper cars and allocated them to the national railways. They were allocated in proportion to the volume that these railways were hauling, CP and CN. CP got 52 per cent of the initial order and CN got the rest. They passed them on to the other railways such as the Northern Alberta Railway which competes with the BCR to some extent for the Peace River grain. That particular railway, because it is not an alien railway and because it is owned by the CN and CP jointly, has the use of these hopper cars.

In 1975-76 another 4,000 were bought by the federal government. In 1978 another 2,000 were purchased. That is 8,000 altogether. As we all know, the minister now has a commitment which was made by the former Conservative minister to purchase another 2,000 cars. Even though there is some doubt about that commitment, since he is using different criteria to make an assessment, I understand from the answer he gave the other day to one of my own friends from Alberta that he will live up to that commitment. So the federal government will have about 10,000 of these cars in service. These are allocated to the national railways at a cost for maintenance and repair of 3 cents per mile.

• (2215)

It is true BCR has been offered some of those cars but 23 cents a mile was demanded for maintenance and repair, and that is not tolerable. It is true, also, that British Columbia has not contributed to the extent of other provinces to the aquisition of these cars. Alberta has made a commitment to purchase a thousand cars, and other provinces have purchased or leased some. On the other hand, the government of British Columbia will have told the minister during his visit out there that it has made contributions in other areas, namely, through the development of Prince Rupert, helping with the infrastructure to a large extent, and so on. So there is no excuse for the withholding of a number of these cars which are owned by the taxpayers of Canada through the Wheat Board. There is no reason a portion could not be allocated to the British Columbia Railway, and I hope tonight the parliamentary secretary will have an answer for me.

Mr. Robert Bockstael (Parliamentary Secretary to Minister of Transport): Mr. Speaker, I am glad of this opportunity to reply to the hon. member on this question of the allocation of hopper cars to the British Columbia Railway.

The hon. member suggested that BCR is viewed by Department of Transport officials as a foreign railway. The fact is that the railway does not come under the Railway Act and is therefore not obliged to carry grain at the Crowsnest Pass rates. I am sure our major railways find this position enviable. The British Columbia Railway voluntarily maintains a rate structure for grain comparable to the statutory rate.

It is correct that no hopper cars purchased by the federal government or by the Canadian Wheat Board have been allocated to the British Columbia Railway. This is because of the general shortage of cars and the fact that the federal government has no jurisdiction over the said provincial Crown corporation. However, the government is sympathetic to the case presented by the Peace River region grain producers that the railway which serves them should receive an allocation of hopper cars from the federal government and the Wheat Board fleet.

The Wheat Board has entered into discussion with the British Columbia Railway to establish the railway's need for the cars. As the hopper car fleet increases, so does the likelihood of some cars being allocated to the BCR for grain service. Nevertheless, the federal government must obtain certain assurances from the railway regarding car operation, future rates to be charged and grain service provided.

I am pleased to inform the hon. member that discussions have taken place as recently as this morning between the Canadian Wheat Board and the British Columbia Railway and that it is very likely some agreement will be arrived at in the near future.

ENVIRONMENTAL AFFAIRS—ACID RAIN—CANADA-U.S. DISCUSSIONS

Mr. Jim Fulton (Skeena): Mr. Speaker, the Minister of the Environment (Mr. Roberts) indicated on his return from Washington that he had received no commitments from the Americans. In fact Mr. Costle, the head of the Environmental Protection Agency, said the following about planned coal plants in the United States: If the coal plan means more emissions in the northeast, "we are going to have to offset them," meaning the emissions, "somewhere else."

● (2220)

Where is that? Are the Americans considering setting aside some areas of their country as pollution wastelands? Is Canada to be one of those zones, or is this government going to be tough and aggressive and protect this land and Canadians?

The minister alluded to the fact that ten years ago the Scandinavian countries were concerned about acid rain. Today their lakes are dead. What the minister is saying is that we will cut back a few percentage points over the next few years while the United States increases by many. The remedy the minister offers is a prescription for a dead environment. Why has he not taken the reins in this situation and set acceptable limits to be met this year, in time to be of some use to Canada?

The U.S. response is unacceptable, and it is time to increase pressure from Canada. The Liberal actions are a peculiar approach: on the one hand to export low-cost non-polluting natural gas to the United States while, at the same time, President Carter is putting in place and operating coal-fired plants with little and often no pollution reduction equipment. There is a need for analysis of the costs foisted on us by the Americans, and at the same time an analysis of the energy benefits given to the United States by our country such as hydroelectricity and natural gas.

Our lakes, buildings, farms and health are taking the brunt of coal-fired pollution to allow the coal-producing and consuming states to maintain low energy rates and costs.

The United States is dumping five times as much on us—three million to four million tons per year—as we are on them. They dump about one quarter of their airborne pollution into Canada, which kills off lakes, etc., in Ontario, Quebec, and the maritimes principally. Quebec is one of the most sensitive geologically, and the history of the federal government in pressuring the U.S. has been weak-kneed and ineffective.

Destruction of the Canadian environment by "insignificant increment" now has deadlines that can be measured in tons, days and months.

The minister made political hay here in Canada recently by juggling maximum limits from Inco, which were at 3,600 tonnes per day and, with present output, are only 2,200 tonnes per day. This allowed the hon. gentleman to lull Canadians into thinking that something is being done and that because Inco was not polluting full bore the minister was somehow responsible for this incremental reduction. This is hardly the case. Available information in Canada indicates that emissions can be brought by Inco to below 1,000 tonnes per day at a cost of only 20 cents per pound. This would put Inco in a highly competitive and unreduced production position. Why is the minister not mobilizing a plan to reach the figure immediately?

The question is, what is the minister doing? I state to the House that he is doing nothing in Canada to demonstrate a tough attitude in order to protect Canadians from our own pollution, nothing to demonstrate to the United States that we will stop dumping over one million tonnes per year into their back yard, and nothing to awaken the United States to the fact that Canada will not accept the destruction of our environment, lakes, fish, farmland, health, forests and general well-being. In fact President Carter proposes to increase emissions by hundreds of thousands of tonnes into Canada.

Is the minister waiting for a major health epidemic or photographs of thousands of dead acres of fish and trees? Or is the *de facto* Liberal policy that the environment is of no value?

Perhaps the minister's representative here in the House tonight will reveal just what steps the Liberal government and the minister are taking on all fronts to obtain reductions from the United States. If he cannot be specific, that is precisely what he should say to this House and to Canadians.

Mr. Roger Simmons (Parliamentary Secretary to Minister of State for Science and Technology and Minister of the Environment): Mr. Speaker, notwithstanding what the hon. gentleman has said about acid rain in the Scandinavian countries, acid rain has not long been recognized as a problem of major proportions. Indeed, it was only in 1976 that the OECD recognized it as a serious problem. It is only in the last half dozen years, I say to my colleague, that the matter has

appeared to take on the kind of urgency which he speaks of tonight.

In those years the problem has mushroomed in Canada. We now emit into the air in sulphur dioxide and nitric acid something in the order of five million metric tons of the first, sulphur dioxide, and just about two million metric tons of the latter, nitric acid or nitrogen oxides generally. It is a problem of major proportions. The problem is seen in its true proportions when we realize that the United States emits five times what Canada does.

As I listened to the hon. gentleman, I realized that much of his grievance is against the United States, and so is ours. To that end about three weeks ago the Minister of the Environment (Mr. Roberts) went to Washington and spoke with Mr. Costle, the head of the Environmental Protection Agency, about the subject of acid rain and what ought to be done about it.

We are very disappointed and discouraged by the failure of the Carter administration to include any provision for reducing emissions in its coal conversion program. However, I say to my friend, the hon. member for Skeena (Mr. Fulton), that the light at the end of the tunnel is that Mr. Carter's coal conversion program has not yet passed the Congress. I say to him, and to others in the House, that this is a good time for us in the House and in the country to give a higher profile to the increasingly serious subject of acid rain and its adverse environmental impact on acquatic life and, to some degree, though more indirectly, on agricultural products.

There are things which we have to do here at home, and to this degree we wanted to be identified, as we were last week, with the program being undertaken by the Ontario government in so far as Inco in Sudbury is concerned, but that is only part of the solution to the problem. It is easy to knock it because we have not come up with an instant solution in one day, as is the wont of my colleague and his friends in that party, but we are on the road; we are beginning.

Part of the solution lies in persuading the U.S. government and the U.S. Congress that what they are doing with the coal conversion program without proper safeguards in so far as acid precipitation emissions are concerned, is further damaging our situation here in Canada and their own situation in the United States. I believe that that is the main lever which, without reference to partisan causes, we should highlight now to the degree that we may have some effect, we hope, on the passage of this coal conversion program through the American Congress.

[*Translation*]

Mr. Deputy Speaker: Order. The motion to adjourn the House is now deemed to have been adopted. Accordingly, this House stands adjourned until tomorrow at 2 p.m.

Motion agreed to and the House adjourned at 10.27 p.m.

HOUSE OF COMMONS

Wednesday, May 7, 1980

The House met at 2 p.m.

● (1405)

HANSARD CENTENNIAL CELEBRATION

ACKNOWLEDGEMENT OF 100TH BIRTHDAY FROM HER MAJESTY THE QUEEN

Madam Speaker: I have the honour to inform the House that I have received the following communication from Her Majesty the Queen in response to my letter of April 16, 1980:

Thank you for your message of loyal greeting sent on the occasion of the 100th anniversary of the founding of the Official Report of the *House of Commons Debates*. The ceremony on May 7 will honour an institution which is indispensible and incorruptible. I appreciate the greetings from all those who are associated with the publication of *Hansard* in Canada and I express my confidence in the continuing impartiality and accuracy of this institution.

Elizabeth R.

Some hon. Members: Hear, hear!

Madam Speaker: I should also like to inform hon. members that at noon today, in the rotunda of Parliament, I unveiled a plaque which commemorates the first 100 years of *Hansard's* service to the House of Commons.

[*Translation*]

Today I had the honour of unveiling a plaque commemorating the centenary of our Official Report known in English as *Hansard*. That event deserves to be celebrated because it bears witness to a phenomenon that belongs, at one and the same time, to oral and written tradition.

So much has been said in both Houses of our Parliament that it would have been a pity not to keep the text of all speeches which reveal the substance of the concerns of all those who have spoken on behalf of their fellow citizens. From the spoken word, the voices of the illustrious spokesmen of our country have been recorded in writing, thus giving permanence to the words while respecting as much as possible the tone and inspiration.

That move, whose perfection preceded the technology of radio and television, bears witness to the quality of its initiators and of those who have never ceased since to record faithfully the words of our parliamentarians.

From the scribes of antiquity and the transcribers of the Middle Ages, to the faithful recorders of *Hansard*, there has been continuity in the art, patience and faithfulness which, on your behalf, I want to praise and honour.

Hon. Yvon Pinard (President of the Privy Council): Madam Speaker, allow me to join you and pay special tribute, on behalf of my colleagues on this side of the House, to the staff of *Hansard* whose 100th anniversary is being celebrated today.

As we know, the members of that staff record, with considerable spirit, the verbal exchanges in this House and though, on occasion, corrections are requested, in all fairness it must be pointed out today, without—ambiguity statistics prove it—that on average only one word out of 10,000 needs correcting. That is surely a most enviable record for the staff who devote themselves to the Debates of the House, *Hansard*.

If, occasionally, hon. members ask for a correction, this is truly a very rare occasion because the *Hansard* staff have always performed their work admirably well. This fact deserves to be stressed on this very special occasion.

Finally, they have contributed in a very direct way in bringing Parliament close to the people by transcribing our deliberations word for word; in so doing, they bring our noble institution closer to the man on the street, thus contributing in a priceless way to the evolution of democracy in Canada. On behalf of my colleagues of the Liberal party and the government, I join you, Madam Speaker, in paying a sincere tribute to the *Hansard* staff from its very beginnings, that is 100 years ago today.

[*English*]

Right Hon. Joe Clark (Leader of the Opposition): Madam Speaker, I begin my remarks by noting the absence of our Clerk, Dr. Koester, who is convalescing satisfactorily at home today following heart surgery. I know that Dr. Koester has taken a lively interest in today's commemoration of the centenary of *Hansard*, and I am sure all hon. members join with me in wishing him a speedy return to health and to service in this Chamber.

On behalf of Her Majesty's Loyal Opposition, I am pleased to join in offering birthday greetings to *Hansard* on the occasion of its centennial celebrations.

[*Translation*]

Madam Speaker, it is with deep respect and pride that I pay this tribute to *Hansard*. Our House of Commons debates staff have provided a unique and essential service to the House of Commons, to the Canadian public and to our democratic system.

It was under the Sir John A. Macdonald government that the Canadian House of Commons established *Hansard* as an integral part of our debates. In fact, after the appearance of

the Canadian *Hansard*, one of its main supporters was Sir John himself who said, and I quote *Hansard* as many of us sometimes do in the House:

[*English*]

If we can afford it—and we can afford it—every hon. member who represents a constituency has a right to have his speech reported; for we are all equal here, we are all equally interested and have equal rights and responsibilities; we all have the same rights; the youngest member has the same right as the oldest member to have his utterances as fully spread out in the official report as the Leader of the House or of the Opposition.

● (1410)

In helping to create *Hansard,* Sir John understood that it would best serve Parliament and the nation by allowing each and every member of this House an equal opportunity to be reported and read. In this sense, *Hansard* is truly a critical extension of our deliberations here in this House.

Hansard is daily evidence of one of the essential ingredients in our parliamentary democracy—freedom of speech. *Hansard* helps both to preserve and enhance this important freedom, and I think it fitting that we in this House honour today the major contribution that *Hansard* and its staff have made to our Parliament and to our country.

Some hon. Members: Hear, hear!

Hon. Stanley Knowles (Winnipeg North Centre): Madam Speaker, on behalf of the New Democratic Party, I join with the President of the Privy Council (Mr. Pinard) and with the Leader of the Opposition (Mr. Clark) in paying tribute today to the job which has been done for Parliament and for the people of Canada by *Hansard*.

In these days we tend to take this institution for granted. Perhaps it is well to remind ourselves that there was not always the practice of letting the people know what was said in legislative halls. There were days when members tried to keep secret what went on in bodies such as ours. But public demand for information, and the public's insistence on the right to know, brought *Hansard* into being in other countries, and brought it into being in a tentative form early in the life of our Parliament. However, in an official form, under a branch set up by our House of Commons, *Hansard* began just 100 years ago. We pay tribute to what has been done during those 100 years.

In the few words I am privileged to say, I should like to point out that just as history is people, so an institution like *Hansard* is people. It has been that way across the years and it is that way today. I know of no service that works for Parliament in which those who do the work are as interested in the job they are doing, are as anxious to know its history and are as concerned about doing an accurate and good job as are the members of the *Hansard* staff.

Some hon. Members: Hear, hear!

Mr. Knowles: I suppose I am admitting something, which I do not mind admitting, if I say that on many days a member of the *Hansard* staff comes to me and asks me what it was like back ten, 20, 30 or 40 years ago. To me, that is an indication of their interest in the institution and we are indeed honoured to have such a staff with us.

As a matter of fact, they are part of a great tradition. I have known *Hansard* editors from Earl Young down to Charlie Empringham, who is with us today, to John Robertson, who defied the Speaker—when the Speaker asked him to say something, John refused and walked out—then Newell Price down to Doug Baker, who is our editor today. I have also known a number of the editors of French debates including, today, Mr. H. J. Lacombe.

The *Hansard* people show their liking for the job by the number of them who are here for a long time. Around here I get teased about having been here for quite a while. What about Eddie Quirk of the *Hansard* staff, who came to work for the House of Commons 52 years ago? He, of course, is in a great tradition.

Some hon. Members: Hear, hear!

Mr. Knowles: When *Hansard* was first established, there was engaged as an assistant to the *Hansard* office a Mr. John Boyce. He liked it so well that later on his son Charles became part of the *Hansard* staff and then moved over to *Journals*. When I came here in 1942, he asked me if I had ever heard of Arthur Puttee, whom I still knew for he was still alive. He had been a member of Parliament for Winnipeg back in 1900.

● (1415)

Then there was also John Boyce's daughter, Ida Boyce, who used to like to tell us in those old days about ancient experiences, such as trying to cover the Liberal convention of 1919. So these are long traditions. There are persons here today who have spent many years in this service. They are not just employees, not just hands at work, they are part of what we do. We are proud of them and I am pleased to join in the tributes being paid today.

I should like to close by congratulating the associate editor of *Hansard*, John Ward, on the book "The Hansard Chronicles" which he recently published, and to read the last sentence or two of his book. In the final paragraph, Mr. Ward makes reference to the Right Hon. Sir John S. Thompson and to Sir John George Bourinot. These are his two final sentences:

There was delicious irony in the spectacle of two former *Hansard* reporters, Bourinot and Thompson, sitting in the chamber within a few feet of each other, the Clerk of the House of Commons, and the Prime Minister of Canada. Who knows what *Hansard* has yet to offer the nation?

Some hon. Members: Hear, hear!

HOUSE OF COMMONS

PRESENCE IN GALLERY OF SOLICITOR GENERAL FOR BERMUDA

Madam Speaker: I should like to draw to the attention of the House the presence in our gallery of Mr. Saul M. Froomkin, Solicitor General for Bermuda.

Some hon. Members: Hear, hear!

ROUTINE PROCEEDINGS

[*English*]

ROYAL CANADIAN MOUNTED POLICE

CALL FOR INQUIRY INTO SUICIDE OF INSPECTOR JAMES WORRELL—MOTION UNDER S.O. 43

Mr. Svend J. Robinson (Burnaby): Madam Speaker, I rise on a matter of urgent and pressing necessity, pursuant to the provisions of Standing Order 43, which I hope will receive the unanimous consent of the House.

In view of the fact that RCMP Inspector James Worrell shot and killed himself last Saturday at his home in Winnipeg following testimony before the McDonald commission the previous week, and in view of the fact that the Solicitor General has expressed his serious concern—shared by all of us—about the circumstances of this suicide, I move, seconded by the hon. member for Winnipeg North Centre (Mr. Knowles):

That this House call upon the Solicitor General to commence immediately a comprehensive inquiry into the circumstances surrounding the suicide of RCMP Inspector Worrell.

Madam Speaker: Such a motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

FISHERIES

COD STOCKS—ACCESS FOR ALL CANADIAN FISHERMEN—MOTION UNDER S.O. 43

Mr. Lloyd R. Crouse (South Shore): Madam Speaker, I rise, under the provisions of Standing Order 43, to move a motion of urgent and pressing necessity.

In view of the fact that the minister of fisheries in Newfoundland has started an interprovincial cod war between the Newfoundland government and the fishermen of Nova Scotia by demanding that Nova Scotian-based companies immediately withdraw their fleets from the northern cod fishery, I move, seconded by the hon. member for Halifax West (Mr. Crosby):

S.O. 43

That the federal Minister of Fisheries and Oceans take steps immediately to mediate and bring to an end this dangerous conflict and ensure that all Canadian fishermen have access to all cod stocks in Canadian waters.

Madam Speaker: Such a motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

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INTERNATIONAL YEAR OF DISABLED PERSONS

CELEBRATION IN 1981—CANADIAN PARTICIPATION—MOTION UNDER S.O. 43

Hon. W. G. Dinsdale (Brandon-Souris): Madam Speaker, under Standing Order 43 I am raising a matter of urgent and pressing necessity.

In view of the fact that Canada is on the eve of hosting the Rehabilitation International Congress which will be held at the Winnipeg Convention Centre in June—an event that is a prelude to the International Year of Disabled Persons in 1981—and the Government of Canada has neglected to put into operation the Canadian organizing committee for 1981, a project that was well under way before the election, I move, seconded by the hon. member for Rosedale (Mr. Crombie):

That the organizing committee for 1981 be organized immediately to proceed with its urgently important work of planning Canadian participation in the International Year of Disabled Persons.

Madam Speaker: Such a motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

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● (1420)

ENERGY

PROTECTION OF LOW AND FIXED-INCOME FAMILIES FROM INCREASED COSTS—MOTION UNDER S.O. 43

Mr. J. M. Forrestall (Dartmouth-Halifax East): Madam Speaker, I rise, as well, under the usual provisions of Standing Order 43.

What can only be considered to be a policy statement was made by the Minister of Energy, Mines and Resources (Mr. Lalonde) in Halifax over the weekend. It was very disturbing with respect to the denial of any offsetting assistance regarding ever-escalating domestic, commercial and industrial electricity rates, which are already twice the national average—$259 in Charlottetown and $53 in Trail, for the same 5,000 kilowatt-hour package. I move, in view of this statement which denies any assistance to low, middle and fixed-income people:

S.O. 43

That this government take immediate measures similar to those proposed by the former Progressive Conservative government to protect low and fixed-income families in Atlantic Canada against the unacceptably high increase in electrical costs which will result from this direct and new government policy.

Madam Speaker: Such a motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

TOURISM

DISTRIBUTION OF INACCURATE TRAVEL BROCHURES ON ATLANTIC CANADA—MOTION UNDER S.O. 43

Mr. Bob Corbett (Fundy-Royal): Madam Speaker, I rise, under the provisions of Standing Order 43, on a matter of urgent and pressing necessity.

In view of the fact that the federal Department of Tourism has caused to be printed 15,000 travel supplements, supposedly promoting the Atlantic provinces, which have been distributed to households throughout the United States and portray Saint John, New Brunswick, to be in the middle of the St. Lawrence River upstream from Montreal, places Halifax where Saint John used to be, and indicates the province of Nova Scotia has replaced Maine—all of which could adversely affect the tourist industry of New Brunswick and the entire Atlantic region—I move, seconded by the hon. member for Annapolis Valley-Hants (Mr. Nowlan):

That the House instruct the Department of Tourism to publish and distribute to the participating newspapers a travel brochure rectifying the errors and correctly depicting the geography and beauty of the Atlantic region.

Madam Speaker: Such a motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

AGRICULTURE

DISTRIBUTION OF PETROLEUM PRODUCTS TO AGRICULTURAL INDUSTRY—MOTION UNDER S.O. 43

Mr. Fred King (Okanagan-Similkameen): Madam Speaker, I rise on a matter of urgent and pressing necessity under the provisions of Standing Order 43. Agriculturalists across Canada are alarmed at the implications contained in the Energy Supplies Allocation Board's designation of agriculture as deserving of not higher than second level priority in the distribution of petroleum products. Considering the fact that food production is the final and only imperative for individual and national life maintenance, I move, seconded by the hon. member of Okanagan North (Mr. Dantzer):

That this Parliament of Canada instruct the Energy Supplies Allocation Board to place agricultural producers and industries at the highest possible priority as users of petroleum products in any emergency which interrupts normal supplies.

Madam Speaker: Such a motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

EXTERNAL AFFAIRS

INTERCOMMUNAL TALKS—FAILURE OF TURKEY TO ABIDE BY UNITED NATIONS RESOLUTIONS—MOTION UNDER S.O. 43

Mr. Bob Rae (Broadview-Greenwood): Madam Speaker, I rise under the provisions of Standing Order 43.

In light of the fact that no progress has been made in the intercommunal talks in Cyprus, and in light of the fact that this lack of progress can be principally ascribed to the failure of the occupying power, Turkey, to make any significant concessions or to live up to resolutions passed in the United Nations and supported by Canada, I move, seconded by the hon. member for Hamilton Mountain (Mr. Deans):

That this House calls upon the Canadian government to insist that any bilateral or multilateral economic or military assistance to Turkey be linked directly to that country's willingness to make concessions in the Cyprus negotiations, and calls on the government to maintain Canadian participation in the United Nations forces until such time as the negotiations produce a settlement satisfactory to both sides.

Madam Speaker: Such a motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

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HOUSING

POLICY ON RENTAL PAYMENTS FOR CROWN-OCCUPIED ACCOMMODATIONS—MOTION UNDER S.O. 43

Mr. Bill McKnight (Kindersley-Lloydminster): Madam Speaker, I rise, under the provisions of Standing Order 43, on a motion of urgent necessity concerning the hardships being experienced by lessors across Canada who are seeking financial relief in terms of an adjustment to rental payments for Crown-occupied accommodations.

Consideration by the Department of Public Works and the Treasury Board have been ongoing, without arriving at an acceptable solution. I move, seconded by the hon. member for Dartmouth-Halifax East (Mr. Forrestall):

● (1425)

That this House urge the President of the Treasury Board and the Minister of Public Works to personally intervene in the consultations, with a view to immediately ending the discriminatory aspects of this government policy by including escalation clauses in these particular leases.

Madam Speaker: Such a motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

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TRANSPORT

LCL FREIGHT SERVICE IN BRITISH COLUMBIA—PROTESTED CURTAILMENT—MOTION UNDER S.O. 43

Mr. Lorne McCuish (Prince George-Bulkley Valley): Madam Speaker, I, too, rise on a matter of urgent and pressing necessity under the provisions of Standing Order 43.

Having regard to a decision taken by the British Columbia Railway to eliminate less than carload freight shipments and to curtail pick-up and delivery services at major points in northern British Columbia—including such settlements as Fort St. James, Fort St. John, Dawson Creek and Fort Nelson—and to dramatically increase pick-up and delivery charges in other centres, and having regard to the fact that this action will result in additional cost and economic hardship in those areas, I move, seconded by hon. member for Prince George-Peace River (Mr. Oberle):

That the Minister of Transport immediately exercise his full authority to prevent the curtailment of these services to these communities which rely very heavily on this vital transportation link, and that the minister be required by the House to examine subsidy agreements which exist between his department and the major railways in Canada that offer similar services to rural and northern areas of the country, with a view of offering subsidy payments to the BCR commensurate with those paid to other railways.

Madam Speaker: This motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

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ENERGY

RESOLUTION ON OIL PRICES WITH PRODUCING PROVINCES—MOTION UNDER S.O. 43

Mr. Bill Wright (Calgary North): Madam Speaker, I rise, under the provisions of Standing Order 43, on a matter of urgent and pressing necessity.

In view of the fact that the Saudi Arabian oil company, Aramco Corporation, has commissioned Human Resources Management Ltd., of Calgary, to recruit 1,700 Canadian petroleum and other employees, offering tax-free salaries, paid vacations, free medical care and free education anywhere in the world for the workers' children, for a two-year tour of duty in Saudi Arabia, I move, seconded by the hon. member for Edmonton East (Mr. Yurko):

That this House direct the Minister of Energy, Mines and Resources to move quickly to reach a satisfactory resolution on oil prices with the producing provinces, so that the companies which find and produce the oil in this country can develop their corporate plans and compete with Saudi Arabia for the skilled manpower which this country needs to achieve self-sufficiency.

Madam Speaker: This motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

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HAZARDOUS SUBSTANCES

IMPORTATION OF RADIO-ACTIVE SLAG—CLASS ACTION PROCEDURES—MOTION UNDER S.O. 43

Mr. Ian Waddell (Vancouver-Kingsway): Madam Speaker, I rise under the provisions of Standing Order 43. In view of the fact that the Atomic Energy Control Board of Canada has permitted the importation of radio-active slag in Surrey, British Columbia, possibly with negligence on the part of the companies or on the part of the agency itself, and in view of the fact that there are legal difficulties for a number of residents to sue because we do not have in Canada, as they do in the United States, adequate class action procedures for lawsuits so that a number of residents could sue, I move, seconded by the hon. member for Burnaby (Mr. Robinson):

That the government be urged to bring in procedural legislation enabling easier class action lawsuits in federal courts in Canada, and that the government press its provincial counterparts for similar legislation.

Madam Speaker: Such a motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

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ADMINISTRATION OF JUSTICE

REQUEST COMPLEMENT OF JUDGES BE INCREASED—MOTION UNDER S.O. 43

Mr. Howard Crosby (Halifax West): Madam Speaker, I rise under the provisions of Standing Order 43. In view of the fact that statements made by a member of the Supreme Court of Canada, that legal aid cases are "plugging the courts in all ten provinces", might cast serious doubts on the value of legal aid programs and raise questions about the state of justice in Canada, I move, seconded by the hon. member for Fundy-Royal (Mr. Corbett):

That this House direct the Minister of Justice and Attorney General and Minister of State for Social Development to immediately determine whether the allegations respecting legal aid cases in the courts are correct and, if so, take action to ensure that Canadians are properly served by increasing the complement of judges available to try cases.

Madam Speaker: Such a motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

● (1430)

ORAL QUESTION PERIOD

[*English*]

GOVERNMENT EXPENDITURES

WINNIPEG—GOVERNMENT FUNDING OF RAILWAY RELOCATION

Right Hon. Joe Clark (Leader of the Opposition): Madam Speaker, my question is to the President of the Treasury Board. On Sunday, in Winnipeg, the Minister of Employment and Immigration suggested that there should be consideration given to financing railway relocation in that city by taking money from existing federally-funded programs.

I presume that this proposal has been discussed in cabinet or, at least, in Treasury Board. Would the President of the Treasury Board tell the House which existing programs the government has in mind, and from which existing programs the government proposes to divert funds for the purpose of railway relocation in the city of Winnipeg?

Hon. Donald J. Johnston (President of the Treasury Board): Madam Speaker, under the new expenditure management system, with which the right hon. Leader of the Opposition is familiar, decisions of this kind must be made within the envelope. The opposition leader is familiar with those procedures and he can assume that they will be carried out.

Mr. Clark: Madam Speaker, I would assume, from the reply made by the minister, that the funds for the railway relocation in Winnipeg will be diverted from programs that are now in the social and cultural envelope of the Government of Canada; or will they be diverted from the economic development envelope?

I ask this question because a minister who is responsible for a social program announced the economic development initiative. Which envelope is affected, the economic development envelope or the social envelope?

Mr. Johnston: Madam Speaker, if the hon. gentleman is suggesting, or questioning whether or not we know what we are doing, the answer is yes, we do.

Some hon. Members: Oh, oh!

Some hon. Members: Hear, hear!

REGIONAL ECONOMIC EXPANSION

WINNIPEG—DREE CONSIDERATION OF FUNDING RAILWAY RELOCATION

Right Hon. Joe Clark (Leader of the Opposition): Madam Speaker, I can understand why the minister feels called upon to make that statement of faith, because nobody else in the country believes it.

Some hon. Members: Hear, hear!

Mr. Clark: The minister has not indicated from which department the money for railway relocation will come, although I gather that he was saying the money will come. Since the government keeps its word, I gather that it will be to the extent of $100 million, as promised by the Minister of Employment and Immigration.

I direct my question to the Minister of Regional Economic Expansion. On April 25, the Minister of Transport said that DREE might make a contribution to rail relocation in Winnipeg. On May 2, the minister of DREE said that he had "barely enough money to meet his existing commitments". Can the minister tell the House whether or not DREE is now actively considering funding rail relocation in Winnipeg, or has that option been closed?

Hon. Pierre De Bané (Minister of Regional Economic Expansion): Madam Speaker, I am considering at the moment how I can redeploy my very limited budget to determine if I can be of some help to that project which has been given top priority by the city of Winnipeg.

I am also studying the matter of what would be the consequences of the expenditures throughout the rest of Manitoba over the next few years. I am giving the matter very active consideration.

Mr. Clark: Madam Speaker, can the minister tell the House which existing DREE commitments will be abandoned to take account of the $100 million contribution being contemplated by the Government of Canada for rail relocation in Winnipeg?

Mr. Crosbie: Explain it to Newfoundland and Nova Scotia.

Mr. De Bané: Madam Speaker, I am not, of course, considering anything in the area of $100 million.

Some hon. Members: Oh, oh!

Mr. Crosbie: What is it, one dollar?

Mr. Lawrence: No, three railway ties.

Mr. De Bané: The amount I am considering would be extended over the next few years, and in the order of $5 million per year for approximately five years, which would total $25 million.

Mr. Blenkarn: You mean $25.

Mr. De Bané: Hon. members opposite do not seem to take very seriously the question put by their leader.

Mr. Crosbie: He does not want to take your answer seriously.

Mr. De Bané: Obviously, if that project should be financed it would take the active co-operation of several federal departments as well as the municipal authorities and the provincial authorities of Manitoba. At the moment I am considering whether I could fund the amount of $5 million per year over a five-year period, which would total $25 million.

Mr. Baker (Nepean-Carleton): There goes your $100 million.

* * *

FINANCE

WINNIPEG—NEGOTIATIONS ON FUNDING OF RAILWAY RELOCATION

Mr. Dan McKenzie (Winnipeg-Assiniboine): Madam Speaker, I have a supplementary question which I would like to direct to the Minister of Finance. Would he inform the House whether he has been involved in the negotiations to provide $100 million in funding?

I would like to point out to the Minister of Finance that we cannot wait for 25 years, that we can only wait a maximum of 1½ years. Two bridges in that city are already under weight restrictions and they will only last another two years. Will the minister give a firm commitment this week on whether or not the government can provide $100 million in funding?

The urgency of the situation is that these two bridges will not last 25 years; they will only last another two years.

Hon. Allan J. MacEachen (Deputy Prime Minister and Minister of Finance): Madam Speaker, I cannot give the hon. member the assurance that the total expenditure allocations or projections will be increased to accommodate this or any other program.

Obviously, this particular program, which is so worthy in the view of the hon. member, was not included in the estimates prepared by the former government. Had it been included, the minister of DREE would not now be attempting to alleviate a problem which had not been met by the former government.

Some hon. Members: Oh, oh!

Some hon. Members: Hear, hear!

Mr. McKenzie: Madam Speaker, I would like to point out to the Minister of Finance that it was his government which ordered this study. This study was ordered by the previous Liberal administration and it was not completed until just one month ago.

Madam Speaker: Order, please.

Mr. McKenzie: That is why there was—

Madam Speaker: Order, please. Would the hon. member resume his seat.

Mr. McKenzie: —no commitment from this government.

Madam Speaker: Will he ask his question.

Mr. McKenzie: Now that the matter of the study has been cleared up with regard to the involvement of the previous government, will the Minister of Finance give some kind of commitment before the end of the week so that we may know where we stand?

We will not have a means to cross the CPR rails, as these two bridges will have to be closed down. Can the minister not see the seriousness of the situation? Will he please give us some kind of firm answer either today or tomorrow?

Mr. MacEachen: Madam Speaker, the hon. member has really diagnosed the problem that existed in the former government; it studied everything and took no action.

Mr. Nielsen: It is your study.

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INDUSTRY

INQUIRY WHETHER CHRYSLER CANADA PROPOSING JOB GUARANTEES

Mr. Ian Deans (Hamilton Mountain): Madam Speaker, I have a question for the Minister of Industry, Trade and Commerce. I am sure the minister is aware that up until late Friday of last week, Chrysler in the United States was faced with insolvency and that only the intervention of the Michigan state government, in the form of $150 million in grants, saved it from possible bankruptcy.

As a result of meetings in Detroit and Winnipeg over the weekend, it appears as if there is the basis for an agreement between the federal government and Chrysler Canada. Can the minister tell the House, now, whether or not he has been able to determine, as a result of the negotiations, if Chrysler is prepared to put up any kind of job guarantees, either now or in the future, to preserve both the jobs that exist and the jobs that have now been lost as the result of that company closing down its plants in Windsor and in other cities?

Hon. Herb Gray (Minister of Industry, Trade and Commerce): Madam Speaker, progress was made in the discussions which took place over the last two days, including the very important matter of Canadian jobs which is a priority of this government. I hope that it will be possible for me to make an announcement to the House very soon.

Mr. Deans: Madam Speaker, in order that we not be put in the position of having to learn of these negotiations and their impact long after the fact and long after anything reasonable and sensible can be done, would the minister be prepared to at least acknowledge to the House one of the facts, that the government is prepared to put up in one form or another some

$200 million, and that that money will not be made readily available to Chrysler until such time as it actually meets some of the guarantees with regard to jobs and production in Canada—guarantees which hon. members of this House and members of the Ontario legislature have been asking for over the last six months?

• (1440)

Mr. Gray: Madam Speaker, protection of Canadian jobs has been a priority of this government and myself since the outset of the matter.

Some hon. Members: Hear, hear!

Mr. Gray: What we are prepared to make available for Chrysler Canada will depend on what is agreed to by them on the matter of job guarantees and the other elements we consider necessary. I do not intend that members of the House will learn through other sources of any arrangement that is worked out but, rather, through an announcement by myself through this House.

Mr. Deans: A final supplementary question, Madam Speaker. Can the minister explain to the House how it is possible to determine the kinds of job guarantees and to have them included in the agreement, given the massive lay-offs now occurring in the auto industry, ranging upwards of 34,000 people unemployed either permanently or temporarily in the province of Ontario?

Can the minister indicate to the House what proposals he intends to put before Parliament that will not only guarantee the jobs at Chrysler, but will also rationalize this industry and guarantee that there will, in fact, be jobs for the auto workers in Ford, Chrysler and in General Motors in the future?

Mr. Gray: Madam Speaker, I am glad to note that the hon. member has acknowledged the problems facing the North American automotive industry. We are trying to get the best possible deal for Canadian workers in the light of those problems. He and the House will be able to assess what we have worked out if and when we reach an agreement and it is announced to the House.

Aside from our efforts with respect to Chrysler Corporation, as I have already informed the House, we have been undertaking discussions with the automobile manufacturers with a view to seeking new commitments from them on such matters as jobs, investment, research and development. We have obtained the agreement of the United States government to begin high-level consultations on the operations of the auto pact. I want to repeat, we are seeking agreement that the first meeting for this will take place before the summer of this year.

ENERGY

PROTECTION OF LOW AND FIXED-INCOME FAMILIES FROM INCREASED COSTS

Mr. J. M. Forrestall (Dartmouth-Halifax East): Madam Speaker, I should like to put a question to the Minister of Finance, in view of some baffling responses he gave to the hon. member for Calgary Centre yesterday to questions about whether the Minister of Energy, Mines and Resources was enunciating government policy when, in Halifax, he told Atlantic Canadians that unless he achieved a significantly richer oil deal with the west, there would be no offsetting compensation or assistance for already heavily beleaguered users of domestic commercial and industrial electricity.

I should like to ask the minister, who is also Deputy Prime Minister and, beyond that, is a Nova Scotian—the political boss—whether he contemplates any immediate initiatives to ease the strain and the burden on low, middle and fixed-income people of Atlantic Canada against the higher electricity rates that will result directly from the responses to Nova Scotia of the Minister of Energy, Mines and Resources earlier this week.

Hon. Allan J. MacEachen (Deputy Prime Minister and Minister of Finance): Madam Speaker, the hon. gentleman ought to be pleased that we have saved the people of Nova Scotia from the additional burdens that were imposed upon them by the former minister of finance, by not reintroducing the inequitable and iniquitous 18-cent tax on gasoline.

Some hon. Members: Oh, oh!

Some hon. Members: Hear, hear!

Mr. Andre: You should be ashamed of yourself.

Mr. Forrestall: Madam Speaker, as a Nova Scotian, the minister is not going to be allowed to get away with that. Sometimes one cannot help but wonder whether the Minister of Energy, Mines and Resources set out to blackmail the non-producing provinces in their final war with the producing provinces with respect to an oil rich energy agreement.

My question is to the Minister of Finance. Perhaps if it was to the Minister of Labour, we would get some sympathy for Nova Scotians. My supplementary question is to ask the Minister of Finance to explain to this House why it is that Atlantic Canadians are being asked to wait until the Minister of Energy, Mines and Resources has an oil agreement with the western oil producing provinces before he can indicate what assistance will be given to the four Atlantic provinces and, indeed, to eastern Quebec—so it is virtually five provinces—with respect to getting them out from under domestic electricity rates that are now running virtually double. I cited $262 for 5,000 kilowatt hours—

Some hon. Members: Oh, oh!

Madam Speaker: Order, please.

Mr. MacEachen: Madam Speaker, the hon. member asks why it is necessary to wait for an oil-pricing agreement to indicate whether any assistance is to be given to the Atlantic provinces. He finds that unusual and unprecedented.

I would remind him that that is precisely what the former minister of finance did, namely, in his budget delineate a price agreement, a so-called price agreement, and indicate that if the revenues were available he might—he would to some extent alleviate the burden on citizens of eastern Canada.

I would point out to the hon. member that since then there have been no increases and, furthermore, the alleviative action proposed by the former minister was an insignificant proportion of the additional burden that he laid upon the people of the province of Nova Scotia. I did not find that the hon. member got up during the campaign to plead in the interests of the people of that province.

Som hon. Members: Hear, hear!

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TRADE

FEDERAL CONTRIBUTION TO FINANCE VANCOUVER TRADE AND CONVENTION CENTRE

Mr. Bill Clarke (Vancouver Quadra): Madam Speaker, my question is directed to the Minister of Industry, Trade and Commerce as the senior minister in that department. Can he explain to the House how the Minister of State (Trade) was able to announce yesterday in Vancouver a $17 million federal contribution to the trade and convention centre there, when only eight days previously the Minister of State (Small Businesses) said in the House, in response to a question regarding policy, as reported at page 445 of Hansard:

—is now being reviewed within the Department of Industry, Trade and Commerce; we shall be in a position to put before our cabinet colleagues a document for discussion purposes within coming weeks.

Does that mean that $17 million is below the level which requires cabinet approval?

Hon. Herb Gray (Minister of Industry, Trade and Commerce): Madam Speaker, it simply means that, unlike the previous government, we are able to take quick and correct decisions.

Mr. Clarke: Madam Speaker, the minister knows very well that he is concerned with employment. In view of the contribution to employment made by trade and convention centres both during construction and afterwards, will he tell the House when this review of his government's policy, if they have one, on the funding of trade and convention centres will be announced?

Mr. Gray: Madam Speaker, with respect to the other elements of this matter, this is going on now and I hope to have something else to announce through myself or my colleagues very soon.

OTTAWA-CARLETON CONVENTION CENTRE—GOVERNMENT POSITION

Hon. Walter Baker (Nepean-Carleton): Madam Speaker, I have a question for the Minister of Industry, Trade and Commerce with respect to convention centres. As he knows, in the national capital area the regional municipality of Ottawa-Carleton has had an application for a long period of time. Since the Minister of State (Trade) was able to go to Vancouver and make an announcement with respect to the convention centre there, or a trade centre there, when will the announcement be made with respect to Ottawa-Carleton; or has the minister decided that Ottawa-Carleton is not to have a convention centre?

Hon. Herb Gray (Minister of Industry, Trade and Commerce): Madam Speaker, there has been no such decision. We are very aware of the interests of the people of Ottawa-Carleton in this project, and I am confident we will find a way of responding to it, unlike the government of my hon. friend.

Mr. Baker (Nepean-Carleton): A supplementary question, Madam Speaker. If my friend is honest with the House, he will know that I made an announcement that our government was prepared to make a financial contribution of $9 million to the trade centre and convention centre in this area. That was the commitment of our government.

Some hon. Members: Oh, oh!

Some hon. Members: Hear, hear!

Mr. Baker (Nepean-Carleton): Since the government has been prepared to move Eldorado to the north, and move Parks Canada, or keep Parks Canada in Cornwall—both Liberal ridings—would they be prepared now to make an announcement that they are going to build a convention centre in the riding of the hon. member for Ottawa-Vanier, who is a Liberal? Is that an inducement to a decision?

Mr. Gray: Madam Speaker, to indicate the non-partisan nature of our efforts, I want to remind my hon. friend that the Vancouver trade and convention centre, unfortunately, is not in a Liberal riding.

An hon. Member: There is hope yet.

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● (1450)

NATURAL RESOURCES

CONTRACT TO SELL COAL TO JAPAN—EFFECT ON INDUSTRIAL STRATEGY

Mr. Ian Waddell (Vancouver-Kingsway): Madam Speaker, my question is to the Minister of Finance. It arises out of the visit of Prime Minister Ohira to Canada, and discussions here and on the west coast between the Canadian Prime Minister and the Japanese Prime Minister.

There appears to be a deal to sell northeast British Columbia coal to Japan—a ten to 15-year contract involving five million tons of coking coal annually for Japanese steel mills. Can the minister tell this House how this coal deal fits into a Canadian industrial strategy?

Hon. Allan J. MacEachen (Deputy Prime Minister and Minister of Finance): Madam Speaker, the government of British Columbia has been putting forward the necessity of developing the very extensive coal reserves of that province. Obviously, we would want to co-operate with the government of that province or any other province in the development of its natural resources. For that reason, we have been supportive of the efforts of the government of British Columbia.

I do not know the details of the negotiations, but certainly the Prime Minister of Japan expressed an interest in this particular aspect of our commercial relations. I do not have the details as to whether contracts have been negotiated, at what price, and in what volume. Certainly, these factors will have to be considered in entering into any joint support with that province.

Mr. Waddell: The minister knows, as I do, that the industrial strategy was mentioned in the throne speech. As I understand it, it is the building up of the manufacturing and secondary industry base, rather than just exporting raw materials.

Let me ask this as a supplementary. The minister may not know the details of the negotiations, but I suspect he had a hand in preparing the positions, as Minister of Finance. Can the minister tell the House whether the Canadian government, in the dealings with the government of Japan, asked the government of Japan—in return for Japan's access to British Columbia's ample energy reserves—whether there was any commitment, or trying to get a commitment by the government of Japan to facilitate access to Japanese markets for Canadian industrial goods?

Mr. MacEachen: Madam Speaker, the effect of the Canadian discussion with the prime minister was to impress upon him the opportunities that were available in Canadian manufacturing, especially in high-technology industries in Canada, obviously with an effort to secure greater access of Canadian products into the Japanese market. That is the gist of the approach that was made.

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FINANCE

PUBLIC UTILITIES INCOME TRANSFER LEGISLATION

Hon. Marcel Lambert (Edmonton West): Madam Speaker, would the Minister of Finance advise the House if and when he consulted with the provincial treasurers of the provinces affected by the Public Utilities Income Transfer Act as evidenced in Bill C-24, or has he continued the lamentable practice of his predecessor, now the Attorney General, in unilaterally amending the agreement?

Will he advise the House, as well, why the provisions are being made retroactive for over a year? Also, under what authority has there been a reduction of funds transmitted to the provinces, resulting in the utility companies increasing their rates up to 6½ per cent to their consumers in the province of Alberta?

Hon. Allan J. MacEachen (Deputy Prime Minister and Minister of Finance): Madam Speaker, the hon. member will recall that the reduction in the transfer contained in the legislation was the result of the expenditure exercise undertaken by the government in 1978, which resulted in a reduction in expenditures of $2.5 billion. Because about 20 per cent of total expenditures were transfers to the provinces, it was felt necessary to have that source of expenditure reflected in the reductions. We made changes in the equalization and the public utilities transfers.

The former minister of finance did have consultations with the ministers of finance at that time. In fact, as a result of those consultations—as I recollect—the extent of the proposal was changed to take into account the views of the provinces. The hon. member will realize that these particular savings have already been reflected in the expenditure plans both of this government and the former government. On the legal point, I would like to look into that further.

Mr. Lambert: Madam Speaker, might I check with, or have the minister consider that his predecessor advised the provincial treasurer of Alberta over the telephone of his intention to carry out this change. It was a unilateral decision by the Government of Canada in an agreement with the province. However, subsequently, and before discussing the matter further in this House, in answer to questions by myself he did negotiate with the provincial treasurer to arrive at 50 per cent.

Again, I come to the point. What is the authority for reducing the funds before the amending legislation is passed by this House? This is not merely a transfer, but something that is subject to legislation. I invite the minister to tell us, because he must know why. What was the legal basis for the cut-off of funds earlier this year?

Mr. MacEachen: Madam Speaker, the hon. member has asked me for a legal opinion, which I will seek for him. However, I am sure that we are operating correctly in this matter because these savings were reflected in the expenditure plans, the estimates prepared by the former government which he so enthusiastically supported.

EMPLOYMENT

IMPLEMENTATION OF ECC REPORT—EFFECT ON WORKING WIVES

Hon. David Crombie (Rosedale): Madam Speaker, my question is to the Minister of Employment and Immigration. On February 20 this year, the Economic Council of Canada published a report entitled "The Evaluation of an Alternative Unemployment Insurance Plan".

The minister, having read the report, will know that the effect of the implementation of this plan would adversely and disastrously affect many thousands of working wives. I would like him to now offer a commitment to the House that he and his officials have rejected the plan and the principles in it.

Hon. Lloyd Axworthy (Minister of Employment and Immigration): As the hon. member knows, Madam Speaker, the unemployment insurance plan is under review. There are a series of terms of reference as to the nature of the study. I have already stated publicly that we have rejected the concept of two-tier benefits which, in fact, was included by the previous government in its review. Therefore, I can give the hon. member the assurance that we do not include that recommendation by the Economic Council which, in fact, was accepted by his government as part of their terms of reference.

Mr. Crombie: Madam Speaker, I have a supplementary for the minister who, I say with respect, did not deal with this report. This report does not deal with the two-tier system; it deals with the question of the evaluation of benefits for working wives. It says that if the plan goes into effect, working wives will find their income benefits diminished, their dependency increased and the discrimination that they already suffer enhanced.

The principles contained in this one deal with working wives. With regard to this report, will the minister be more forthcoming and tell us what he feels about the principles in the plan? If he has not read the plan, will he kindly indicate that?

Mr. Axworthy: Madam Speaker, I have read the plan. I have already told the hon. member that we have rejected the concept which was accepted by his government of looking at the family unit, or household, as a basis for the insurance principle. I stated publicly that the insurance principle was based upon the individual, and that would be the basis of the review.

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WATER RESOURCES

REQUEST FOR INQUIRY INTO PROPOSED FLOODING OF KEMANO ENERGY PROJECTS

Mr. Jim Fulton (Skeena): Madam Speaker, my question is to the Minister of Fisheries and Oceans. In view of the enormous support from the public, municipalities, MLAs and MPs in northern British Columbia for a full public inquiry, and in view of the fact that the B.C. government has now refused use of the public Inquiries Act to examine the Kemano II flooding proposal which may cost the public hundreds of millions of dollars and the 30-year old water licence, will the minister utilize the Inquiries Act, in conjunction with the province of British Columbia, to examine all implications of the Kemano I and II energy projects?

• (1500)

Hon. Roméo LeBlanc (Minister of Fisheries and Oceans): When I was in British Columbia a few weeks ago, I was told by the B.C. government that no formal proposal had been received for development of Kemano II or the completion of Kemano I.

However, my department has met with the authorities of the Aluminum Company of Canada and indicated that water flows would have to be maintained in accordance with the legislation passed unanimously by this Parliament, and that we would want to see their plans when they do come up with a firm proposal. I have not seen a firm proposal as of now; one may have been received within the last few days.

Mr. Fulton: In view of the fact that it is 30 years since the 1950 water licence was granted, and that the Department of Fisheries and Oceans has been incapable of regulating and getting agreement on flows in such rivers as the Nechako, and the fact that the provincial approach to this multijurisdictional situation has proven disastrous historically and is inadequate in the public interest, will the minister at least go on record today as supporting, once Alcan comes forward with the new plan, an inquiry under either federal or provincial inquiries legislation?

Mr. LeBlanc: I would want to consider the implications of the hon. member's suggestion. I am favourably disposed to a full public discussion of this issue. It is for this very reason that we amended the Fisheries Act to strengthen it in the case of developments which affect, not the fish directly but the spawning grounds and the habitat without which there is no fish resource.

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SPORTS

CFL—ALLEGED VIOLATION OF HUMAN RIGHTS

Hon. Judd Buchanan (London West): Madam Speaker, I have a question for the minister responsible for amateur sport. Recently, the Toronto Argonauts of the Canadian Football League cut Scott Mallender, an outstanding Canadian quarterback from the University of Windsor, without so much as a try-out.

Bearing in mind, also, the recent decision of the Ontario Human Rights Commission as far as Jamie Bone was concerned—they upheld Jamie Bone's contention under the Canadian Football League's designated rule—could the minister tell us whether he is planning to take any action to see what

can be done about these apparent conflicts with the laws of Canada?

Hon. Gerald Regan (Minister of Labour): I can assure the hon. member for London West that I am profoundly concerned—

Some hon. Members: Oh, oh!

Mr. Regan: —about the unfairness of the Canadian Football League's bylaw which certainly appears to discriminate against Canadian quarterbacks. Other splendid football players from our colleges are able to play professional football in this country, but the quarterbacks under this rule seem to be subject to discrimination.

My department has been studying the matter for some time, and I intend personally to contact the commissioner of the CFL to discuss with him some existing Canadian laws which I think bear on the matter and try to convince him that this bylaw should be removed.

Some hon. Members: Hear, hear!

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CANADA MORTGAGE AND HOUSING CORPORATION

LOSSES RESULTING FROM MORTGAGE FORECLOSURES AND QUIT CLAIMS UNDER AHOP

Hon. Perrin Beatty (Wellington-Dufferin-Simcoe): Madam Speaker, I have a question for the minister responsible for CMHC. Can the minister confirm that CMHC has been forced to provide for losses of $176 million as a result of sales of properties acquired as a result of foreclosures and quit claims under AHOP?

Hon. Paul J. Cosgrove (Minister of Public Works): I am unable to confirm the actual amount to which the hon. member has referred. No doubt the failures under that plan are part of the larger failures which the corporation is experiencing in greater amounts last year and again this year. It goes without saying that we are in tight times, and there is that experience. It is also fair to say, as I have indicated, that AHOP is part of that experience.

Mr. Beatty: Madam Speaker, I have a copy here of the 1979 annual report of CMHC—the letter of transmittal was sent to the minister on March 10. I wonder whether the minister has read this report and, if so, whether he can confirm that the figure I have just quoted was taken from page 28. The $176 million figure would be enough, if it were spent, to buy $50,000 houses for 3,250 Canadian families.

Can he confirm that in addition to that $176 million, CMHC has also had to absorb losses on subsidies paid in the form of loans under AHOP and on home owner grants given to people who have assumed houses under AHOP? In other words, is the total sum likely to be considerably in excess of $176 million?

Mr. Cosgrove: The hon. member has the report in front of him. I do not quarrel with the figures. The point I made was, that report is not up to date. The experience this year has been complicated and there have been further losses. The mortgage insurance fund, through the sale of properties that are coming back into the fund as the result of defaults, is meeting some of those claims.

The corporation has come to the government, as it went to the previous government, for assistance in meeting some of those losses on a temporary basis. But the fund is in good condition, the corporation reports that they think they will be able to replace the borrowings from the government within a two-year period, and I would think it is the business of the fund to ensure that those experiences—which for the first time have been the experience of the fund—will be met by the corporation's program.

* * *

LABOUR CONDITIONS

PLANS TO REDUCE CRISIS IN UNEMPLOYMENT

Mr. John Bosley (Don Valley West): Mr. Speaker, I have a question for the Minister of Labour. Now that we know of his concern for one unemployed person, perhaps we could get clear from the government, now that 22,000 people have been laid off in the auto industry, not to mention the hundreds of thousands affected in the small and larger communities they live in—shoe clerks, grocery workers, or whatever—and while the government fiddles on that question perhaps the minister would advise us what programs he is recommending to cabinet to deal with the ever-growing crisis in unemployment in this country?

Hon. Gerald Regan (Minister of Labour): I thank the hon. member for his question and I compliment him on his first question on labour after being designated as the labour critic for the official opposition.

I want to say to him that he will be aware, of course, that many of the provisions for unemployment in this country now fall under the Department of Manpower. In relation to the responsibilities of the Department of Labour, I can tell him that in co-operation with other government departments we have monitored developments affecting the auto industry generally, and the auto workers in particular. An interdepartmental task force recently investigated the situation in the Windsor area and officials of my department are aware of any pending lay-offs.

At the present time, most of the auto workers are still entitled to unemployment insurance benefits, and as for workers in the Windsor area, the hon. member will be aware the period was recently extended and that they are not required to work for a shorter length of time to re-establish the UI benefit claim. The forthcoming government decision regarding Chrysler Limited will further clarify the need for potential assistance programs for the auto workers.

Mr. Bosley: We now learn that the Minister of Labour knows all about unemployment. What we really need to know is, what is he going to do about that problem? Might I ask him this supplementary question, however? Last week, in a public forum in Halifax, he indicated he was spending the vast majority of his time dealing with matters related to Nova Scotia—Sysco and Michelin, matters of that sort which we thought were in the purview of the Deputy Prime Minister.

Could he clarify whether his intent is to succeed in his ambition to succeed the Deputy Prime Minister, or whether he will do the job all across this country that the people are paying him to do?

Mr. Regan: Madam Speaker, I regret that the hon. member, in his first effort at dealing with a labour matter, was not able to deal with some of the concerns and some of the strike situations which affect workers in this country, and that this was the most his imagination could produce.

● (1510)

I want to assure him, however, that my recollection does not bring to mind any such statement to a forum in Halifax last week. As a Nova Scotian minister, I will continue always to attempt to show interest in Nova Scotian problems as well as discharging the responsibilities of my department, and if I can assist that most able of all Nova Scotians—the Deputy Prime Minister—in that regard, then I am delighted to do so.

Some hon. Members: Hear, hear!

* * *

[*Translation*]

REGIONAL ECONOMIC EXPANSION

DISCUSSIONS ON QUEBEC-CANADA AGREEMENT FOR DEVELOPMENT OF EASTERN QUEBEC

Mr. Rémi Bujold (Bonaventure-Îles-de-la-Madeleine): Madam Speaker, my question is directed to the Minister of Regional Economic Expansion. During his visit in the Gaspé Peninsula on April 24 and 25 last, the minister said that he would like to conclude another Quebec-Canada agreement for the development of eastern Quebec. Such agreement of course should be reached following discussions with and approval by the Quebec government. Could the minister indicate to the House if, as the result of that announcement, there have been discussions or meetings with ministers of the Quebec government and what would be the approximate amount involved in such agreement?

Hon. Pierre De Bané (Minister of Regional Economic Expansion): Madam Speaker, indeed I made the following proposal to the Quebec government and it has been described by some individuals as most generous for the Gaspé Peninsula, to wit the federal government fully respecting the jurisdiction of the Quebec government would take part in setting up a fund in which the federal government would contribute three times more money than the Quebec government to help promote the economic development of eastern Quebec. Unfortunately, my Quebec counterpart Jacques Léonard who answers for the QPDC, rejected that proposal through the media. I find his refusal not only cruel for the Gaspé Peninsula but also very hypocritical, since he has received some $20 million from my department for his own constituency, but he denies to other Quebec areas the financial assistance of my department.

* * *

[*English*]

ENERGY

USE OF URBAN TRANSIT SYSTEMS TO CONSERVE ENERGY

Mr. Otto Jelinek (Halton): Madam Speaker, I have a question for the Minister of Energy, Mines and Resources. In view of the fact that conventional sources of oil are on the decline, as we all know, I wonder if the minister could tell this House whether he would agree that the expansion, improvement, and particularly the use of urban transit systems in Canada, could or would be beneficial in achieving the important goal of energy conservation. In other words, is there not more energy saved by using mass urban transportation, for example, rather than the gas guzzling motor car?

[*Translation*]

Hon. Marc Lalonde (Minister of Energy, Mines and Resources): Yes, Madam Speaker.

[*English*]

Mr. Jelinek: Madam Speaker, my supplementary question would have been to the Minister of Transport, but in his absence I will put it to the Deputy Prime Minister.

In view of the reply just now of the Minister of Energy, Mines and Resources, and because of the dramatic need to conserve energy in every possible way, can the Deputy Prime Minister now explain why his government just recently, once again, cancelled the often promised federal aid for urban transit—this time to the tune of $30 million—to the province of Ontario? This government started making promises in 1974 in this regard, and then broke them. We tried to honour them, and now hon. members opposite cannot even agree among themselves. Can the Deputy Prime Minister explain the inconsistency in this regard?

Hon. Allan J. MacEachen (Deputy Prime Minister and Minister of Finance): Madam Speaker, taking the hon. member's statement as fact, he ought to be aware that the reason this program and other programs cannot proceed at the present time is our desire to maintain strict control over government expenditures.

Mr. Nielsen: How about Winnipeg?

Mr. Baker (Nepean-Carleton): There goes Winnipeg.

Oral Questions

EMPLOYMENT

TRAINING OF PERSONS FOR SKILLED JOBS

Mr. Bob Rae (Broadview-Greenwood): Madam Speaker, I have a question for the Minister of Employment and Immigration. It concerns a statement which was reported today, that he apparently made yesterday in Vancouver, that he was anticipating a labour shortage among certain categories of workers and he anticipated that this shortage would have to be met by increasing immigration to Canada.

In light of the most recent projections from the Department of Finance, which show an unemployment rate of somewhere between 8 per cent and 10 per cent in 1985—which is when the minister anticipates this shortage—what specific steps, besides immigration, does the minister plan to take to train young Canadians, and Canadian women in particular, to fill those skilled jobs, rather than to continue the age-old pattern of relying on the importation of skilled labour to meet Canadian needs?

Hon. Lloyd Axworthy (Minister of Employment and Immigration): Madam Speaker, I have not seen a copy of the report to which the hon. member refers, but I can give him every assurance that this government is acutely aware of the need to initiate a number of serious retraining programs.

As the hon. member probably knows, we have already spent over $800 million in this country on training programs. We will be renegotiating agreements with the provinces on those programs before the end of next March. During those consultations we will be making every effort to ensure that the heavy demand for new skills, particularly in major resource projects in western Canada, will provide full and equal opportunity for many workers who are presently disadvantaged or handicapped in the work market.

I simply ask the hon. member to encourage his colleagues, in the debates we now have on the employment tax credit bill and other measures, to give us their full co-operation so that we can get those measures through as quickly as possible and so that we can move on with the job which has to be done.

Mr. Rae: Madam Speaker, I am not sure the minister really answered my question, but I appreciate the speech. Rather than referring to federal-provincial programs only, I refer the minister to the fact that only 15 per cent of non-traditional training seats were slotted for women in programs sponsored by his own department.

What specific steps does the minister plan to take to ensure that we do not simply continue the pattern of importing skills when we have well over one million Canadians who are now unemployed? Every anticipation, with the projections which came from the Department of Finance in the budget of December, is that unemployment will remain a consistent and persistent problem in Canada until 1985. What steps is he taking in his own department to ensure that Canadian men and women occupy those jobs which will be required for our industrial expansion in the 1980s?

Mr. Axworthy: Madam Speaker, I also appreciate the speech made by the hon. member for Broadview-Greenwood. I simply want to remind him once again that in the throne speech at the opening of Parliament, the government indicated that there would be a number of measures designed to reorganize retraining and job-creation programs. We intend to make the announcements as soon as those programs are fully designed.

In the meantime, in our department we have an affirmative action program. We are presently meeting with a number of private employers across the country to make sure there is full access and opportunity for women and minority groups. Furthermore, if the hon. member can be patient for a week or two, I can give him every assurance that we will be initiating a number of new programs to provide for action of the very kind he contemplates and which we intend to take.

THE ROYAL ASSENT

[*Translation*]

Madam Speaker: I have the honour to inform the House that the following communication has been received:

Madam,

I have the honour to inform you that the Honourable Julien Chouinard, Puisne Judge of the Supreme Court of Canada, in his capacity as Deputy Governor General, will proceed to the Senate chamber today, the 7th day of May, at 5.45 p.m., for the purpose of giving royal assent to certain Bills.

I have the honour to be,
Madam,
Your obedient servant,
Edmond Joly de Lotbinière
Administrative Secretary
to the Governor General

ROUTINE PROCEEDINGS

[*Translation*]

EXTERNAL AFFAIRS AND NATIONAL DEFENCE

First report of Standing Committee on External Affairs and National Defence—Mr. Prud'homme.

[*English*]

Mr. Prud'homme: —of course in both official languages.

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

● (1520)

FORT NELSON INDIAN RESERVE MINERALS REVENUE SHARING ACT

MEASURE TO IMPLEMENT AGREEMENT

Hon. John C. Munro (Minister of Indian Affairs and Northern Development) moved for leave to introduce Bill C-26, to implement an agreement between Her Majesty in right of the province of British Columbia and Her Majesty in right of Canada respecting the sharing of revenues from the exploitation of minerals in the Fort Nelson Indian Reserve.

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

* * *

HANSARD CENTENNIAL

PROCEEDINGS AT UNVEILING OF MEMORIAL PLAQUE TO APPEAR AS APPENDIX TO OFFICIAL REPORT

Hon. Stanley Knowles (Winnipeg North Centre): Madam Speaker, I ask leave to present a motion which I have shown to the House leaders of the other parties and I believe you will find that there is readiness to pass it forthwith. I therefore move, seconded by the President of the Privy Council (Mr. Pinard), and supported by the hon. member for Nepean-Carleton (Mr. Baker):

That a record of the proceedings at noon today in the rotunda of this building, relative to the centennial of *Hansard*, be made an appendix to this day's *Hansard*.

Madam Speaker: Has this motion the unanimous consent of the House?

Some hon. Members: Agreed.

Motion agreed to.

[*Editor's Note: For proceedings referred to, see Appendix A.*]

* * *

[*Translation*]

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. D. M. Collenette (Parliamentary Secretary to President of the Privy Council): Madam Speaker, the following questions will be answered today: Nos. 2, 9, 192 and 309.

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

Order Paper Questions

[*Text*]

PUBLIC SERVANTS—SALARIES ATTACHED FOR UNPAID DEBTS

Question No. 2—**Mr. Cossitt:**

1. Does the government intend to introduce legislation to make it possible for public servants to have their salaries attached for unpaid debts for which judgments have been obtained against them and, if not, what would be the legitimate reasons for allowing this privilege to continue which is not available to other Canadians?

2. Will it be government policy to see that public servants must take their full responsibility to society in so far as payment of debts is concerned?

Mr. W. Kenneth Robinson (Parliamentary Secretary to Minister of Justice and Minister of State for Social Development): 1. Yes, such legislation will be introduced in this session of Parliament.

2. Yes, to the extent that any employer is legally responsible to comply with the laws which permit the garnishment or attachment of employees' wages.

MAJOR P. A. LEMIEUX—PRIVY COUNCIL OFFICE

Question No. 9—**Mr. Cossitt:**

1. What is the complete public service history of Major P. A. Lemieux of the Privy Council office including positions held, dates of appointment, etc?

2. Did Major Lemieux, prior to entering the public service, serve in the Canadian Armed Forces and, if so (a) in what capacity (b) for how long (c) what are all the details of any connection he may have had with matters of security?

Mr. David Collenette (Parliamentary Secretary to President of the Privy Council): 1. Major P. A. Lemieux, (Lieutenant-Colonel retired), was appointed to the Privy Council office on July 5, 1972 as a secretariat officer—Security and Intelligence.

2. Major Lemieux served in the Canadian army, infantry, in Canada and overseas, from January, 1943, until November 1945 when he was transferred to supplementary reserve status. He returned to active service in the infantry in November 1949 and was appointed to a junior staff officer position in the directorate of military intelligence in January, 1950. Major Lemieux served in various military intelligence and security appointments until his secondment to the Royal Commission on Security in January, 1967. Following his work with the commission, he served in the Privy Council office, on loan, from January 1969 until July 1969, when he returned to a staff appointment with the CAF directorate of security. In November, 1969 he was formally seconded to the Privy Council office security panel secretariat until he reached compulsory retirement age for his rank.

DEFENCE CONSTRUCTION (1951) LIMITED—REVENUE OR DEFICITS

Question No. 192—**Mr. Herbert:**

1. For each fiscal year (a) 1977 (b) 1978, what was the total revenue and net earnings or deficits for Defence Construction (1951) Limited?

2. For each year, what was the total (a) of direct or indirect subsidies or other benefits conferred by the government on the corporation (b) of loans, advances or guarantees extended by the government to the Corporation (c) investment by the government in the corporation both before and after any write-off?

Motion for Papers

Mrs. Ursula Appolloni (Parliamentary Secretary to Minister of National Defence):

1. (a)	1976-77	Revenue	Vote 15 DND	$4,965,645
		Net Deficit		164,208
(b)	1977-78	Revenue	Vote 15 DND	5,837,866
		Net Deficit		45,105

NOTE: Net deficit is calculated as revenue less expenses. Revenue is the funding by National Defence through Vote 15.

2. (a) Vote 15—DND

1976-77	$4,965,645
1977-78	$5,837,866

(b) There are no loans, advances or guarantees extended by the government to Defence Construction (1951) Ltd.

(c) There was no investment by the government in Defence Construction (1951) Ltd. in 1976-77 or 1977-78.

DEFENCE CONSTRUCTION (1951) LIMITED—CONSTRUCTION—ST. JEAN, QUEBEC

Question No. 309—**Mr. Herbert:**

1. In each of the past seven years, what was the value of construction work administered by Defence Construction (1951) Limited at CFB St. Jean, P.Q.?

2. What was the value of (a) uncompleted contracts (b) outstanding tenders, as at March 31, 1979?

Hon. J. Gilles Lamontagne (Minister of National Defence):

1.

	Base Development	Other Construction	Total
1972-73	$ —	$1,336,428	$1,336,428
1973-74	—	58,842	58,842
1974-75	—	573,962	573,962
1975-76	1,662,673	894,934	2,557,607
1976-77	11,977,794	—	11,977,794
1977-78	32,617,416	92,359	32,709,775
1978-79	23,729,271	7,500	23,736,711

2. (a) $69,734,237 NOTE: Work outstanding on these contracts—$4,965,486.

(b) No outstanding tenders.
No outstanding requests for tender.

[*English*]

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

Some hon. Members: Agreed.

* * *

[*Translation*]

MOTION FOR PAPERS

Mr. D. M. Collenette (Parliamentary Secretary to President of the Privy Council): Madam Speaker, would you be so kind as to call notice of motion for the production of papers No. 3?

[*English*]

REPORT—CLASSIFICATION AUDIT—NATIONAL CAPITAL AREA—NON-NATIONAL CAPITAL AREA

Motion No. 3—**Mr. Herbert:**

That an Order of the House do issue for a copy of the data base upon which the Report on the Classification Audit in the National Capital Area and the Non-National Capital Area was based.

Mr. Robert Daudlin (Parliamentary Secretary to President of Treasury Board): Madam Speaker, the report on the classification audit in the national capital area and the non-national capital area was tabled in Parliament by the President of the Treasury Board on December 18, 1978. There is no document in existence that could be said to be the data base for this report. I therefore ask the hon. member to withdraw his motion.

Mr. Herbert: Transfer for debate.

Madam Speaker: Transferred for debate.

Mr. D. M. Collenette (Parliamentary Secretary to President of the Privy Council): Madam Speaker, I ask that all other notices of motions for the production of papers be allowed to stand.

Madam Speaker: Is it the pleasure of the House that the remaining notices of motions for the production of papers be allowed to stand?

Some hon. Members: Agreed.

GOVERNMENT ORDERS

[*English*]

CANADA-FRANCE TRADE AGREEMENT ACT, 1933 SUPPLEMENTARY CANADA-FRANCE TRADE AGREEMENT ACT, 1935

MEASURE TO REPEAL

Hon. E. F. Whelan (for the Secretary of State for External Affairs) moved that Bill S-5, to repeal the Canada-France Trade Agreement Act, 1933 and The Supplementary Canada-France Trade Agreement Act, 1935, be read the second time and referred to the Standing Committee on External Affairs and National Defence.

He said: Madam Speaker, this bill has been before the House and, I believe, before the Senate four times. We expect that by repealing this act we will resolve some of the legal problems facing the Canadian wine industry with regard to the use of the name "champagne" in particular, and of other wine names which are considered to be appellation of origin. We

have received no official opposition from the government of France after official discussions took place, I believe, well over two years ago with the former secretary of state for external affairs who now holds another position in his native province of Newfoundland.

This Canadian product to which we are referring is a good product, and if any one has any need or desire to use it, I would suggest that they try it some time.

Mr. Joe Reid (St. Catharines): Mr. Speaker, I should like to take this opportunity to make a few comments on this bill, the passage of which I urge today. The Canada-France Trade Agreement of 1933 as amended in 1935 should have been repealed some years ago.

For years, Canadian wine producers have labelled their wines as champagnes, using generic names without hesitation or hindrance. Champagne was known by that name in many countries, and so it was that Canadian wineries have produced and marketed champagnes under their respective labels. But the legal proceedings initiated against one of our Ontario wineries a few years ago gave our wine industry cause for major concern. The repeal of this agreement will go a long way to remedy that concern.

The introduction of the new excise tax proposed and imposed by the present government justifies further elaboration on the grape and wine industry as it exists in this country. This industry is one of the fastest growing in Ontario. There are over 900 grape growers in the Niagara area alone, working 26,000 acres of vineyards. However, this last year, in spite of an increase of 1,000 acres, the grape harvest resulted in a reduction of some 3,000 tons of grapes. Of the 70,000 tons of grapes produced, over 44,000 were sold to Ontario wineries, thus generating considerable employment in the processing, bottling and packaging industries of this country.

Plantings of French hybrid grape vines began in the late 1940s, followed by planting of the classic Vinifera strains. Many experts predicted that these grapes would not survive in Canada's winter climate. However, due to the dedicated work of researchers and scientists of the Horticultural Research Institute of Ontario, and to the research conducted by individual wineries, as well as the skill of the Ontario grape growers themselves, the volume of these special vines have topped 20,000 tons for the second year in a row. More and more Canadian wine consumers are discovering that Ontario table wines are living up to their successes in international competitions.

While there has been a considerable emphasis on preferred varieties of grapes, experience has shown that the Labrusca grape, which constitutes 50 per cent of the Niagara region grapes, cannot be overlooked in the grape growing, planning and planting programs. Many of the Labrusca vineyards are on soil that is not suitable for the newer types of grape vines. The Labrusca is ideal for grape juice, where their fruitier flavour is readily recognized. It is the staple grape for the lower alcohol, 7 per cent crackling wines, and for Niagara's famous sherries and ports. Perhaps many wine connoisseurs do not appreciate the Baby Ducks, Lonesome Charlies and other 7 per cent alcohol wines, but these wines now enjoy a remarkable share of the wine market across Canada, and yet are the only wines being exported beyond the shores of Canada to the United Kingdom and Japan.

Through continuing enterprise, grape growing, wine producing and juice processing have developed into major industries which are of increasing importance to the economy of Ontario and to Canada.

• (1530)

Grape growers' receipts for 1979 grossed out at $19 million. It is estimated that in 1979 federal and provincial income through excise and federal sales tax, provincial sales tax and mark-up, reached $100 million. This is solely from the sales of wines processed from Ontario-grown grapes. Had the excise tax now imposed by the Minister of Finance (Mr. MacEachen) been applied to that 1979 crop, tax revenues would have totalled $118 million. This would have meant that federal and provincial government income would have averaged $2,600 for every ton of Ontario grapes processed into wine, or to put it another way, each acre of wine grapes grown in Ontario would have generated $7,800 for federal and provincial treasuries. This is considerably out of line when one considers that the grower receives only an average income of $780 per acre.

The proposed change in the excise tax represents a tax increase of over $184 per ton of grapes grown in Canada. The average per cent increase per gallon of wine is 185 per cent, as opposed to a 29 per cent increase on beer and a 6 per cent increase on a gallon of spirits. About 38 per cent of Niagara area wine production is in ports and sherries. The new excise tax increase will result in an increase of $1 per bottle for each bottle of sherry or port. The result is that the domestic wine producers, not being able to compete in ports and sherries, are eased out of this market and have ceased and will continue to cease to buy the staple Labrusca grape. The government may wish to review the impact which the fall of sales in this most highly taxed section of wines will have on its over-all tax revenue.

For years the urban growth and development of the city of St. Catharines have been hampered and restricted for the very good reason that it is located in the fruit-growing belt of the Niagara Peninsula. Tender fruit orchards have been converted to grape vineyards because now, at last, there is a mechanical grape picker. For the most part, growers of tender fruits must continue to rely on offshore labour to harvest their crops. Municipalities and organizations interested in the preservation of these fruitlands for future generations of Canadians are looking to the federal government to determine whether or not it is serious about protecting the fruitlands of our country. Despite the fact that for years the fruit growers of Canada have been crying out for some form of protection, it cannot be said that the grape growing and wine production industry in Canada is a protected industry, or even one receiving federal encouragement.

Champagne

The chairman of the Ontario Grapegrowers Marketing Board called the so-called mini-budget a major disaster for Ontario's grape and wine industry. He said:

> Unless changes are made and made quickly, our forecast is that this fall we will have a surplus of 10,000 tons of grapes without any hope of a market. This will be the most disastrous year in the history of our industry.

Also he said that the new federal excise tax on wines signals the biggest crisis the Ontario grape and wine industry has ever faced.

If the federal government is interested in preserving these fruitlands against the pressures of urban growth and development, it can no longer treat the tender fruit industry and the valuable grape and wine industry with indifference. It must act and act quickly to restore the traditional tax relationships between the various forms of alcoholic beverages. Wines, beer and spirits are very different beverages except for the fact that they each contain alcohol. Canada would be more in line with other wine growing countries if there were little or no tax applied to domestic wine.

Taxes on wine in Canada are already higher than those imposed in most countries in the world, with the result that our industry is having trouble competing with the cheaper wines from Hungary, Italy, Yugoslavia and elsewhere. To leave this excise tax unchanged would be to undermine this developing Canadian industry directly. The hon. member for St. John's West (Mr. Crosbie) recognized this and promised the wine industry early this year to review the tax should his government be re-elected.

The passage of this act today is a positive step in the direction of assisting the grape and wine industry of Canada. It should be followed by a quick and substantial reduction in the amount of tax imposed on this sector of our economy.

Some hon. Members: Hear, hear!

Mr. Ian Deans (Hamilton Mountain): Mr. Speaker, I want to say two or three words about this matter. My experience with the wine industry goes back a long number of years—at least 14 years—having been involved with it in a number of ways, the least of which was in tasting the product. I can recall when I was in the Ontario legislature that the matter of grape growers and the impact of legislation on grape growers was one which came before us with amazing regularity. Having represented an area for almost 12 years, I am very distressed with the length of time it has taken for the government to come to grips with this matter. I know the problems which confront both those who grow the grapes and those who make the wine.

Dealing with grape growing itself, one of the major impacts alluded to by the hon. member for St. Catharines (Mr. Reid) has been the effective urban sprawl and the dramatic increases in costs that are attendant upon that effect, and the difficulty that farmers are having in maintaining a viable operation in the face of urban sprawl. We must add to that, again as was mentioned by the hon. member for St. Catharines, the matter of the excise tax and, of course, all the litigation which has been gone through by the wineries and of course paid for, in part or in whole, by those of us who consume, and by the farmers who grow the grapes. Those things lead to a great deal more uncertainty than the people in the area should be required to face.

I want to suggest that there are a number of things which should be considered by the government. If we are to encourage the wine industry, if we believe that perhaps it is a place where some growth can take place, and if as a result of that we are to encourage the growing of grapes, then we will have to look very seriously at the pricing structure. I hate to keep referring to the hon. member for St. Catharines, but he is absolutely right on this occasion. He may be wrong on other occasions, but certainly on this one he is right. The difficulty is that as our wines become more acceptable, as the quality rises, as the taste becomes more palatable, as more and more Canadians, and others, are inclined to purchase the wines, then the pressures, both from the government to extract even more by way of tax, and from the importers in whatever way they can and must impede the growth of the industry, are a matter that the government must address itself to in its totality.

It is not enough simply to say that the excise tax adds an unfair burden. For example, I should like to suggest that in the matter of sherries the wine industry of the Niagara Peninsula produces sherries which are very palatable and very acceptable. If they were put in another bottle, many, many people who consider themselves connoisseurs would not be able to tell the difference. Unfortunately, now that they have achieved that level of excellence and acceptability, the government sees fit to add yet again to the tax burden. I think that is counter productive. I think that, in fact, would be wrong. At this period of time, when the industry is showing some potential for growth, the government might consider not doing that by way of tax, but instead encouraging further use and development of the industry for the future needs of the people who enjoy those kinds of drinks.

● (1540)

As far as the French champagne argument is concerned, when we were making champagne that no one would drink, the French did not care what we called it. It was only after we started to manufacture a champagne that was selling, it was only after we improved the quality of that white sparkling wine to the point where it could be taken home and actually put into a glass and drunk, that the people in France started paying attention to it. The government might well have considered moving much more swiftly because there has been considerable cost attached to preparing and developing the case that must be made before the courts, or would have been made before the courts if this bill had not been brought in today.

I suggest to the government, while it may appear in the over-all theme in the interest of Canada, with the development of the country and with all of the major problems that confront us, that the problems of the wine industry are somewhat smaller and, therefore, of less consequence; it may appear that way, but in the over all, in terms of their capacity to produce in southern Ontario, particularly in the Niagara

Peninsula, and in the over all in terms of the amount of money they are able to generate from the sale of the product, the delays by this government have cost them dearly. In fact, they may even have contributed, in all fairness, to an undermining of the saleability of the product. This may be because of the uncertainty that existed and because of the fact that many of the farmers, and some of the wine manufacturers, were uncertain of what the future held, and, knowing that champagne by any other name would not be champagne, at least not in terms of its capacity to be marketed, this delay may have impeded the natural growth which was taking place and, of course, may have required, and no doubt will require the industry to spend considerably larger sums of money in its marketing efforts.

I say to the minister in that regard that I am delighted to support the bill. I can remember a couple of years ago being in the Ontario legislature, and I would have been delighted to have supported such a bill then. I never did think I would see the day when I would be here with this bill before us. You never can tell. Is it not amazing what happens to people.

Mr. Whelan: Ask Stanley.

Mr. Deans: There you go, you see.

The other problem is that I suppose it might have been done more quickly had we been on the other side of the House.

Some hon. Members: Oh, oh!

Mr. Deans: The other thing I want to suggest is that we will have to make up our minds. Either we are going to have a wine industry in the Niagara Peninsula, secured and supported by growers in the peninsula, or we are going to see the entire peninsula turned over to tar, macadam, and buildings. The decision must be made by government at all three levels. The wine industry cannot possibly survive if it is to be crowded out by urban sprawl.

The hon. member for St. Catharines will recall the attempts by the members of the council of the city of St. Catharines to extend the boundaries of the city not so many months or years ago, and the long delay and debate that took place in attempting to determine whether that would be counterproductive and, therefore, harmful to the growers in the area. Of course we cut it back substantially, but I think the government will have to make some very tough and enforceable decisions about land use policies. We will have to try to find a way to co-ordinate the effort of the farmer with the effort and the necessity of the city dweller. We will have to pay recognition to the heavy tax burden the farmer must carry when he becomes surrounded, more or less, by urban development. We will have to recognize in the tax structure the onerous burden the small family farmer in the Niagara Peninsula is required to carry as a matter of taxation.

When municipalities, Stoney Creek being a good example, with a pro-development council, are prepared to tarmac almost anything they can get their hands on, and encourage development to the exclusion of the preservation of the farm community, we have to recognize that farmers, if they are to survive, have to be treated in a way that will enable them to compete with industrial development and with urban sprawl in the peninsula, in other parts of the province and in other parts of the country.

The passage of this bill may well put an end to the battle over the name champagne. I frankly doubt it, as I suppose it will carry on at some other level. It may well be carried on, if not in the courts, certainly in the media. However, the long-term future of the industry will depend to a great extent on co-ordinated pricing, taxation and land use policy. The industry cannot survive, no matter what we allow the names to become, unless we have that kind of policy.

I would suggest to the minister that some time in the not too distant future he might address himself to that very matter in this House, and suggest to the House how he proposes to rationalize the tremendous imbalance the farmer must face in terms of his contribution to the tax structure, and the tremendous pressure he must face with regard to urban sprawl, and the way in which we may be able to secure for future generations the perpetual use of most valuable land for farming purposes. There is no point in saving all the stony land for later and using up the arable land now. There is no point in allowing development to take place on the best soil in areas with the most favourable climatic conditions, only to be left in years to come with nothing but perhaps the less desirable and, obviously, less fertile land.

I have had it said to me that, of course, modern technology in the farming industry will bring about the necessary changes, and that somehow or other we will be able to produce more on less; that with machinery and with all kinds of feeds and whatever we will be able to produce more with less. I am from Missouri on that one; I think I would like to see something a little more concrete, and not just simply some pie in the sky proposals, or perhaps some ill-dreamt-up, middle-of-the-night claims after a bottle of cheap wine or, for that matter, a bottle of cheap whisky or beer.

Frankly, I think it would serve us better in the long run to deal with the real problem. While this is an example of a problem, the real problem is the one I have just mentioned. We will have to do these things, and I urge the minister to take that problem on post haste, and let us see if we cannot get it resolved.

Hon. Bryce Mackasey (Lincoln): Mr. Speaker, I have just a very few words to say on this matter because I am aware, and perhaps pleasantly surprised, that an all-party agreement to pass this particular bill, which has already cleared the other place, has been reached. It is extremely tempting to utilize this time to discuss the industry in general, and to indicate the need for an opportunity to do precisely that, and, on another occasion, to discuss the tremendous growth in the Canadian wine industry, not only in Ontario, but potentially in other parts of the country, including British Columbia.

I was reluctant to rise because I know there is an agreement to dispose of this bill in the House before four o'clock, and I know that we have to depend to a great degree, with justifica-

tion, on the good will and co-operation of members of parties opposite. Nevertheless, I thought that it was important that I rise and at least be on record as having approved of this bill and, if nothing else, to indicate my new found interest—I must confess that it is not a new-found interest in wine—perhaps an ongoing interest—I have for the area once represented in the provincial legislature by the hon. member for the New Democratic Party, with whom I have a very good rapport outside the House.

● (1550)

I am pleased with the passage of this bill because it legalizes something which the government indicated several years ago, the end to a protocol and a trade agreement with France which goes back to the 1930s when in fact our wine industry left much to be desired. What this bill is doing is legalizing the intent expressed by the government some years ago, and thus eliminating the possibility of legal action.

The hon. member for St. Catharines (Mr. Reid) is a very astute politician and has served his country very well at all levels. For instance, he was the mayor of St. Catharines when it allowed that beautiful wine-growing area on the outskirts of the city to be absorbed into the urban sprawl. It must have been a very difficult decision for the mayor to, on the one hand, go along with the developers and, at the same time, express the interests he has expressed today, which are so well known to the farmers. It is a dilemma which the hon. member from Hamilton has pointed out.

Surely the greatest defence which the farm community has against further spreading of the urban sprawl or the cement jungle, is in time to make certain that the farmer has a decent income from his land. This is why I must pay tribute, at the risk of sounding partisan, which is not my intention, to the Minister of Agriculture (Mr. Whelan). The people of Lincoln County, and particularly those from the town of Grimsby, tell me that the Minister of Agriculture is responsible for the development of a small but growing brandy industry. Through the minister's efforts some years ago, the cabinet of the day was persuaded to provide moneys needed to buy up certain grapes which, in turn, were turned over to Canada's one company that can legitimately say it produces Canadian brandy. This is an indication that the wine industry, particularly in the Niagara Peninsula, has friends on all sides.

Again, I must gently say to the hon. member for St. Catharines that the tax which was imposed by the Minister of Finance (Mr. MacEachen) some weeks ago is, in my opinion, detrimental to the wine industry. I am rather sorry to see the tax implemented, but I must again remind the hon. member for St. Catharines that, although it is not the subject of discussion today, the tax is nothing more than a total and complete replica of the tax proposed by the previous government. I am sure that the hon. member is quite accurate when he said that the former minister of finance did agree, during the election campaign, to review that particular tax. However, it should not go unnoticed that the present Minister of Finance made the same commitment the other day in the House.

In conclusion, I do not wish to end in a partisan role, nor do I wish to express different opinions from those of the hon. member for St. Catharines. I am very pleased that the members of all parties from the Niagara Peninsula have been able to put aside their partisan differences for the common good of the wine industry in our part of the country.

Mr. Deputy Speaker: The hon. member for Annapolis Valley-Hants (Mr. Nowlan).

Mr. J. P. Nowlan (Annapolis Valley-Hants): Madam Speaker, thank you very much. If the Chair has difficulty with my name, I have—

Mr. Deputy Speaker: The Chair might have difficulty, but, as a point of order, the Chair prefers to be known as Mr. Speaker.

Mr. Nowlan: I agree, sir, but if the Chair has difficulty with my name, I have difficulty with gender.

I am rising briefly, Mr. Speaker, because I know that there has been all-party agreement to move this bill through all its stages into law, and to get the bill to the other place for royal assent today. It will basically help the industry. I appreciate that the members from the Niagara Peninsula have a little more direct interest in the wine industry.

The only reason that I rise is to forewarn the minister, although I know full well that he is from another area of the good province of Ontario, that in other provinces, and including Ontario, there is another problem, not with champagne or Champlaign, but with apple cider. Without getting into the details of the controversy, and in view of the fact that the Horticultural Council of Canada has passed resolutions on the problem of sweet cider and apple drink which, if resolved, will help the productivity and/or the income and well-being of the farmers of this land, I would like to put the minister on notice that while I certainly am in approval today and do not wish to hold up passage of this bill, I was thinking at one point—before I realized there was all-party agreement—that if the bill had anything to do with liquids I would use it to make sure that, no matter what liquid it was, we would talk about cider.

Whether it be in the House, the Standing Committee on Agriculture, or by letter, hopefully we will be able to move the horticulture resolutions on the sweet cider problem to a satisfactory conclusion as we are doing today with the matter under discussion in Bill S-5.

Mr. Ian Waddell (Vancouver-Kingsway): Mr. Speaker, I was champing in pain a little bit, as it were, as I listened to the hon. member for Lincoln (Mr. Mackasey). Has any hon. member ever tried to order Canadian wine on Air Canada? It is impossible. I agree with just about everything which the hon. member for Hamilton Mountain (Mr. Deans) said, but I would point out that there is a wine industry in the Okanagan Valley in British Columbia. It is a very good wine industry. As a matter of fact I tried to bring some sample bottles here for some hon. members so that they might try them. I refer to the new wines which are being made in the Okanagan Valley,

particularly in the new industry which is called the cottage wine industry which, for example, can be found at Trepanier, as well as at Port Moody and in the lower mainland.

I agree specifically with the comments of the hon. member for Hamilton Mountain as they referred to the problems caused to the wine grower when urban sprawl takes over farm areas. We have had to deal with that matter. A previous NDP provincial government had to deal with that problem in British Columbia. I think that that government will go down in Canadian political history as being very courageous in its dealings in this matter. The Barrett government, the last NDP government and the next one in British Columbia, brought in a land freeze act that protected the farm land of the province. It not only protected the farm land, but it added to the land freeze a measure to protect the small farmer who needed help and a stable income in order to continue the orchards.

The orchards of the Okanagan are in some danger today. The area is facing floods of Albertans who come to the area—and who of course are welcomed as Canadians—for recreation. I hope that we can continue to keep those orchards and keep the new wine industry growing. There is no pun intended. I support this bill and agree with the hon. member for Hamilton Mountain with regard to champagne. What is in a name? I suspect, though, that the dispute about the name champagne will go on, but at least this bill will give Canadian wine growers a chance.

There is a snob appeal, which is found more among my generation than perhaps the other generations because we have become more of a wine drinking generation, that we must drink French wines and foreign wines when, in fact, there are very good Canadian wines. These Canadian wines are made in my area and other areas of the country. As the hon. member for Hamilton Mountain has said, the problems of the wine industry wither on the vine when they are put beside all the problems of the world. I do not wish to add any sour grapes to this debate when I say that, but I think that it is important that this bill go through today.

● (1600)

We in the New Democratic Party support the bill and commend to the government the remarks made by the hon. member for Hamilton Mountain that steps should be taken, both federally and provincially, to stop this urban sprawl in wine growing areas in order to give them and wine growers a fair chance.

Mr. Pinard: Madam Speaker, after consultation, there seems to be general agreement that this bill be referred to Committee of the Whole rather than to the standing committee of this House and that it be disposed of forthwith, through all stages.

Mr. Baker (Nepean-Carleton): That is agreed, Mr. Speaker.

Mr. Deputy Speaker: Is there unanimous consent?

Some hon. Members: Agreed.

(Motion amended.)

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

Some hon. Members: Agreed.

Motion as amended agreed to, bill read the second time and the House went into committee thereon, Mr. Francis in the chair.

Clauses 1 to 3 agreed to.

Title agreed to.

Bill reported.

Mr. Deputy Speaker: When shall the bill be read the third time?

An hon. Member: By leave, now.

Mr. Whelan (for Mr. MacGuigan) moved third reading of the bill.

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

Some hon. Members: Agreed.

Motion agreed to and bill read the third time and passed.

* * *

BANKS AND BANKING LAW REVISION ACT, 1980

MEASURE RESPECTING BANKING INSTITUTIONS

The House resumed, from Tuesday, May 6, consideration of the motion of Mr. Bussières (for the Minister of Finance) that Bill C-6, to revise the Bank Act, to amend the Quebec Savings Banks Act and the Bank of Canada Act, to establish the Canadian Payments Association and to amend other acts in consequence thereof, be read the second time and referred to the Standing Committee on Finance, Trade and Economic Affairs.

Mr. Vince Dantzer (Okanagan North): Mr. Speaker, this is the first opportunity I have had to speak in this, or for that matter, any parliament. I deem it a good omen that the opportunity occurs on the same day that we are celebrating the centenary of *Hansard*. The record of 100 years of accurate reporting gives me confidence that my words will be reported accurately.

I am very pleased, in fact I am very proud, to be able to represent the people of Okanagan North in this great assembly. Today I continue debate on this very comprehensive Bill C-6, which represents the decennial review of the Bank Act. This is an important bill for the people of my constituency, as indeed it is to all Canadians.

In Okanagan North the availability of financial services is essential to our economic well-being. Our economic base depends upon having a healthy forest industry, a healthy agricultural and tree-fruit industry, and a healthy and active tourist industry. The people who own, operate, and work in

these industries—most of whom are small business people—depend to a rather large degree on obtaining operating capital through local banking and financial institutions at competitive rates. It is important to them that operating loans are available quickly at reasonable rates. Unfortunately, in recent months the ever-increasing escalation of interest rates to unprecedented levels has made it extremely difficult for business people, for farmers, for fruit growers, for people in the lumber industry, and indeed for all small business people—or large business people—in the Okanagan and elsewhere in Canada, to operate at a level of activity and a margin of profit which would enable them to survive. Here we must ask who is to blame for these high rates.

There are those who blame the bankers. There are those who blame the banking system. There are those who blame the central bank. Mr. Speaker, there is only one place we can lay the blame for high interest rates. There is only one place we can honestly look to for responsibility for those killing interest rates. There is only one culprit, Mr. Speaker, and that culprit is the present Liberal government, a government whose policies over the past 12 years have been solely responsible for the position that all business people, home owners, and the whole country, are in today. Over those years this government has pursued a reckless, irresponsible, and indeed almost an insane policy of government spending, a policy of huge and ever-increasing deficits and a policy of printing money to meet those deficits, a policy of building bigger and bigger bureaucratic monstrosities until today our civil service establishment per capita is one of the largest in the world. It is this government, with its policy of inflation, which has caused the high interest rates, and it is this government which seems determined to maintain an even higher inflation rate and consequent high interest rates.

It is indeed unfortunate, Mr. Speaker, that the passage of this bill to revise the Bank Act will probably have no effect on the disastrous economic policies of this government. I speak in favour of the early passing of this bill, however with some changes which I shall detail later.

There are two general areas of the bill which deserve commendation. First of all, the bill purports to increase competition in the Canadian banking system and, by doing so, it will almost certainly strengthen an already strong Canadian financial and banking structure. The bill will increase competition by providing easier entry into the banking field by new banks, first by making it possible to incorporate by letters patent rather than by an act of Parliament. Second, it will allow greater access to the Canadian market by foreign banks and thus provide existing Canadian banks with greater competition and the Canadian public with a greater diversity of banking institutions.

The banking community of Canada supports this move, this endeavour, for greater competition. This support has the hon. member from Kamloops-Shuswap (Mr. Riis) of the NDP wondering how much competition will really result from this act. He said, if I remember his words, surely the banks are going to face additional competition, and they are in favour of it? Surely the act is not going to provide the competition which the minister says. He indicated that those big, bad financial corporate bums, as they were once termed by the NDP, would not favour this act if they were going to find competition. I suggest to him that those big bad banks, the Canadian bankers, are as capable as any in the world and they are prepared for a trade-off. That trade-off is that they are prepared for greater competition in Canada if they receive similar, reciprocal treatment to enable them to compete in other parts of the world, which they feel they can do effectively.

• (1610)

As a Canadian I am certainly pleased and proud that our financial institutions are known and exist the world over. I only wish other Canadian companies were as successful in competing around the world.

The Canadian public will benefit from the increased competition which will be encouraged by this bill, in two ways. First of all the entry of foreign banks into the market will provide a greater diversity of financial services. We live in a world marketplace. The time is long gone when we can be parochial and limit our horizons, whether as individuals or as businesses, to the confines of one country.

This is particularly true of the financial world and this country can only benefit by having access, not only to the credit resources and financial services of Canadian banks, but also to the credit resources and financial services of some of the great financial institutions of the world.

That is why I favour the early passage of this act, because it will allow foreign banks easier access to the Canadian market and provide Canadians with access to their financial resources. Bill C-6 also deserves my support, and the support of this House, because it will make it easier for new banks to be established in the maritimes, in eastern Canada and in the western provinces. This bill will facilitate the conversion of existing financial institutions to the status of a chartered bank. Again, as I said earlier, this bill will make entry into the banking business easier.

We, in western Canada, are well aware of the results and effects of the lack of competition that used to exist among the major banks in this country. It was not too long ago that the head offices of the major banks in Canada were located in Toronto or Montreal. I have worked with large businesses, and with small businesses, in the western provinces of Saskatchewan, Alberta, and now British Columbia. I well remember in the 1950s and 1960s, and earlier, whenever there was a small, short depression—now they call them recessions—and money was in short supply and credit was tight. The local managers of the major banks were forced to go to their customers and call their loans. This was done because decisions were made and based in the offices in eastern Canada. Of course their decisions were based on the needs of those companies which needed credit in different parts of the country.

Things have changed. We now have several new banks. Some of the banks have head offices and decision-making offices in western Canada. We now get loan and credit-making

decisions on the basis of western need. This bill will provide an opportunity for the establishment of even more banking institutions. New banks, new institutions mean more competition. More competition means more efficiency, new ideas, and better service for the Canadian public.

Let me illustrate. In British Columbia we have a financial institution called the Bank of British Columbia. Let me quickly disclaim any special brief for the Bank of British Columbia, but, just by way of illustration, it provides an example of what competition from a new source can mean in services to the Canadian public. We all, or at least some of us, remember the response of the five major banks in Canada when the question of providing daily interest to customers who had money on deposit was suggested. I believe it was suggested during the hearings that this House had in committee on this particular bill. "It cannot be done," said the chartered banks at that time. "It is too costly. Impossible!" they all cried in unison. However, in recent years the "new boy" in the banking system, the Bank of British Columbia said, "We can do it," and they have done it. Today all of the old existing banks are stumbling over themselves to get in on the act. Now you can even get daily interest on chequing accounts.

This bill is strongly supported by the credit union movement in Canada. That union says, and rightly so, that it will benefit from the proposal in the bill to create a new Canadian Payments Association through which, for the first time, non-bank financial institutions that accept chequable deposits will be permitted to participate directly in the clearing system.

Credit unions agree that the bill will provide more equitable competition within the Canadian financial system and provide them with increased service. There is, however, one aspect of this bill which concerns me and many of my constituents, particularly those in the auto industry who are involved in automobile leasing. This concern has been expressed before in this House during debate on this bill. I am glad to see the minister agree that perhaps some change could be made in committee.

The part of the bill that concerns us is that part that allows banks to enter the business of the financial leasing of equipment, including automobiles, through the use of subsidiaries. The minister said that the Canadian public would benefit from allowing banks into this area because increased competition in the leasing field would result. I disagree.

First, I believe it is generally admitted in the industry that leasing an auto is considerably more expensive than is borrowing money from a financial institution and buying the automobile outright. For instance, when I go to seek advice from my local bank as to whether I should lease a car or borrow the money from that bank to buy a car, my bank manager in all likelihood, as would everyone's bank manager, would explain that leasing costs considerably more money in most circumstances than does borrowing money from that bank to purchase a car. He would also explain that leasing was only valid under certain circumstances and special conditions. Today, under present circumstances, I believe my friendly banker would offer to lend me the money to buy the car of my choice.

However, if under the terms of Bill C-6 the banks are allowed into the leasing industry and, do as they intend to, and have a leasing officer in every branch across the country, as they now have loan officers and mortgage officers, under those conditions the natural thing for him to do is to say, "I would like you to meet my leasing officer". It must be true, and undoubtedly is true, that there is considerably more money to be made in leasing than there is in loaning money, or else the banks would not be so eager to get into it. Consequently, no longer would I as a consumer have two choices, one to borrow money, and one to lease effectively. I would be steered into the leasing business which would be more expensive for me as a consumer.

The second objection I have to the proposed Bank Act, and indeed the existing act and previous acts, is that they are not really designed as a vehicle properly to enable the banks to get into the business of dealing with commodity purchases or commodity leases, as suggested in this new act.

● (1620)

Admittedly, today, when a bank lends money to purchase equipment, be it a car, a fridge or whatever, and takes as security a conditional sales agreement or a chattel mortgage on equipment to be purchased or financed, it is dealing with commodity purchases. The bank now has that right. However, several provincial governments, if not all, have found that financial institutions—not necessarily banks but not necessarily excluding them—have taken unfair advantage of the consumer. Mr. Speaker, that is a terrible thing to have to say, but unfortunately it is true.

There are many cases in which financial institutions, bank managers, feel it is necessary for them to repossess the vehicle or other equipment of a defaulting purchaser. In order to regain their money they sell it quickly, probably for an amount considerably below its real value. This happens at times even when the purchaser has a large equity in the equipment. The result is an unfair loss to the consumer concerned. Provincial governments have devised and enacted legislation in almost every province, I believe, to protect consumers against this practice. However, this legislation does not affect the banks since the bands claim they come under federal jurisdiction and are immune from provincial laws. They currently claim this immunity in respect to the financing of chattels by way of mortgages or conditional sales contracts. I have the experience of several cases in which banks have repossessed articles contrary to provincial legislation. Provincial legislation is only followed provided enough fuss is made when bad publicity is given or, more usually, as a result of action by the department dealing with consumer affairs. When this happens, the banks back down and voluntarily accept the terms of the provincial legislation.

Undoubtedly abuses will arise in the field of financial leasing, and undoubtedly provincial legislation will be brought forward to correct such abuses, but again this legislation will be unable to provide a remedy if it is the banks which are guilty of the abuse. It is for this reason that, in my view, the

bill before us should be changed in committee so as to restrict the involvement of banks in the leasing field. The banks should be restricted to providing financial leases for large fleets, heavy equipment or heavy trucks—things of that nature. Competition for leasing to the individual consumer is already extensive, and no benefit would accrue to the Canadian public if we were to enable the banks to enter this field.

In closing, let me repeat that the passing of this bill will not solve the economic problems for which the policies of the government are responsible. We are not likely to deter this government from the disastrous course down which it is headed. However, we can, and we should, rely on the resourcefulness of the Canadian people to succeed in spite of the government. The passing of this bill will allow one segment of Canadian society, the financial and banking community, to get on with the job.

Mr. Jim Manly (Cowichan-Malahat-The Islands): Mr. Speaker, I appreciate this opportunity to speak on the revision of the Bank Act. Since this is my opening speech I should mention that in the beautiful riding of Cowichan-Malahat-The Islands we do, indeed, have banks. We also have credit unions, which are even more relevant to the interests of ordinary people.

Without digressing too much, I might add that Cowichan-Malahat-The Islands is one of the most beautiful parts of Canada or, indeed, of the world. I thank the people of the riding for their confidence in me; I will do my best to serve them. On their behalf let me say it is a nice place to visit, but we don't want too many of you to live there. I urge hon. members to visit their banks or credit unions before they come.

I was in the House two nights ago when the Solicitor General (Mr. Kaplan) suggested that new members should not become too involved in this discussion because all the important questions have been asked and answered to almost everyone's satisfaction. Last night the hon. member for York-Peel (Mr. Stevens) agreed with him in wanting to rush this bill through its several stages. With respect, Mr. Speaker, I must decline the invitation to remain silent on this measure. It touches on too many issues which are important to me. These issues concern me as a Canadian interested in the broad economic and social well-being of my country. They concern me as a consumer of financial services, and they concern me as a member of a political party which is working for progressive change in Canadian society.

The Minister of Justice expressed concern that this session of Parliament should not reinvent the wheel. I can assure him we are not interested in reinventing the wheel, but we do have some questions about the direction in which the wheel is travelling. In short, we oppose the proposed revision of the Bank Act as set out in Bill C-6. We oppose it for some of the things it does and also for some of the things it fails to do, or does not do in an adequate manner.

Let us examine some of the things this act does. First of all, it opens the door for foreign banks to have a larger, more official role in Canada. In a sense the Bank Act amounts to an official baptism of the situation which already exists. The government hopes by this to place greater control over foreign banks in the hands of federal authorities. When we look at the government's track record when it comes to controlling big corporations, I must say this is a rather forlorn hope. The bill talks about means of increasing competition with the chartered banks. But we ask how much this kind of increased competition will help ordinary consumers or small businesses. As other members have pointed out, foreign banks would emphasize large-scale commercial and industrial accounts. The foreign-owned subsidiaries of the multinationals would be inclined to use foreign banks for their financial transactions rather than Canadian banks.

Last night we heard the hon. member for York-Peel yodelling about Canada becoming the Switzerland of North America. I suggest that the first step toward this was taken when we go rid of our merchant navy. The second is bringing in the foreign banks. Instead of the gnomes of Zurich we will soon, perhaps, be able to talk about the Hobbitts of Bay Street. We all agree that more competition in banking would be desirable, but this could be better achieved through more Canadian banks and through enlarging the scope of our credit unions. We should also be looking seriously at such alternatives as post office banks.

Another reason often cited for allowing foreign banks into Canada is the need for reciprocity, so that Canadian banks will have access to foreign markets. But, Mr. Speaker, when we look at the record of Canadian banks in South Africa or the Caribbean, we have serious doubts about the value of this proposal. With regard to Canadian banks in the Caribbean, one informed source pointed to the concerted attempt by multinationals to destabilize the government of Jamaica. Canadian banks have not been neutral.

● (1630)

Canadian banks have not been enabling or developmental in their approach, but they have been part of the multinationals' grab for Third World resources. In South Africa Canadian banks, through their loans to companies doing business in South Africa and to South African government agencies, have given powerful support to the policy of apartheid. In this regard I am pleased to note the following statement on foreign lending that the Toronto-Dominion Bank issued on March 14 of this year:

> We have reviewed our position and again state categorically that we are opposed to apartheid. The bank has made only one loan in South Africa in recent years. That was to the state electrical system, along with a group of European and other banks, for construction work at a coal-fired generating station. This would increase the over-all electricity supply to support the government's announced intention of electrifying the non-white communities. This loan will not be renewed nor will the bank make new loans to the government of South Africa or its agencies under present circumstances.

I believe it would be good if other major chartered banks followed this example.

Second, the new Bank Act allows the cabinet to issue letters patent for a new bank rather than requiring that charters be issued only by an act of Parliament. This undermines the role

of elected representatives. This provision undercuts the need for full, public and open discussion of any new bank proposal. However, this seems to be a hallmark of this government: more rule by cabinet and by the bureaucracy, and less by the people and their representatives.

Third, as has been pointed out repeatedly, not only by members of the New Democratic Party but also by hon. members from the Conservative party, the new act allows banks to expand into such areas as automobile leasing. Automobile dealers have clearly recognized the threat that this poses to their business. They very much fear that they will be completely unable to compete with the massive resources of any of the chartered banks and the access that these banks have to the leasing market.

Now let us look at some of the things this act does not do. First, it does not offer any substantial improvements in public disclosure regulations. The public needs to know how interest payments are calculated. The public needs to know about any associated costs of loans. There is a need for disclosure regarding the policies, practices and operations of the banks and their international subsidiaries. For example, what loans are being made to companies in South Africa?

Second, this act does not control the spread between the rate of interest the banks pay to depositors for their savings and a much higher rate that borrowers must pay to the banks when they borrow money.

Third—and this is most important—the new act takes no action against interlocking directorates. In interlocking directorates, directors of large commercial and industrial corporations sit on the board of directors of one or other of the major chartered banks. We are opposed to this system because it gives us the worst of all possible worlds. It does not give us healthy competition.

Large corporations have the inside track in raising capital. This, in fact, is one of the ways by which multinational corporations dominate our world economy. Scarce savings come increasingly under the control of one of the large banks, and loans are made much more easily to corporations which have representatives on the boards of directors. If we are going to talk about competition and free enterprise, there should at least be an arm's length distance between financial corporations and their major industrial and commercial customers.

Certainly interlocking directorates encourage some planning for the rational use of resources, but this is not public planning, and it is not planning in the interest of the public. It is planning in the interests of those who do the planning, namely, the interlocking directorate. So we have neither a healthy free enterprise system of competition nor a rational system of public planning. We have monopoly capitalism, and those members of the Liberal and Tory parties who vote for an act which allows this kind of interlocking directorship to continue are, in effect, voting for that kind of monopoly capitalism. There is nothing competitive in it at all.

Fourth, the new act does not make it possible for the government to use the Canadian banking system as an effective instrument of public policy. This is a very important issue. Since I have been here in this House we have discussed low interest loans for small business, but we do not have any provisions to require the banks to make available a certain amount of money for these loans at low interest rates.

Today the people of Canada are crying out for a housing program which would enable them to purchase homes at reasonable rates. Where is the mechanism in this act which would allow the government to require the banks to make loans for such a program?

Native Indian bands are starved for economic development funds. They require capital. The Bank Act should make the banks more responsive to this kind of public need.

Some people will reply that all of this should be left up to free enterprise and that everything will adjust itself in the private interest. In response, we can ask how helpful banks have been to the growth of Canada in the past. In "The History of Canadian Business" Tom Naylor points out that the Canadian banking system evolved from a need for capital to move staples out of the country. It was oriented to the idea of Canada being a hewer of wood and a drawer of water rather than being a modern, industrial nation. Naylor shows how the banks siphoned savings from the maritimes to use for opening up the west and its staple production. As a result, necessary industrial development did not take place in the maritimes. This is one of the reasons for the present regional economic problems.

Areas of Canada are undeveloped today because of the free enterprise policies of our banks in the past. In one maritime community, for example, the ratio of deposits to loans reached 20 to one; that is, for every $20 local people invested in savings only $1 was loaned back to the local community for necessary improvements or any kind of economic development. A ratio of 20 to one! It is no wonder we have problems in the maritimes today.

Similarly, in the west banking policy confirmed people there in a staples economy rather than one based on industrial development. Farmers were sometimes unable to negotiate loans which would help them to hold back their crops and get decent prices. Instead, the money was loaned to speculators who then forced the farmers to sell immediately for what they could get. Revolving loans were often made to fall due just before harvest time, once again forcing farmers to sell at whatever price was offered.

These are some of the previous policies which our banks have followed. These policies proved to be very lucrative for the banks, but they have had disastrous effects on our economy. They do not give me great confidence in the direction in which our banking system has been moving in the past. There is nothing in this act which indicates that it is going to change direction. The conservative nature of banks is shown by the near panic created in 1911 by a modest proposal that there be a central fund to guarantee the notes of all Canadian banks. Sir Edward Clouston, general manager of the Bank of Montreal at the time, was quick to categorize this proposal as

communism. Imagine, only the barest possible protection for the consumer is denounced as communism!

● (1640)

Again we can look at the track record of banks as employers. When we are reviewing the place of banks in our society, it is not a bad idea to see what kind of employers banks are, and how they treat their own workers. Banks are the largest private employers of women in the country. In our banks we have seen entrenched forms of sexual discrimination. Banks have created a job ghetto for women. Women have been given the routine, low-paying jobs, and have been passed over for promotions. Often women have trained male employees who then advanced five times more rapidly beyond them. Sometimes we talk about "bankers' hours", but the women who have worked at banks were often forced to work without coffee breaks and coerced into working overtime at straight pay.

In a book entitled "An Account to Settle: The Story of the United Bank Workers", we are told how this worked. It reads:

The banks have a special exemption from the law that workers must be paid for working overtime. By means of an arrangement with the Ministry of Finance, overtime in banks was "averaged". If one night everyone worked late and another night they were sent home early, the two were considered to cancel each other out, and no overtime was paid. The banks were allowed to average overtime over a thirteen-week period so that employees could be required to work overtime every day for several weeks without pay.

That is the kind of bankers' hours that they were demanding for their own workers. I wish all members of the House could read this book as it details the hassles these women faced when they tried to form a union. It tells a story of coercion, intimidation, and bribery, in the attempt by the banks to break the union. It is not a very pleasant story for the 1970s.

Surely with the profits that the banks have been making, they could afford to be better employers that this. Surely these pinnacles of respectability do not need to exploit women as cheap labour in this day and age. In fact banks were almost as bad employers as the House of Commons itself, which refuses its employees the right to form a union.

It is true that banks have made some concessions to workers in British Columbia in order to defeat the bank workers' organizing drive. But in spite of these concessions, bank workers continue to earn less than the average British Columbia wage. They have no seniority recognition in relation to transfers, promotions, or job security. There is no effective grievance procedure. Surely our banks can be better employers than that. Banks have an account to settle with their own workers.

Two years ago, on the anniversary of the Soweto riots against apartheid, Canadians were asked to close their accounts with banks which supported that vicious policy through loans. In response to this appeal, I closed my account and took my financial business to the local credit union. In my letter to the chief executive officer of the bank, I emphasized that I had always enjoyed good, courteous service from the management and staff of the local branch of the bank. My action was concerned only with the bank's policy of loans to South Africa. I had a small loan at the bank with one or two payments left, and I paid this off as they came due. Imagine my surprise, therefore, when two months after the last payment I received a dunning letter from the bank which read:

We feel we have been more than lenient with you in the handling of this account. However, unless we hear from you by October 24, 1978, your account will be referred to a collection agency.

They felt they were being more than lenient with me when I paid the loan off two months earlier! This letter indicates the bank's attitude to the Canadian people. The banks feel they have been "more than lenient" with us, that they are doing us a favour by putting money out to usury.

In this party we think that in this revision of the Bank Act we have been more than lenient with the banks. We believe that the time has come for some fundamental changes in the Canadian banking system, not changes to allow more foreign banks into Canada. We do not need changes that will allow the cabinet to charter new banks without recourse to Parliament. We do not want changes that would allow the banks to enter the leasing market. Rather, we need changes that will allow a decent measure of public disclosure. We need control of interest rate spreads. We need changes that will put an end to the stranglehold of interlocking directorates.

Finally, we need legislation which will give this government the power to use banks as an instrument of social and economic policy. Instead of rushing this legislation through, let us take the time to bring in a revision which will meet the real needs of Canada in the 1980s.

Mr. Douglas Roche (Edmonton South): Mr. Speaker, I wish to compliment the hon. member for Okanagan North (Mr. Dantzer) who, a few moments ago, made his initial speech in the House. I remember him when he served as the distinguished mayor of Edmonton, and many others in this House remember him in that capacity. I am glad to say in passing that, as he gave his speech today analysing Bill C-6, I noted that his powers of analysis and persuasion have not diminished, even though he moved further west in the course of his career. So, along with many others, I welcome him to this House.

I wish to make some very brief comments this afternoon on Bill C-6, particularly with reference to the leasing provisions. I know that several comments have been made already in this debate on the leasing provisions, but I think the matter must be simply stated again in order that the government receive a clear indication of the strength of the opposition to the leasing provisions contained in Bill C-6.

I am opposed to the idea of banks being involved in the leasing business, especially the leasing of cars to individual consumers. Banks should remain in the financial field and leave merchandising to the private businessman. That is the thrust of the comments I want to make this afternoon.

The leasing of automotive vehicles involves a variety of factors, not just the extension of credit. An appropriate model vehicle must be selected and a lease drawn up to suit the individual's needs and requirements. Equipment, maintenance, insurance and disposal of the vehicle at the termination of the lease are all involved. Banks are in no position to provide this

complete range of service. Whatever banks may say about their desire to help the consumer by providing competitive leasing arrangements, it is clear that they are interested in leasing because of the profits involved. After all, that is the fundamental reason they have become involved in leasing. It is questionable in my mind, however, whether banks will, in fact, increase competition in the marketplace.

● (1650)

In the majority of cases, banks finance large dealer-leasing operations and require complete dealer-customer files, including the names and addresses of lessees and the terms of the lease contract. Of course banks are also able to obtain money at a cheaper price than private businesses. That is a point we should not overlook. They will start out with a competitive edge and will be fully capable of attracting lessees away from private dealers. I think the fear that has been expressed by the automotive industry across the country is well-founded. Moreover, they have a right to expect a government that will foster a climate for private business, not impede it.

What we are contemplating if this bill goes through unchanged, is the banks achieving a virtual monopoly in the leasing business. That being the case, what guarantees do we have that they will remain competitive in this field? The limited number of banks in Canada would make this near-monopolistic situation much easier to control. We must ask ourselves: can five or six banks really provide as much competition as 3,000 independent dealers, in the long run? I believe bank leasing would also represent a conflict of interest. On the one hand they are providing operating lines of credit to car dealers, while on the other hand they will be competing with those same dealers in the leasing business. What guarantee is there that banks will not drive a dealer out of the leasing market by curtailing his credit? Dealers and manufacturers of automobiles are already under severe economic pressures without this added threat.

Some of the amendments which were made to the former Bill C-15, and which were contained in the regulations attached to Bill C-14 of the previous government, were supposed to address the concerns of automobile lessors. For example, banks were excluded from directing lessees to a particular dealer. However, how this would be enforced is left unsaid, and I believe that it would be extremely difficult to have this kind of enforcement.

The stipulation that no more than 20 per cent residual value could remain when the lease term is over does not really restrict banks from entering the car leasing field. If one has a vehicle which is depreciated at 2.5 per cent over 36 months, the residual is down to 10 per cent, a level which banks can operate under. It really depends on how the depreciation will be calculated.

If the original intent of this legislation was to permit banks to lease big ticket items such as locomotives, aircraft, ships, etc., then some of the restriction related to on-highway vehicles of a certain size would not be contrary to this intent. That is the kind of amendment I would favour.

I was pleased to note yesterday that the parliamentary secretary suggested that he recognized the distinction to be made between the intention and the application of the car leasing provisions in the bill as it is now written. He gave an indication that the government would be amenable to examining the thrust of the financial leasing provisions of the bill when it gets into committee. He said in his speech, as reported at page 763 of *Hansard*, that there could be some possibility for change. That raises a ray of hope for those of us who feel as strongly as I and many of my colleagues do against the car leasing provisions. But if the government had made up its mind to accept an amendment to the legislation, I believe the parliamentary secretary would have been more specific. Perhaps the government needs to receive the kind of message which I am indicating this afternoon a few more times, before it sends a clear signal to us indicating that indeed the bill will be amended in the manner I have proposed.

I think it is now clear that the present legislation is not sufficiently specific in this regard. In fact automobile dealers report that the major chartered banks have begun building staffs of experienced vehicle leasing personnel. Obviously the banks think the restrictions are lax enough to permit car leasing, so these restrictions should be tightened.

Several suggestions have been made by other members of my party about how this act could be amended so that car leasing stays with the dealer, and heavy trucks and large ticket items are available to the banks. Again I say that these suggestions should receive the serious consideration of the government. I think that dealers have provided a reasonable leasing service to consumers in the past and are closer to the consumer than a bank could ever be. If we are worried about some aspects of the car leasing business, we should deal with those problems through the provisions of consumer and corporate legislation, not the Bank Act.

I think the hon. member for Edmonton West (Mr. Lambert) put the matter very succinctly in his opening speech on behalf of our party when he said, as reported at page 636 of *Hansard:*

> The idea of the banks engaging in the business of leasing passenger vehicles and trucks up to a certain commercial weight will not fly, period.

Following that, the hon. member for Burlington (Mr. Kempling) indicated in his intervention on this bill, as reported at page 725 of *Hansard*, "We think leasing should stay with the dealers". I think those two statements very accurately sum up the thrust of opinion of many members on this side of the House.

Finally, I want to restate the principle that is at the core of my speech today. There is a great danger in Bill C-6 that banks will overstep their proper functions and the effect will be to the detriment of the consumer as well as of the independent businessman.

Some hon. Members: Hear, hear!

Mr. Blaine A. Thacker (Lethbridge-Foothills): Mr. Speaker, I appreciate the opportunity to speak on this Bank Act amendment, or the entire revision of the Bank Act. Before I deal with a couple of concerns which I have with respect to it,

I wish to refer back to the speech of the hon. member for York-Peel (Mr. Stevens) last night in which he called the hon. NDP members his cousins, and there was a great deal of good-natured banter back and forth. In that line I want to dissociate myself from the cousin concept. I very carefully checked my family tree and I found that there were no socialists in my family tree. Therefore, I cannot, with the greatest respect, call any of them my friends or, certainly, my cousins.

Mr. Knowles: Maybe your grandchildren will be.

Mr. Thacker: I suspect that the hon. member for Winnipeg North Centre (Mr. Knowles) is incorrect. I do not think any of my dependants will become socialists because, by nature, we are accumulators of capital, accumulators of things, so that we can build this nation rather than try to tear down the people who work hard and build up a little nest for themselves.

Some hon. Members: Hear, hear!

Mr. Thacker: With respect to this present act, I know that it has been under review for four or five years. I know that on the whole the Bank Act is excellent. It clearly brings Canada into the modern era. It permits Canada as a whole to pursue actively international development. For me it is absolutely critical, in this small world we have, that we all become very much interlinked. The sooner we can have Canadian banks operating in the entire world, the sooner other nations can have their money in this nation, the greater chances there will be for world peace. One of the greatest things to keep people peaceful is if they know they will lose an incredible amount of money if they are aggressive in a nation.

My two concerns with respect to the Bank Act are very narrow points which can be rectified easily in committee, and I hope they will be. My first concern relates to the position of livestock producers and the payment they receive from their animals when sold to packing plants, particularly those plants that have a section 178 bank loan but go bankrupt before the producers are paid. Some will immediately say that that will not happen very often, and that is correct. But, in fact, it does happen from time to time to the small producers. There is no doubt it will happen again. It will basically happen because in this country at the national level we have accumulated a deficit that has really become onerous. We are in tough times vis-à-vis the world economy, and there will be several thousands of businesses and people who will have to declare bankruptcy, and clearly some of those will be processors.

● (1700)

I think another aspect that will cause failures in my own province of Alberta, and very likely in my own riding, which has a lot of livestock producers and processing plants, relates to the fact that the province of Quebec is taking equalization money from the national government and using it to subsidize its farmers who are becoming self-sufficient in terms of livestock. That is affecting our livestock producers in Alberta, with the result that several of our small packing plants are going to go bankrupt. It is a shame that should be so, sir, but that is the hard reality.

In addition, there is the question of equity between the innocent livestock sellers and the lending banks. We need, for a moment, to address our minds to section 178 of the Bank Act, which is the actual section that gives banks a very special type of security for the loans they make to agricultural producers, agricultural processors and others in a number of similar situations.

When the borrower signs a section 178 security the effect in law is to transfer the ownership of the goods secured to the bank. The bank then has a very special procedure the rest of us in our society do not have, and that is to sell those products and thereby be paid in full.

If I come to you, sir, and buy your cow, I take delivery and tell you I will pay you tomorrow, and I do not pay you tomorrow, then you have to bring an action in law in the courts, and presumably you will get a judgment and you can seize my assets. If I do not have any, it is tough luck for you.

The effect of section 178 vis-à-vis the banks is to give them some special security, so they get a degree of priority in respect of those goods.

Under section 178, as proposed, certain products are exempt from this special security the banks take. One of those exemptions relates to direct products of the soil and another to dairy products. It is interesting that the bill continues these special exemptions from the old act. I think we need to look very carefully at this in committee, because we must understand the rationale for picking out certain of the agricultural products and not the broad range. In committee we need to look very carefully at an amendment that would permit us to have the entire range of agricultural products fit within this exemption.

Perhaps I could trace an example for you of how this would work a hardship on the individual livestock producer, of which there are many in my riding. We know that across Canada there are over 100,000 livestock producers. They usually have operations with 60 to 100 cows, which usually results in from 50 to 100 calves each year. If, in fact, there were 100 head and they were sold for $900 an animal, that would result in about $90,000. In fact our livestock producers are not getting that kind of return now. They should be, because that is what it would take to really have an economic operation. They are getting much less, and we need to address our minds to that question at another time. We should note that if the producer sold his entire 100 head for $90,000 that would be his entire gross income for the year.

The producer would take those animals to a smaller packing plant, negotiate a price and sign an agreement for the sale. The effect of that agreement is that from the moment of the agreement the ownership of those animals is transferred to that packing plant. Even though that producer has not been paid he has lost ownership of those animals and the ownership is with the packing plant.

Such a producer does not really have any choice. You might say, let him watch out for himself. Certainly people have to be

vigilant for their own protection, but in actual fact that livestock producer does not have any alternative to selling them because his animals are at market weight. If he keeps them, it costs him more to put additional weight on them and they become over or undergraded and he loses money on the sale. He has to sell them when they are ready for market.

The problem comes in relation to the packer who, prior to buying from the livestock producer, has borrowed money from the bank and has given to that bank a section 178 security. The effect of that security is to transfer the ownership the packer gets to the bank. If the packer goes bankrupt, all of its assets are frozen, a trustee in bankruptcy is appointed, that trustee collects all the assets, sells them and distributes the money among the creditors. However, the bank, having taken a section 178 security, steps in and gets absolute priority. It picks the animals up, takes them out, sells them and gets paid in full. The rest of the people, including our livestock producer—and remember that this is his entire product and income for the year—ranks as an ordinary creditor, and has to share with the other creditors, and very likely settles for 15 cents or 20 cents on the dollar. I have seen that happen many times in my career. Therefore we really need an amendment by which we could perhaps delete the whole section. The effect would then be to make the banks much more careful about the loans they give to the producers as well as to the packing plants.

A more likely amendment would be one which would give livestock producers a priority for payment, that is, they would have continuing ownership in those animals until they were actually paid for. We know, the way the livestock industry works, that payments very seldom come through in less than a period of 30, 60, or 90 days. The United States, as a result of having gone through the major catastrophe of a large packing plant going bankrupt, with several hundreds of individual producers suffering, amended its law so that the livestock producer continues in this ownership quality until he is actually paid. If he delivered his animals to a packing plant and the packing plant went bankrupt, he could step in and get his animals back and go elsewhere. While he might suffer some loss, it certainly would not be as great as if he got nothing.

The way the statute is now, upon declaration of bankruptcy the ownership of the animals passes from the producer to the packer, and because the packer has signed a section 178 security the ownership immediately transfers to the bank. Therefore, as between two innocent parties, the seller and the bank that lends the money, the way the existing statute reads, the seller bears that entire loss. That really is not fair. If we amended the statute to give the livestock producers a priority in payment that would certainly solve the problem.

The question really is, who should bear the loss between many small producers and one bank? I submit to you that the institution, or the person, that can best protect itself is clearly the financial institution. Our banks are now large successful corporations. They should be large and successful, and I am delighted to have shares in banks because that gives me a piece of the action. I am glad to note that other members have some too. I hope our friends in the NDP have shares, because certainly that would give them a feeling of owning this country and being a part of it. That is a great feeling.

Mr. Knowles: Did you ever hear about credit unions?

Mr. Thacker: Sir, if they have their shares in credit unions that is the first step in the right direction, because very soon credit unions will want to apply under this amended Bank Act to become banks and their members will automatically get shares. That will solve the problem, so there is hope for them yet.

• (1710)

Getting back to the banks, they now have specialized lending officers, particularly in the agricultural industry. These officers are able to monitor the very few packing plants in the country, but it is difficult for the 100,000 producers to be aware on a daily basis of what is happening in the packing plants and the industry generally as to who is weak and who is strong. Banks are able to monitor this situation through their agricultural commodity loans officers.

Between the two parties, I believe that there should be equity in favour of the producers. Clearly this Parliament is the highest court of the land, and we have an obligation as members to be equitable as well as to allow what we would define as narrow legal rights. I submit that we should be more concerned with the producers in this area.

My second major concern is with regard to the provisions in this act which would permit the banks to be involved in automobile leasing. I will not bore you, Mr. Speaker, with too many comments on this subject. I agree with the comments of the hon. member for Edmonton South (Mr. Roche) and the hon. member for Okanagan North (Mr. Dantzer). It is a measure which will need study in some detail during the committee stage and perhaps amendments will be proposed.

If banks are permitted to get into the auto leasing industry directly, they would, on the face of it, be in a conflict of interest situation, because the rest of us must borrow money from those same banks. They could easily give a degree of priority to their own subsidiary corporations by way of a lower rate of interest, or they might give a loan or withhold a loan to me, for example, if I were in competition with them. That is a very real concern, and I think it is necessary to build in some protection if those sections will be allowed to pass. I would prefer to see these sections deleted completely.

Therefore, subject to the act being amended in these two areas, I believe that the bill is sound, that it is in the national interest and that it will see this country take off in terms of becoming an active participant in the international development of the world. As a result, it will lead to a more peaceful world, which can only make things better for the citizens of this country.

Mr. Bob Ogle (Saskatoon East): Mr. Speaker, I would like to speak to Bill C-6 with regard to the effect it will have on the development of the Third World. Because of my different background and experiences, I see the bill in a completely

different manner than does the last speaker, the hon. member for Lethbridge-Foothills (Mr. Thacker).

I would like to begin my remarks by reading a newspaper article published on April 26 in the Montreal *Gazette* which was taken from the Washington *Post*. Perhaps some hon. members have read the article. I believe that it has something very significant to say in a very simple way. The article is about a story which originates in Peking, China. It reads:

> In classroom 207 of China's most prestigious university, the brightest minds of the next socialist generation leaned forward to hear one of the great secrets of the capitalist world:
>
> "When you pass Go, collect $200."
>
> At Peking University's chorus on the American economy, instructor Frank Hawke, a 26-year-old American was introducing 63 young Marxists to the mysteries of the game of monopoly. One could have heard a Chance card drop as students strained to understand the intricacies of what seemed to them a microcosm of the American system.
>
> China is flirting with capitalism this spring. About 3,000 Chinese factories have been permitted to experiment in the use of some of their income, buying and selling without central government control. To these young Chinese, it seemed safe to ponder the ravages of ruthless competition, as long as they were safely confined to a brightly coloured board propped up on Hawke's desk.
>
> Hawke is teaching a course at the university after spending a year here collecting material for his doctoral thesis.
>
> The inspiration to bring monopoly to class struck during last week's lecture, when, he said, he was discussing the transition from competitive to monopoly stage capitalism "and found myself talking about this game. From their perspective it really must be sick. The object of the game after all is to make everybody else poor."

In that context, I would like to address my remarks to what I believe is happening in the international community, particularly with regard to the transfer of funds and banking. Basically, I, like many other Canadians, am frustrated to look at an act the size of the Bank Act and realize that I really do not have any power over it. I realize that there are people who have more experience in this particular area of banking and that they are the ones who lay down the laws. These laws frustrate me, and I am sure that in the long run they frustrate millions of other people in other parts of the world.

I would like to address my remarks basically to how I see the Canadian banking system affecting the whole question of international development. I am happy that the Secretary of State for External Affairs (Mr. MacGuigan) has indicated in the House that he is willing and looks forward to discussing seriously the Brandt commission which deals with the whole north-south question, the question of the rich and poor, the question of the Third World and the developed worlds, and the question that faces us in the next decade, the situation of interchange or interconnection, that we cannot lay something aside and forget it. It is basically part and parcel of our life. Of course the question is, how will it be part and parcel of our life?

I have experienced living and working in Third World countries. I have lived with people who were not just poor, but who were living in utter misery. I have lived and worked in countries that just do not have the economic ability to alleviate their situation. When I hear people say, "if they would just work, they would get ahead", I know that that statement is not true. I know that those who work the hardest get the least. The hardest job which I have ever seen performed is the cutting of sugar cane. I know that those who, in a sense, work the least, get the most. I believe that those who go to banks to cut their coupons are really working the least, but getting the most.

When we reflect on the over-simplification in the statement "if they would just get down and work, they would get ahead and become rich like us", we all know that it is a false statement. I am certain that many hon. members here realize that it is a false statement.

Many hon. members in the House have lived through the 1930s. Many of them are my age and many are older, but they all know that we lived at that time in a Third World situation. I grew up in Saskatchewan during the 1930s. I was too young to really know that there was another way. I thought that being poor, as my family was, was the normal situation. At the time, of course, everybody was in the same situation.

I would like hon. members to reflect on their experiences of the 1930s because that is what is going on in most of the world today. My father, like other fathers of hon. members who lived in the west, was a homesteader. He went west with great ambition and worked hard. But due to disasters beyond his control such as drought, but mostly due to the economic system—he went broke. He did not simply go broke, but reached a point of no return.

I can remember as a child my father pacing the floor at night. I suppose he was worrying about what we were going to eat the next week. I can remember him talking about banking and worrying that he could not pay the interest due. Although he had probably paid enough interest to buy the machinery four or five times and the farm four or five times, he was in a debt trap that left him a broken man. When he died just a few years ago, the worst word in his vocabulary was the word "debt".

● (1720)

The last speaker referred to the fact that he thought the revised Bank Act would bring about a world development program. I do not agree, and I will give my reasons later. As our family and many of our neighbours were enduring this desperate life, a kind of aid program was established, not unlike those aid programs we sometimes talk about today. People from Saskatchewan, Alberta and Manitoba who are my age will remember this aid program. It was called relief, which amounted to aid from the east. This came in forms which were determined, I suppose, by what commodity happened to be in surplus. As a child I remember that my father and my neighbours felt embarrassed because they had to accept it. We were given salt fish which must have come from somewhere in the maritimes. I suppose if you grow up in the maritimes you think that salt cod is good—

Mr. Rompkey: It is excellent.

Mr. Ogle: There is someone who grew up in the maritimes, Mr. Speaker. People on the prairies thought it must be some kind of snowshoe. We certainly could not eat it because we did not know how to eat it.

Mr. Rompkey: That's funny; we ate bread all the time.

Mr. Ogle: There was probably another aid program going the other way to help people in Nova Scotia. Perhaps we were sending them aid which they did not know how to use. I remember we were given cheese and apples which often arrived frozen and rotten. Somehow or other, this all seemed to make us less than human.

That is the kind of thing that will be reflected again if we let the banks continue in the direction they are headed. They will tie up poor people in poor countries by setting the same debt trap for them that my father and his neighbours were in during the 1930s.

In the coming decades we have to face not only our own internal problems but the problems of misery and poverty and the universal kind of depression in these other countries that keeps people in a depressed condition—not because they do not work but because the economic system is based on the game of monopoly. The idea of that game is to make the other person poor and keep him poor—keep him weak so that he cannot get power. In monopoly the winner ends up with all the property and power, and the loser is kicked out of the game.

After the depression a strange thing happened, Mr. Speaker, and I am sure we all remember it. In 1939 a world war broke out and suddenly there was lots of money and there were jobs all over the place. Everything boomed. But we should not think that an arms race or a war today is the way to bring our economy back to life. I think the experience of Canadians in the 1930s can be compared with the situation in some Third World countries where people are suffering today.

I think it is important when considering this bill, Mr. Speaker, that we examine how the world banking system is constructed. The frustrations of the man in the street, personal indebtedness, high interest rates and mortgage rates, that we speak of all the time in this country are the same the world over. These frustrations are experienced by all who are trying to become members of the community of nations. The banks that cause our own people to be frustrated are causing the same frustration in the Caribbean and many other areas of the world where they are a major presence. They are present in those countries for one reason only—to earn overseas profits.

Canada is integrated into the financial system of the western world. A bill such as C-6 which affects the behaviour of dominant corporate factors in the system cannot be viewed in purely domestic terms. The power and privilege enjoyed by the big banks outside Canada are related to the power and privilege they enjoy in this country.

I think it is useful for Canadians to examine how our financial institutions operate in Third World countries because that is where inflation, currency devaluation, unemployment, and foreign debt are most severe. When we examine conditions in Third World countries we can see what will happen here if we allow the same system to continue.

I have lived in countries where the devaluation of currency has reached 300 per cent per annum. Other people have probably had the same experience and know how dreadful conditions are. I have lived and worked in countries where half of the population was unemployed; I have worked and lived in countries where all the money that could be earned was used to pay interest on the foreign debt.

We must ask the following questions: who controls, who decides, what are the needs, what are the greeds that continue to keep this world alive today—or dead?

Sometimes development is taken to mean that you take money and go out and build something. That is a part of development, but if we look at it in only that light we are missing the basic fact. Unless development affects the lives of individual people in individual countries in such a way that they can live without oppression or a feeling of being inferior, it cannot be called successful. One of the great problems of debt—that word that my father hated so much—is that it finally destroys the person as a person; it finally turns him into something less that a human being; it destroys. Aid given to countries that will involve them in debts just so that Canadians can make profits, is shortsighted. Increasingly, it is also because the governments of many less developed nations are desperately in search of outside capital to keep their economies afloat. That is the same thing I can relate back to the whole experience of growing up on the prairies when it was necessary somehow or other to face, as my father would find out each spring, and as many fathers had to face, how were you going to make the next year work, how were you going to get the seed grain, machinery, feed for the animals, and so on.

• (1730)

Those are the problems the Third World faces in another way. Each year they have to face how they are going to produce, how they are going to make their economy grow for that year. Therefore they begin the year in debt. They begin the year only with the hope that the minimum they can do is pay off the interest on the debt of the year before. They are thrown into the same ultra-hopeless position which people lived through on the prairies in the thirties.

During the last two decades, which have been called the development decades, the Third World indebtedness has risen in a most alarming way. The price of Third World exports has not kept pace in any way whatsoever with the soaring costs of imported oil and western manufacturers. This is something that western farmers like many of my colleagues sitting around me realize right now, that they are living in the same kind of cycle. Their incomes, which come from their product, grain and food, are not in any way keeping up with the cost of the machinery and the fuel they have to use. However, the squeeze they face is nothing compared to the squeeze of developing countries in which their whole economy may depend on one crop such as cocoa or something like that, and everything they have to use comes in from the outside.

Last fall Michael Manley, the prime minister of Jamaica, speaking at the Third World foundation in London on October 29, 1979, brought this kind of point home in his address. You have probably heard it, Mr. Speaker, from other sources, but the idea is very simple. He was simply saying that the relation-

ship between sugar and tractors, and this is a question of not only Jamaica but any one of the Caribbean countries that produce sugar, for example, the relationship between sugar and tractors in the system of international exchange is now a classic in the dialogue, but factually we need to realize that this is far more than a point in advocacy. He gives an example.

In 1965 the average price per ton of sugar realized by Jamaica was $73 Jamaican compared with $1,536 Jamaican for a Ford 5,000 tractor that would be used in the growing of the sugar, a ratio at that time in 1965 of one tractor per 20.84 tons of sugar. In 1979, 14 years later, the Ford 5,000 tractor was no longer available. It had been replaced by a new model called the 66,000 which is slightly more powerful but is designed for exactly the same purpose as the other tractor was being used for.

In 1979, Mr. Manley says the provisional average per ton of sugar had risen, it was true, to $530 Jamaican per ton, but the price of the tractor which did exactly the same work as the one that was manufactured before was now $30,945, so that the ratio of one tractor now required 57 tons of sugar instead of the 21 tons that had been needed in 1965.

The point simply is that sugar does not multiply like that. Jamaica with its economy is just demanding and using up more of its natural raw products to get what amounts to the same thing. Therefore as they struggle to increase their production in the same length of time, they are falling behind in such a way that they are becoming more and more involved in the whole thing that is called the debt trap.

Brazil, for example, now uses half of the total of its export earnings just to service the accumulated foreign debt. An important thing for us to remember is that the very problem I am speaking about of Third World underdevelopment is something that we Canadians must not be smug about, because the very same things that are affecting the Third World countries are also affecting the economy of our country.

We need to be reminded that Canada, as Premier Blakeney has noted, faces its own problems of underdevelopment and will do so if it continues to mortgage its future to foreign investors. Our own balance of payments figures indicate that we are not immune from the debt trap that now affects most of the Third World.

I now come to the Bank Act. A crucial phenomenon of recent years has been the rapidly growing role of private multinational banks in international loans to the Third World. These banks have amassed huge holdings of U.S. dollars, principally Eurodollars and petrodollars. They are kept in banks outside the United States beyond the control of the U.S. central bank, the Federal Reserve Bank, in the absence of any international regulatory authority which could control the amount of credit extended against these dollar reserves, many of which are now held by foreign subsidiaries of major U.S. banks.

The Eurodollars phenomenon began after World War II when the Russians had lots of American money. They did not want to put it in the United States. They wanted to have it invested some place. They would frequently invest it in one of these multinational banks which have places outside the United States.

The petrodollar, the money that came from the recent explosion in oil money, is another form of money that has been put out, not in the Federal Reserve Bank of the United States but in multinational banks that have offices all over the world. What happens to that money is that the poor come looking for it, just as they do in the monopoly game that we talked about before. They are given the money. However, the one who has the money makes the rules.

One of the results has been that the hundreds of billions of dollars held in these banks outside the United States and other major countries that have no regulatory control, can now be recycled to refinance the hundreds of billions of dollars of Third World debt. The private banks therefore become a neutral intermediary in the debt trap.

How does the debt trap work? It means that the developing country in its problem of trying to make itself get ahead has to borrow money. It has to pay interest. It cannot accumulate. It cannot build the reserves that would be able to break it out of the thing. They have to borrow more money to pay the interest they cannot pay.

Mr. Munro (Esquimalt-Saanich): Just like this government.

Mr. Ogle: Finally, they are in the trap of being hopeless. A member says it is just like this government. Maybe he is not far off. It is like this government that is borrowing and borrowing and getting itself, as Mr. Blakeney from Saskatchewan says, into the debt trap.

Today in Canada we hear about the growing number of individuals, small and even medium-sized businesses going bankrupt. A lot of businesses are going bankrupt, a situation made worse by the interest rates of the monetaristic policies of the Liberal and Tory governments. I want to add that in the world today there are a lot of countries—not individuals and not corporations—that are on the verge of bankruptcy or are already bankrupt. They must borrow yet more to meet the repayments on outstanding loans, a situation made worse by the monetaristic policies of western high finance. It works as follows.

Because many Third World nations are now in danger of defaulting on their loans, the situation has become serious for many multinational banks as well. For example, the two largest United States banks—

• (1740)

Mr. Friesen: Would the hon. member for Saskatoon East (Mr. Ogle) permit a question?

Mr. Ogle: Perhaps the hon. member could wait until the end of my speech. Possibly the hon. member was rising to ask me when I was going to finish.

Some hon. Members: No.

Mr. Ogle: Many Third World nations are now in danger of defaulting on their foreign loans and, as a result, the situation has become serious for many multinational banks as well. For example, the two largest United States banks, Citibank and Chase Manhattan, earn three-quarters of their profits from their foreign operations. The large banks, then, have a vital interest in preventing the collapse of the debt spiral particularly if they have overextended credit to debt-ridden Third World countries. That is what the banks are really afraid of. What happens if somebody out there cannot, finally, pay? Can you go and take over the country? Well, in a sense that does happen at times—they are taken over in one form or another. But one thing that does not happen is the development of that country as a free country in control of its own future.

The institution to which many people look as a means of staving off financial collapse is the International Monetary Fund which was created at the same time as the World Bank to stabilize currency markets and aid reconstruction in the aftermath of World War II. Today, the IMF has 128 member countries and acts as a lender of last resort to those experiencing acute balance of payments problems. The generosity of the IMF, however, is more apparent than real.

First, when the IMF extends credit to Third World governments it is often only for the purpose of allowing them to pay back loans to western governments and lending institutions. The financial elites of the west which dominate IMF decision-making are the chief beneficiaries, not the host countries. Again, this is the simple principle of the monopoly game: he who has the money makes the rules. So, when in February of 1978 the U.S. Congress was asked to approve a $1.7 billion contribution to a special $10 billion IMF debt relief fund, no less a paper than the Wall Street *Journal* described it as "The bankers' relief act". Relief! The same idea as my father had to face, but now it is the banks that are getting it because they were no longer able to secure the interest they felt was coming to them for the money they had advanced.

In the second place, the IMF does not extend credit without a great many strings being attached. Typically, it demands that a recipient country follow a strict regimen of domestic deflation and restraint in order to improve its credit rating, so to speak, within western financial circles. This austerity recipe usually includes huge cuts in government spending, particularly in the area of social services, and a domestic tightening of credit together with a laissez-faire, open-door policy to attract foreign investment, and currency devaluation to encourage exports and discourage imports.

Again, these are the rules of the monopoly game—taking away the basic cards of the players who are losing. It is a recipe which imposes enormous social costs on the masses but which does nothing to correct the scandalous inequalities and imbalances between nations which are responsible for much of the problem in the first place. It amounts, again, to saying, "It is your fault you are poor." It is the same as saying, at the end of the monopoly game. "It is your fault that I have all the chips."

I should like to speak for just a few moments about a particular case. The government of Jamaica, about whose dealings with the IMF I questioned the Prime Minister (Mr. Trudeau) earlier in the session, is one of the countries facing the brunt of this Hobson's choice. Because the IMF "seal of approval" is usually needed before a country can obtain loans from other international sources, for example member governments, the World Bank, or multinational banks, Third World countries are increasingly facing an unenviable choice: they must either submit to the bitter medicine of the fund, which makes the disease of dependency even worse, or they can go it alone, defying the international creditors and staking everything on the achievement of national self-reliance. The odds on the latter course being successful are formidable indeed. So a country like Jamaica has to decide whether it will continue to be forced increasingly into a debt trap from which it cannot escape, or whether to take a chance and try to go it alone. It is a terrible choice to have to make, particularly if both involve losing situations.

In 1978 the Jamaican government agreed to accept an emergency $220 million balance of payments loan from the IMF. Since previous negotiations with the fund had not led to a happy conclusion, the Manley government was forced to accept extremely stringent conditions for the new loan. In part, these conditions were based on the same perverse, so-called monetarist economic theory as now holds sway at the Bank of Canada. Its prescriptions are predictable: restrictions on the money supply, restrictions on growth, cuts in social spending, and the creation of an attractive climate for foreign investment. The consequences for Jamaica have also been predictable: a decline in real wages, higher unemployment, cutbacks in social services, greater inequality.

As a result, the people are unhappy. And what finally happens? Because of the pressure which has been applied it can lead to political and social unrest. And who is responsible?

An hon. Member: The NDP!

Mr. Ogle: Somebody said it was the NDP.

Some hon. Members: Oh, oh!

Mr. Ogle: Who is responsible for the fact that people have been dumped into a debt trap from which they cannot escape? Jamaica's recent refusal of the IMF terms in the latest round of negotiations has put it in dire straits since, without IMF approval, it is finding great difficulty rescheduling debts and negotiating for new loans with the World Bank and with the private banks. These include the large Canadian banks which have recorded handsome profits from their Caribbean operations but which do not like Mr. Manley's politics—this is a dislike which they apparently share with the IMF.

Now how does all this effect development? The hon. member for Lethbridge-Foothills said the reason the banks were involved was because of development. But what is development? Development seems to mean the basic destruction of the countries concerned.

The strategy of CIDA during 1975-1980 stresses the creation of conditions for self-reliant development directed to meeting basic human need in the poorest countries. I think CIDA has put it very well. The development program of the Jamaican government has similar criteria which are being more hindered than helped by our western financial institutions. I hope the Canadian government will review this situation to determine whether we are really doing all we can to foster true human development.

● (1750)

It was our colleague, the hon. member for Cowichan-Malahat-The Islands (Mr. Manly), who spoke of another area in which Canadian banks are forcing their way into the affairs of other countries. He spoke particularly about the fact that I, as a Canadian, he as a Canadian, and we as Canadians, do not know what is happening to the money we may have saved, the insurance we may have put away or some formula we have arranged with banks to keep our earnings so that we can be taken care of in our old age. What happens to that money? Where does it go?

We face a modern banking situation. We do not know where the money goes, and it may be—and often is—used not for development of peoples but for the basic oppression, for instance, of the blacks of South Africa, as my colleague mentioned, or of the peasants of Peru or somewhwere else. As a British analysis recently put it, all this means for the worker of the industrialized world is that a growing proportion of his pay packet is siphoned off for purposes unknown, and sent to far off countries of which he knows less.

In view of the fact that the banks in Canada constitute a very select inner elite and have grown enormously in wealth and power over the previous decade, it is more urgent than ever that government attempt to inject at least a modicum of public accountability into our banking system.

I would like to conclude my remarks on the question of basic social morality. Where does the money go? What do banks do with it? How does that affect human beings? In the interest of a more open, accountable and just financial system, I urge the government to look seriously at the policy recommendations which the Task Force of the Churches on Corporate Responsibility presented in a brief to the House of Commons Standing Committee on Finance, Trade and Economic Affairs on January 23, 1979.

In order that the Canadian public be in possession of information which permits it to form valid judgments about the foreign loan policies of Canadian banks and other financial institutions involved in international investment of underwriting and in order that clients and shareholders be given the legitimate choice of raising questions about these policy decisions, the task force submitted the following recommendations for inclusion in the revised Bank Act:

1. that the Bank Act make provision for uniform and equitable public disclosure requirements of loans by Canadian banks, their subsidiaries and affiliates and by other financial institutions made directly or through consortia to foreign governments or agencies of foreign governments of amounts totalling more than $1 million;

2. that in the interest of public and shareholder accountability, Canadian banks and other financial institutions be required to disclose the amount and the dates of such loans and publish them as a matter of record;

3. that in order to preserve the principle of client/banker confidentiality and in order to safeguard the principle of competition, financial institutions should not be required to disclose such loans prior to 30 days following signed agreements.

I trust that these recommendations which have been made after deep and serious thought and study by the Task Force of the Churches on Corporate Responsibility will be included through amendments to Bill C-6, the bill we are discussing at this time.

Mr. Deputy Speaker: Order. I hate to interrupt the hon. member, but his time has expired. He may continue only with unanimous consent.

Some hon. Members: Agreed.

Mr. McMillan: Mr. Speaker, I rise on a point of order. Would the hon. member for Saskatoon East (Mr. Ogle) entertain a question?

Mr. Deputy Speaker: Order, please. The time of the hon. member has expired.

THE ROYAL ASSENT

[*English*]

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

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

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

And being returned:

[*Translation*]

Mr. Deputy Speaker: I have the honour to inform the House that the honourable Deputy Governor General had been pleased to give, in Her Majesty's name, the royal assent to certain bills:

Bill C-2, an act to amend the Immigration Act, 1976—Chapter 1.

Bill S-5, an act to repeal the Canada-France Agreement Act, 1933 and the Supplementary Canada-France Trade Agreement Act, 1935—Chapter 2.

It being six o'clock p.m., the House stands adjourned until tomorrow at two o'clock, pursuant to Standing Order 22(1).

At 6.03, the House adjourned, without question put, pursuant to Standing Order.

APPENDIX A

HANSARD CENTENNIAL

SPEECHES MADE AT UNVEILING OF MEMORIAL PLAQUE

Mr. Charles Fisher (Chairman, Hansard Centennial Committee): Madam Speaker, hon. members of the Senate and the House of Commons, dear colleagues, the program calls for me, at this point, to introduce Madam Speaker, a lady who obviously needs no introduction. So perhaps I would do better to begin by introducing myself, a *Hansard* reporter who, as chairman of our centennial committee, has been given the agreeable task of co-ordinating these arrangements to celebrate our 100th birthday.

[*Translation*]

We are honoured by your presence, Madam Speaker. It is indeed a good omen that our celebration, which got off to such a good start, will continue throughout the year, which will be a most active and interesting one.

[*English*]

I say that making these arrangements has been a pleasant task, and for good reason. The encouragement and assistance we have received from Your Honour, from Mr. Jerome while he was Speaker, from Mr. Fraser, while he was clerk of the House, from Dr. Koester and, more lately, from Mr. Pelletier, have exceeded all our expectations. We are especially grateful to Dr. Koester for good advice. I must also refer to the help given us by senior officials in the administration, by the Sergeant-at-Arms and by the protective staff. Our grateful thanks go out to them all.

Madam Speaker, a *Hansard* reporter has a place in the House of Commons but, by tradition, he has no voice there; he may not speak, not even if a Prime Minister were to ask him to do so. In the course of a working life he must listen to thousands of speeches and it would be surprising if, on occasion, he did not permit himself some private reflections on their quality. But though he has plenty of experience as a listener he has no opportunity to practice oratory, and my only excuse for this indulgence today is that it happens so rarely and that it will not happen again for a hundred years.

Today, as we contemplate this plaque, soon to be unveiled by you, Madam Speaker, we may be forgiven if we summon up remembrance of things past and think kindly of those generations whose efforts have gone into the recording, compilation and printing of *Hansard* over the past 100 years.

It was never an easy task, and it is not so today for reasons which even a casual visit to the House of Commons makes clear. There is always present, you see, an element of risk. Voices raised in contention are not always robust; quotations are not always from the sources alleged; sentences do not always, alas, contain verbs.

The splendid rotunda, in which the plaque before you is to be placed, reminds us of the theme which is at the very centre of this celebration; that is to say, continuity—the continuity of our institutions together with their ability to adapt to new circumstances, which is like water flowing over stone.

Hansard today is far removed, in some respects, from the *Hansard* of yesterday. Electronic engineering has made possible two remarkable changes, one of them central to good reporting, in two words, accurate hearing. That certainly beats the crystal ball, which I suspect our colleagues, long retired, consulted more often than they would admit. The other change is two-edged. The slow-moving ribbon of the tape machine can, in the end, outrun even the fleetest pen. It records, without emotion or hesitation, every word, every stammer, every unintended error.

A way must be sought, and found, to combine the literal accuracy of the machine with the truthfulness of informed human reporting by people who, for one reason or another, understand the work they are doing. This, I suggest, is the path which lies ahead during the next 100 years.

Madam Sauvé, the bronze plaque which the House of Commons has caused to be placed in this hall is an expression of the regard felt here for *Hansard* as an institution. It is a most splendid tribute.

Upstairs, in the offices of the Debates branch just outside the Chamber, one can see another record of achievement—rows of bound volumes dating back to 1880 and occupying yard after yard of space on shelves which have lately been specially reinforced to bear their weight. I look at them from time to time, consider all the skill and effort they represent and think, perhaps presumptuously, of the line dedicated to Sir Christopher Wren: *Si monumentum queris, circumspice.*

[*Translation*]

Madam Speaker, we would be most honoured if you would say a few words while unveiling the long-awaited plaque.

Madam Speaker: It is not without some feeling of admiration that I have the honour of unveiling this plaque commemorating the centennial of *Hansard*.

[*English*]

On an occasion such as this, we think first of those whose enterprise and courage laid the foundation of reporting freedom in Canada, a freedom of which the daily publication, in full, of words spoken in the House of Commons, serves as witness. We think, for example, of Francis Collins, the first professional shorthand writer in Upper Canada; we think of

men like John Bourinot, Alphonse Desjardins and Sir John Thompson, whose energies found expression in a wider field of the national life. Not least, we think of Luke Hansard of Westminster whose name has come to represent, more neatly than any official title could do, the service whose centenary we celebrate.

[*Translation*]

Let us not forget the staff, a great many of whom are honouring us with their presence. They have many talents and I would like to focus on one: their ability to adapt smoothly to a new means of communication, namely television. Other innovations will follow that are yet impossible to foresee because of the speed of technological change. But one thing will endure—the tradition of impartiality, freedom of expression and high standards will prevail in this essential service of the House of Commons.

[*English*]

I am told that among the events planned for the centenary celebration is an exhibition of *Hansards* from around the world. For more than 12 months copies have been arriving in Ottawa from the provinces and territories, from Commonwealth countries, from countries in the east, from lands so remote that some people have not heard of them at all. They are printed in English, in all the languages of Europe, in Cyrilic, in Arabic script, in ideograms, all of them belonging, as it were, to the *Hansard* family of which our own institution is a part. Even though they may not hear the words of greeting, our good wishes go out today to all the men and women employed in this essentially democratic task. We send them a message of good will. And we congratulate, from the bottom of our hearts, those who, here in Ottawa, provide us daily with our *Hansard*.

[*Translation*]

Mr. H. J. Lacombe (Editor of French Hansard): Madam Speaker, on behalf of all my colleagues, I wish to thank you for so graciously accepting the invitation to unveil this plaque. Your presence and that of other distinguished guests highlight the significance of this centennial for all parliamentarians as well as for all Canadians.

Madam Speaker, the publication of *Hansard* is the best example of freedom of expression in Canada, one of the many freedoms we all cherish. We thank you for joining with us in commemorating this happy event.

HOUSE OF COMMONS

Thursday, May 8, 1980

The House met at 2 p.m.

• (1405)

ROUTINE PROCEEDINGS

[*English*]

STATUS OF WOMEN

RIGHT TO EQUALITY WITH MEN IN ALL PHASES OF THE CANADIAN ECONOMY—MOTION UNDER S.O. 43

Hon. Stanley Knowles (Winnipeg North Centre): Madam Speaker, under the provisions of Standing Order 43, and seconded by the hon. member for New Westminster-Coquitlam (Miss Jewett), I move:

That this House, noting that already in this session fine statements have been made about the rights of women, but that these statements have not been followed by the taking of positive steps to establish and protect those rights, calls on the government to take affirmative action to establish equality for women in all phases of our economy, particularly in employment opportunities, access to adequate training and upgrading, equal pay for work of equal value, and equality between men and women in all pension plans.

Madam Speaker: Such a motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

FISHERIES

REFERENCE TO COMMITTEE OF FEDERAL LICENSING POLICY—MOTION UNDER S.O. 43

Mr. Thomas Siddon (Richmond-South Delta): Madam Speaker, I rise, under the provisions of Standing Order 43, on a matter of urgent and pressing necessity.

In view of the fact that the former minister of fisheries had initiated a major policy review, leading to a white paper on fisheries development for the 1980s, and since that review would have included a reference to the House of Commons Standing Committee on Fisheries and Forestry on the subject of fisheries licensing policies, including proposals contained in the Sinclair and Levelton reports, and whereas the standing committee should travel across Canada to hear first hand the views of fishermen, processors and others concerned with the fishery, I move, seconded by the hon. member for Malpeque (Mr. Gass):

That this House direct the government to make a reference to the Standing Committee on Fisheries and Forestry to conduct a thorough review of federal fisheries licensing policy, which would include travelling to the regions of Canada to hear first-hand the views of fishermen.

Madam Speaker: Such a motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

NATIONAL DEFENCE

PUBLIC COMMITMENT TO ALL NATO AND NORAD POLICIES—MOTION UNDER S.O. 43

Mr. Dan McKenzie (Winnipeg-Assiniboine): Madam Speaker, I rise on a matter of urgent and pressing necessity under the provisions of Standing Order 43.

In face of the Soviet invasion of Afghanistan, and the international turmoil in the Middle East and elsewhere, it is imperative that members of the NATO alliance stand together in defence of our common interests and support common defence policy. Notwithstanding this fact, the NDP refuses to commit its members to support NATO and NORAD policies. I move, seconded by the hon. member for Halifax West (Mr. Crosby):

That this House require its members who accept offices in the NATO Parliamentary Association, Canadian Branch, to accept and embrace publicly the commitment to all NATO and NORAD policies and, in particular, to mutual and shared defence arrangements.

Some hon. Members: Hear, hear!

Madam Speaker: Such a motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. McKenzie: The socialist gang stuck together.

* * *

GOVERNMENT ADMINISTRATION

CALL FOR APPOINTMENT OF WEST COAST DEPUTY MINISTER OF FISHERIES AND OCEANS—MOTION UNDER S.O. 43

Mr. Donald W. Munro (Esquimalt-Saanich): Madam Speaker, I too rise, under the provisions of Standing Order 43, on a matter of urgent and pressing necessity.

S.O. 43

In view of the commitment made during the last election campaign by the Liberal party that it would appoint a deputy minister of fisheries and oceans for the west coast, whose office would be in Vancouver, I move, seconded by the hon. member for Surrey-White Rock-North Delta (Mr. Friesen):

That this House direct the Minister of Fisheries and Oceans to appoint immediately a west coast deputy minister, in fulfilment of his commitment to the people of British Columbia, whose problems and concerns have too long been ignored by this government.

Madam Speaker: Such a motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

● (1410)

CABINET DOCUMENTS

AVAILABILITY TO FEDERAL COURT JUDGE—MOTION UNDER S.O. 43

Mr. Svend J. Robinson (Burnaby): Madam Speaker, I rise on a matter of urgent and pressing necessity pursuant to the provisons of Standing Order 43.

In view of the fact that Mr. Justice Collier of the Federal Court, trial division, has condemned the present Prime Minister's practice of refusing to disclose the relevant cabinet documents pertaining to the decision to refuse a pension to former Supreme Court Justice Landreville, I move, seconded by the hon. member for Nanaimo-Alberni (Mr. Miller):

That this House call upon the government to forthwith turn over to Mr. Justice Collier all relevant documents, and repeal section 41(2) of the Federal Court Act.

Madam Speaker: Such a motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

HOUSING

REQUEST FEDERAL-PROVINCIAL CONFERENCE BE CONVENED—MOTION UNDER S.O. 43

Mr. Doug Lewis (Simcoe North): Madam Speaker, in view of the fact that Canada Mortgage and Housing Corporation yesterday released figures indicating that multiple dwelling starts were down by 19 per cent from April, 1979, and since Canada is currently running more than 50,000 housing starts behind the number required to adequately house Canadians, I move, seconded by the hon. member for Surrey-White Rock-North Delta (Mr. Friesen):

That the minister immediately convene a federal-provincial conference on housing, including representatives from the housing industry, to plan a co-ordinated attack on the housing problems of the 1980s.

Madam Speaker: Such a motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

INCOME TAX ACT

AMENDMENTS TO PROVIDE FOR SMALL BUSINESS DEVELOPMENT BONDS—MOTION UNDER S.O. 43

Mr. Don Blenkarn (Mississauga South): Madam Speaker, I rise under Standing Order 43. Interest charges to business, particularly to small business, have caused and are causing extreme problems, despite the recent reduction of the prime rate. A number of businesses have had to seriously curtail their activities and cut back on employment because they are not able to finance receivables and inventories at current bank rates.

The minister has accepted the proposal made in the Crosbie budget to provide for small business development bonds. The minister presented some details of this proposal in his masquerade budget of April 21. Nearly three weeks have passed and no legislation has been introduced. No arrangements for debate of legislation have been made.

Some hon. Members: Order.

Mr. Blenkarn: Madam Speaker, the business people of this country cannot help but wonder whether this is just another flip-flop and a broken promise.

Madam Speaker: Order, please. This is the time to put motions. If the hon. member has a motion, I will entertain it.

Mr. Blenkarn: I therefore move, seconded by the hon. member for Leeds-Grenville (Mr. Cossitt):

That this House do forthwith direct the minister to introduce immediately the required amendments to the Income Tax Act to allow for small business development bonds, and that the government forthwith bring this matter to debate for immediate passage into law.

Madam Speaker: The motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

GRAIN

INITIAL PRICE OF WHEAT—MOTION UNDER S.O. 43

Mr. Stan J. Hovdebo (Prince Albert): Madam Speaker, I rise, under the provisions of Standing Order 43, on a matter of urgent and pressing necessity.

Since the initial price of top grade wheat has been established at $3.75 per bushel, which is 50 cents a bushel less than grain producers are now receiving and is far below the cost of production, since the lowering of North American export prices can be directly related to the U.S. embargo, and since the Prime Minister has assured us that this government will protect the grain producers from the effects of that embargo, I move, seconded by the hon. member for Humboldt-Lake Centre (Mr. Althouse):

That this government establish the initial price of top grade wheat at $4.25 per bushel, the present level being paid to grain producers.

Madam Speaker: Such a motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

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AGRICULTURE

DISCRIMINATION IN PROPOSAL TO REDUCE UTILITY INCOME TAX REBATE—MOTION UNDER S.O. 43

Mr. Gordon Towers (Red Deer): Madam Speaker, I rise, under the provisions of Standing Order 43, on a matter of urgent and pressing concern to many Canadian farmers.

In view of the fact that the government plan of reducing utility income tax rebate will create a situation where citizens of our country are not treated with equality, descriminating between farmers in each province so that, for example, the farmers in Alberta will be subjected to an extra cost for utilities from $100 to $200 per annum, as opposed to their counterparts in the province of Saskatchewan who will suffer no extra charge, I move, seconded by the hon. member from Pembina (Mr. Elzinga):

That the Minister of Agriculture condemn this illegal act and immediately exercise his authority as Minister of Agriculture and as guardian of the farmers' rights by demanding that the Minister of Finance immediately abide by the law, providing the rebates and withdrawing the proposal which would discriminate against parts of the Canadian farming community.

Madam Speaker: Such a motion requires unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

● (1415)

HOUSING

DISBURSEMENT OF FEDERAL LAND SPECULATION TAX—MOTION UNDER S.O. 43

Mr. Bill Yurko (Edmonton East): Madam Speaker, I rise, under the provisions of Standing Order 43, on a matter of urgent and pressing necessity.

Inasmuch as municipalities are severely strapped for finances, and that they are primarily responsible for land-use zoning, I move, seconded by the hon. member for Wetaskiwin (Mr. Schellenberger):

That this House instruct the government to return by way of grants all the proceeds collected through the federal land speculation tax to the municipalities within which it was collected, so that the housing industry may be stimulated.

Madam Speaker: Such a motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

ORAL QUESTION PERIOD

[*English*]

INDUSTRY

CHRYSLER CANADA—REASON FOR DELAY IN MAKING POLICY STATEMENT

Right Hon. Joe Clark (Leader of the Opposition): Madam Speaker, my question is directed to the Minister of Industry, Trade and Commerce who is coming into the House.

The minister will know that he had scheduled a statement on motions for three o'clock today in relation to the policy of the Government of Canada on Chrysler. I understand that that statement has now been postponed or delayed. Will the minister explain to the House what factors caused him to delay the statement he had scheduled for three o'clock today?

Hon. Herb Gray (Minister of Industry, Trade and Commerce): Madam Speaker, I regret any inconvenience caused to hon. members opposite or the media through the premature announcement that I would be making a statement. We have no new date at this time for a statement. Some factors have come up which cabinet felt needed further consideration, and that is about all I can say at this time.

Mr. Clark: Madam Speaker, clearly what we have here is a situation where the cabinet has reversed a decision taken by the Minister of Industry, Trade and Commerce.

Some hon. Members: Oh, oh!

Mr. Clark: The Minister of Industry, Trade and Commerce indicated that there were some factors which caused cabinet to

take that decision. Without identifying specific factors, will the minister tell us what kind of factors caused his colleagues to prevent him from making the statement he had intended for three o'clock today?

Mr. Gray: Madam Speaker, I do not think it was the practice when my hon. friend was prime minister of the country to go into cabinet discussions and what was taking place in them. I do not intend to change that precedent.

Some hon. Members: Hear, hear!

Mr. Clark: Neither, Madam Speaker, was it our practice to leave a minister hanging out on a limb like the Government of Canada has done to this minister.

Some hon. Members: Oh, oh!

Mr. Collenette: Look at Crosbie; Crosbie is still hanging.

Mr. Clark: The minister—

Some hon. Members: Oh, oh!

Mr. Clark: I will wait until they are quiet, Madam Speaker.

Madam Speaker: Order.

Mr. Clark: I guess, Madam Speaker, that when a government comes apart—as this one does—it has to do so with the accompaniment of a great deal of background noise.

Some hon. Members: Oh, oh!

Some hon. Members: Hear, hear!

Mr. Clark: The minister has had his position reversed by his colleagues.

Miss MacDonald: Twice.

Mr. Clark: At least twice. Will he tell this House what kind of factors caused the Government of Canada to delay or postpone the statement that was scheduled to be made at three o'clock? Were they factors relating to the negotiation? Were they factors extraneous to the Chrysler question? What kind of factors caused this delay?

Mr. Gray: Madam Speaker, obviously they were important factors. I will repeat that it has not been the precedent to go into matters in cabinet discussions. My hon. friend has talked about being left out on a limb. No limb anybody on this side is on compares to the limb the Canadian people left him on after February 18.

Some hon. Members: Oh, oh!

Some hon. Members: Hear, hear!

CHRYSLER CANADA—PLANS TO HELP LAID-OFF WORKERS

Hon. Michael Wilson (Etobicoke Centre): Madam Speaker, my supplementary question is directed to the Minister of Industry, Trade and Commerce. I ask him about the limb that the people in the city of Windsor are on: the workers of Chrysler Canada, the suppliers and others who are affected by this decision? What about the limb that they are on?

Mr. Chrétien: What about Davis?

Mr. Wilson: I am asking the question.

Mr. Chrétien: Call Davis.

Mr. Wilson: What plans does the minister have from here forward which will help the people most affected by this decision, or lack of decision, to plan their future? Does he have any timing in mind as to when a decision will be made?

Hon. Herb Gray (Minister of Industry, Trade and Commerce): Madam Speaker, I have no timing to announce right now, but I want to confirm our concerns with respect to the well-being of the workers at Chrysler and their suppliers and the communities in which they live. I am surprised at the hon. member's concern, since he and his government dithered from August to February without doing anything about these workers.

Some hon. Members: Oh, oh!

• (1420)

CHRYSLER CANADA—POSITION OF ONTARIO GOVERNMENT

Mr. Edward Broadbent (Oshawa): Madam Speaker, the minister has referred to dithering. I point out that his government, when it was in office before, dithered for 15 years about the auto pact, and that is why we have the crisis that now exists.

Would he confirm for the House that his equivalent in the Ontario government was also scheduled to make an announcement in the Ontario legislature this afternoon and for all we know, unlike the minister here, he has gone ahead with it? In addition, would he confirm that that announcement was to reveal that the Ontario government was not going to support the package put together by the minister and Chrysler?

Hon. Herb Gray (Minister of Industry, Trade and Commerce): Madam Speaker, I cannot confirm what my hon. friend has said. As far as I know, the minister of industry for Ontario has not yet made an announcement. I suggest my hon. friend should check with him, Mr. Grossman, or his opposite numbers in the Ontario House.

Mr. Broadbent: Madam Speaker, will the minister tell the House, to put it positively, whether he has obtained an agreement with the government of Ontario to take part in this package that he has prepared? As a second part of the question, will he also confirm that the package does not include any specific job guarantees, nor does it include a commitment to build a six-cylinder engine plant in Windsor?

Mr. Gray: Madam Speaker, I think the premises of my hon. friend are wrong, particularly when he makes some suggestion about job guarantees. They continue to be a very important part of our considerations.

With regard to the respective roles of the Ontario and federal governments, we on this side have to take our responsibilities as the federal government. We are obviously in very close consultation with Ontario, but they have to speak for themselves. That is part of our federal system, Madam Speaker.

Mr. Broadbent: Madam Speaker, given the fact that this minister has now cancelled three press conferences at which he was to announce in a definitive way an agreement on the crisis situation—and, for all we know, may go on cancelling such announcements forever in the future—will he now at least assure the House that the government will bring in some assistance program for the thousands of auto workers who are out of work, not only at Windsor but in dozens of automotive communities across the country?

Mr. Gray: Madam Speaker, the Minister of Employment and Immigration has already taken administrative action under his existing authority to trigger extended unemployment insurance benefits. He is working actively on other solutions to the matter, and we have time to do that because of these extended benefits. This whole matter remains one of very great concern to us.

In so far as the press conferences are concerned, the first two in question, I must say, were scheduled by staff without my formal consent. In respect of the third one, I will say I gave consent to that and I have already expressed my regret to hon. members of the House for any misunderstandings that may have been created. We are continuing to work on this, and I am still optimistic there can be a good solution for Canadian workers and the Canadian economy.

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FISHERIES

POLICY RESPECTING OVER-THE-SIDE SALES AGREEMENT WITH JOINT TRAWLERS LTD.

Mr. Mel Gass (Malpeque): Madam Speaker, my question is for the Minister of Fisheries and Oceans. In light of the Fisheries Council of Canada's recent criticisms of the over-the-side sales agreement with Joint Trawlers Ltd., as well as the complete dissatisfaction of the provincial fisheries ministers of New Brunswick, Nova Scotia and Prince Edward Island with the federal government's lack of meaningful consultation with them—and that is even more important—can the minister tell this House why he has elected to depart from the clearly-defined policy of his predecessor regarding over-the-side sales?

Would the minister also indicate why the Eastern Fishermen's Federation, an organization which represents the vast majority of fishermen in the maritimes, was rejected as bargaining agent for the direct sales?

Hon. Roméo LeBlanc (Minister of Fisheries and Oceans): Madam Speaker, I would leave it to the former minister, who is perfectly able to explain his own position, to see if he accepts the entire content of the hon. member's question.

● (1425)

Certainly, my predecessor had not prohibited over-the-side sales, but he did introduce conditions. One of the conditions was varied by me, as I felt that the situation of a guarantee being totally rejected would leave the fishermen in a position with very little bargaining power. A judgment call had to be made. Fish caught by Canadian fishermen will be made available in very small quantity, about 1 per cent of the total landing and 0.7 per cent of the total value, which means that the processors have control of some 99 per cent of the Canadian fish landings.

As far as the eastern fishermen's group was concerned, the application which they presented jointly with the processors contained the sort of loopholes which no government could accept. For example, at the end of each day a decision would be made on whether or not freezing capacity was required. I know of no freezer from overseas that can get to this side of the ocean on a day's notice.

With regard to the rest of the hon. member's question, provincial ministers have taken positions of this issue which are at some variance with the apparently united front which seems to have developed this week. Certainly, when I asked one of the privincial ministers in an important fishing province recently if he was against all over-the-side sales, he said that he still supported some such sales under good conditions.

Mr. Gass: Madam Speaker, I notice that the old, new-old government is still as evasive as ever. Can the minister tell the House if this government intends to ride roughshod over the provinces, as they have done in the past and, also, if the large number of Maritime Fishermen's Union members residing in his area was a determining factor in deciding that the Eastern Fishermen's Federation would not act as the bargaining agent in the over-the-side sales arrangement?

Mr. LeBlanc: Madam Speaker, in areas where provinces have jurisdiction, obviously we will continue to consult and to work with them. There are times when the interests of the fishermen and the apparent interests of provincial governments do not coincide. I can give the example of provinces which refuse their fishermen the right to organize in unions or associations of their choice.

As for the hon. member's last point, the Maritime Fishermen's Union is exactly that, an organization which has locals in all three maritime provinces including some, I suspect, in the hon. member's riding, if he would bother to meet with them.

Oral Questions

INQUIRY WHETHER CATCH ROYALTY OR LANDING TAX WILL BE IMPOSED

Mr. Thomas Siddon (Richmond-South Delta): Madam Speaker, I direct my question to the Minister of Fisheries and Oceans. My question is prompted by throne speech references to partial cost recovery and "reinvestment of enhanced earnings in the fishing sector".

Will the minister tell this House whether or not it is true that he is preparing legislation which will impose a substantial catch royalty or landing tax against west coast fishermen—a tax which is rumoured to be in the order of 10 per cent of the landed value of the catch?

Hon. Roméo LeBlanc (Minister of Fisheries and Oceans): Madam Speaker, I would expect that the hon. member's previous incarnation would have allowed him to read the literature on this issue, which goes back some three or four years.

When the salmon enhancement program was put forward, it was quite clearly indicated at that time that the expenditure which was over and above the normal management cost to the fishery could be subject to a cost recovery mechanism. The matter has been discussed with the industry and with the provinces. I suspect that my predecessor has had discussions on this very issue. If the matter requires legislation, it will come back to this House.

Mr. Siddon: Madam Speaker, the situation in current world markets has led to a depressed state for the price of salmon and herring. How can the minister possibly contemplate at this time a stiff tax which, I understand, would exceed the amount required to pay the cost of the salmon enhancement program, but would indeed include a surcharge to pay for the costs of management on the west coast? Also, would the minister confirm that this tax is only contemplated for the west coast of Canada?

Mr. LeBlanc: Madam Speaker, obviously the previous government intended to have a stiff tax, because the hon. member seems to be referring to their arithmetic. I have not come to a figure of what it might be: I use words like "might be" because the final decision on whether or not to bring in legislation has not been taken. The matter is under discussion, and in due course if there is the necessity for legislation, obviously it will be brought to Parliament.

● (1430)

As for the matter of east coast or west coast, I have made it clear, and I think the Speech from the Throne is pretty precise in this area, that if it is above the normal cost of management, that is, to multiply the amount of fish available—in this case it might apply to salmon—and if it applies to other species where we do enhancement, of course, there would be the same type of cost recovery if we decide to proceed.

OLYMPIC GAMES

STATUS OF CANADIAN OFFICIALS GOING TO MOSCOW—USE OF TAXPAYERS' MONEY FOR EXPENSES

Mr. Geoff Scott (Hamilton-Wentworth): "Merci, madame le Président." My question is directed to the Minister of Labour, who is responsible for fitness and amateur sport.

In view of the fact that a number of Canadian Olympic officials will be going to the Moscow Games, according to news reports, can the minister tell the House whether they will be participating in any official capacity at the Games, whether taxpayers' funds are involved directly or indirectly; and, if so, how the government can justify this slap in the face to our athletes on a moral basis, when they have been denied the privilege of going to Moscow and Canadian officials are apparently going to be allowed to go?

Hon. Gerald Regan (Minister of Labour): Madam Speaker, I thank the hon. member for the question. I am not aware of any decision on the part of Canadian officials to participate in any officiating capacity at the Olympics in Moscow.

It is true that the governing bodies of some of the world athletic organizations in individual sports hold their four-year meetings at the time of the staging of the Olympics. There might be disadvantage if Canadian officials are not at those meetings. If any Canadian officials go to Moscow to attend such meetings, however, I would want to strongly urge them, as I urged the athletes, that they not only not participate in the Olympics but that they not attend the Olympics.

Some hon. Members: Hear, hear!

Mr. Scott (Hamilton-Wentworth): A supplementary question, Madam Speaker. It would appear to me that if a boycott is to be effective, it must be a complete boycott. Considering the reasonable approach the minister is taking with Canadian Football League officials regarding discrimination against quarterbacks, will he undertake to meet now with the Canadian Olympic Association and discourage any trips to Moscow? Such trips can only dilute the effectiveness of our boycott.

Mr. Regan: Madam Speaker, I think in answering the original question I neglected to point out to the hon. member that we are certainly not providing any financial assistance. Indeed, our position is to discourage Canadian athletes, officials or just spectators from attending the Olympics in Moscow, in view of the circumstances in Afghanistan.

I have already had discussions with the Canadian Olympic Association, but I certainly would be pleased to pass on the representations the hon. member has made—that in his view no one should even attend the meetings if the meetings are being held in Moscow.

EXTERNAL AFFAIRS

EAST COAST FISHERY AGREEMENT—POSSIBLE CHANGES

Hon. Flora MacDonald (Kingston and the Islands): Madam Speaker, my question is directed to the Secretary of State for External Affairs and it concerns the very important East Coast Fishery Agreement which this House has ratified and which Canada hopes to see ratified, without amendment, by the United States Senate. Yesterday, Secretary of State Muskie, when asked about his approach to the agreement, stated that it was his intention to try to resolve the differences, presumably between the administration and the United States Senate.

Can the Secretary of State for External Affairs tell the House whether he is aware of any compromises or changes to the treaty that Secretary of State Muskie might be considering in order to accommodate certain proposals by the United States senators, proposals which would have a very damaging effect on Canada's industry?

Hon. Mark MacGuigan (Secretary of State for External Affairs): Madam Speaker, when then secretary of state Vance was here several weeks ago we made very strong representations to him on this subject, and requested that the treaty be put through without amandment by the Senate.

He gave us his undertaking at that time to attempt to do just that, with all the forces at his disposal. That is still our position and I trust it is still the U.S. position. I hope to discuss it next week in Brussels with the new Secretary of State.

Miss MacDonald: Because of the urgency of this matter, Madam Speaker, and considering that Secretary of State Muskie, when he was in the Senate, supported the ratification of the treaty without amendment, and now seems to have changed his position—according to his statement of yesterday—I wonder if the Secretary of State for External Affairs would immediately get in touch with his counterpart in the United States to bring to his attention the very strong position of the Canadian people and, presumably—one would hope—the Canadian government, to have the treaty ratified as quickly as possible without amendment and not even wait until next week to do that.

Mr. MacGuigan: Madam Speaker, with this assurance of support from the other side of the House, I think that gives me an opportunity to communicate again with the United States and tell them that this is our position and request that the treaty be immediately passed.

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FINANCE

FINANCIAL ASSISTANCE TO MODERNIZE SYSCO PLANT

Mr. Ian Deans (Hamilton Mountain): Madam Speaker, I have a question for the Minister of Finance. On Monday last the minister indicated, in response to some questions about aid to Sysco, that the government was awaiting some concrete plans to modernize the plant before proceeding with the grant that had been announced. It has now come to light that Premier Buchanan of Nova Scotia submitted such a proposal in January and followed it with additional information on the subject on April 3 of this year.

I should like to ask the minister, now that he has that information, and given that he has had it since January and has had an opportunity to look at it and the additional information, when we can expect some word from the minister and the government with regard to the aid that is so necessary in order that those 500 workers who are now laid off can get back to work.

Hon. Allan J. MacEachen (Deputy Prime Minister and Minister of Finance): Madam Speaker, I would remind the hon. member that it was not possible for me to have the information in January, because we were not on this side of the House then.

The hon. member asks when we may expect a definite decision on the commitment that has been made to Sysco. I would tell him that the Minister of Regional Economic Expansion and other members of the government are prepared to sit down with the government of Nova Scotia at any time to consider concrete plans that will have some prospect of ensuring a viable future for the Sydney Steel plant.

As I said earlier in the House, we are not prepared to make funds available unless it is in the context of a plan that will provide some certainty for employment and production at that plant, with some assurance that there is a market and a sales program and a production program that makes sense. Up to the present time, at least to my knowledge, the Government of Canada has not seen any proposal that has come forward, a plan that contains these essential ingredients.

Mr. Deans: A supplementary question, Madam Speaker. Since the Minister of Finance was the minister who made the statement on April 3, 1979, that the money was to be made available for the development and redevelopment of the plant in Nova Scotia, can he tell us what plans he had before him at that time which led him to believe it was appropriate to make a statement regarding advancing the number of millions of dollars he was prepared to advance then? What has happened between April, 1979, and May, 1980, that has caused him to back off this commitment?

Mr. MacEachen: Madam Speaker, I shall be happy to explain to the hon. member why the circumstances have changed. The proposal to which he refers concerned a large sale to a British Columbia plant, and the Sysco management pressed the Government of Canada to make a commitment with respect to that $50 million because it insisted that unless we made the money available at that time, that particular project would fail.

We responded to the request of the government of Nova Scotia, but subsequently Sysco management abandoned the plan. That is why the funds in that context could not be made available.

Oral Questions

FISHERIES

LACK OF CONSULTATION WITH PROVINCES ON OVER-THE-SIDE SALES

Hon. James A. McGrath (St. John's East): Madam Speaker, I should like to address a question to the Minister of Fisheries and Oceans. Last fall, to bring order into what was a chaotic situation dealing with the over-the-side sales question, after consultation with the provinces, the processors and the fishermen we worked out a set of guidelines which was acceptable to all.

Now the minister has violated two of the principal guidelines, namely, one dealing with no guarantees, or direct allocations, and the other one dealing with consultation with the provincial governments, processors and fishermen.

● (1440)

In view of the fact that this could—and in fact will—set back the cause of a unified collective bargaining voice for maritime fishermen considerably by driving a rift between the EFF and MFU, may I ask the minister why he did not consult with the provinces and the EFF before going ahead with this deal with the MFU and Joint Trawlers?

Hon. Roméo LeBlanc (Minister of Fisheries and Oceans): Madam Speaker, I would remind the hon. member that this government came into power March 3. The time was fairly advanced and the gaspereau were heading into the rivers, or were close. Time was very short and there were proposals presented to us at the very last minute. A meeting was held with representatives of the processors, the fishermen—including the two fishermen's organizations which the hon. member mentioned—and provincial observers, and it was not successful because there was just no will to negotiate and arrive at any kind of a solution.

I certainly did not intend to drive a rift between the fishermen's organizations. On the contrary, when I saw there was one organization left out—in this case the Maritime Fishermen's Union—I said that the department would have to act as an umbrella and allow all bona fide and licensed fishermen belonging to either the Eastern Federation or the Maritime Fishermen's Union to sell their fish if the sale over-the-side was authorized.

Mr. McGrath: Madam Speaker, by way of a supplementary question, the three ministers of fisheries for the three maritime provinces have taken grave issue with what the minister has done. The minister knows full well the impact that this could have on working out a harmonious arrangement between the maritime governments, the processors and the unions.

Before the minister concludes this deal—before the minister allows this deal with the MFU and Joint Trawlers to be signed—will he sit down with the government of the three maritime provinces to at least try to salvage something out of what will unfortunately create a very chaotic situation?

Mr. LeBlanc: Madam Speaker, the position taken by at least one province indicates to me that if we await an agreement before deciding on anything, that constitutes a veto for that province which has consistently taken the side of the large companies and has consistently forgotten the interests of its own fishermen, especially inshore fishermen, in areas such as Cape Breton and the riding of the hon. member, the former minister of DREE.

If the hon. member is asking me to give that sort of veto before a decision can be made, as the fishing season approaches, obviously the answer is no.

ACCESS TO NORTHERN COD—LEGALITY OF NEWFOUNDLAND ACTION

Mr. Lloyd R. Crouse (South Shore): Madam Speaker, I, too, wish to direct my question to the Minister of Fisheries and Oceans. It seems that today is fish day, even though it is only Thursday.

In view of the fact that the Minister of Regional Economic Expansion stated in Montreal on May 6 that the federal government has made available more than $41 million for the establishment of new service centres and fish processing facilities in Newfoundland, has the minister assured himself of the legality of the action being taken by the fisheries minister of Newfoundland, who has threatened to close branches of Nova Scotia companies if they do not withdraw from fishing northern cod? If so, what steps is the government taking to resolve this situation?

Hon. Roméo LeBlanc (Minister of Fisheries and Oceans): Madam Speaker, the quota in question will have been taken by this Saturday, and that fishery will be closed. Meanwhile, the claims made by the minister of fisheries for Newfoundland are not sustained. In fact, in 1979 Newfoundland vessels took some 22,000 tonnes; in 1980 they took 27,000 tonnes; in 1979 maritime vessels took 7,000 tonnes, and this year 4,000 tonnes.

I fail to see what claim the minister responsible for fisheries in Newfoundland would have to make the sort of statement that he makes. The other point is that until the constitution is changed the management of the fishery will remain in federal hands.

Mr. Crouse: Madam Speaker, in light of the minister's answers, I would like to ask him, is the government planning any reduction in the quotas authorized for some 356 foreign factory and freezer trawlers that have been licensed within our 200-mile limit, a fleet which operates for the most part in Newfoundland waters catching northern cod for countries such as Japan, the U.S.S.R., Portugal, Spain, Denmark, France, the Faro Islands, West Germany, Cuba, East Germany and Bulgaria?

Mr. LeBlanc: Madam Speaker, the quotas allocated to Canadian and foreign fishing enterprises are set in the annual fishing plan which is the subject of exhaustive discussion and consultation with all segments of the industry—fishermen's organizations, processors' associations, provincial governments. At one point a judgment is made—as I am sure it was when my hon. friend from St. John's East was minister of fisheries—

that it is in Canada's interests to allocate some of the resources in the 200-mile zone in exchange, among other things, for Canadian fishing where we have a substantive interest outside the 200-mile zone. That is the part of the management plan that has been in effect and, I think, has been working surprisingly well.

* * *

STATUS OF WOMEN

STUDIES ON EMPLOYMENT STRATEGIES FOR WOMEN

Miss Pauline Jewett (New Westminster-Coquitlam): Madam Speaker, I have before me some of the hundreds of studies that have been done on employment strategies for women over the past two or three years, including a memorandum to the cabinet—

An hon. Member: Did you read that?

An hon. Member: Order.

Miss Jewett: —that was prepared by the minister's own department, a memorandum dated—

Madam Speaker: Order, please. Does the hon. member have a petition on her desk?

Miss Jewett: No, I have a question, Madam Speaker.

An hon. Member: It's a long question.

Miss Jewett: I would like to ask the minister responsible for the status of women—

Madam Speaker: Order, please. The hon. member should know that she cannot bring these kinds of objects into the House. Will she please have them removed from her desk and ask her question.

Some hon. Members: Oh, oh!

Madam Speaker: Order, please. The hon. member for New Westminster-Coquitlam.

Miss Jewett: I would like to ask a question of the minister responsible for the status of women. In view of the fact that these hundreds of studies have been done on the status of women—plans of action, not just abstract ideas, that have been carried out in writing but not yet implemented—I ask the minister, why does he now decide to sign a contract with Lorna Marsden, a vice-president of the Liberal party—

Some hon. Members: Oh, oh!

Miss Jewett: —to undertake yet another study on employment strategies for women?

Some hon. Members: Hear, hear!

Hon. Lloyd Axworthy (Minister of Employment and Immigration): Madam Speaker, if the hon. member had taken some time to read those studies that she had in the box on her desk, she would have noticed that many of the studies and evaluations were offered by the same person that she mentioned. The reason why we have obtained the services of Mrs. Marsden, who is also the dean of social studies at the University of Toronto, as well as a former president of the action committee for women in this country, is that we intend to bring those studies into action.

We want the people who have been working on these efforts for such a long time to be involved right at the bottom drawer when we implement these things.

Miss Jewett: Madam Speaker, I do know that none of these hundreds of studies was actually prepared by the vice-president of the Liberal party to whom I have just referred; indeed, none of the programs which the previous Liberal government prepared toward equality for women was her responsability.

May I ask the minister, then why does he not—if he continues to be indifferent to the cabinet memorandum drafted last December—at least now not have another study, but implement the 35 specific strategies in this document, "Towards Equality for Women", prepared a year or so ago by the previous Liberal government.

● (1450)

Mr. Axworthy: Madam Speaker, I would say the hon. member has some trouble in reading.

Some hon. Members: Oh!

Mr. Axworthy: If she had been paying attention to some of the statements and commitments which have been made, she would have recognized that in the Speech from the Throne issued by the government we clearly indicated our intention to take action to deal with those recommendations. Many of the recommendations are already in process of implementation, and as soon as the enforcement and implementation is there she will be the first to know.

* * *

ENERGY

CORPORATION RESPONSIBLE FOR RENEWABLE ENERGY TECHNOLOGY

Mr. Maurice Foster (Algoma): Madam Speaker, my question is directed to the Minister of Energy, Mines and Resources. In view of the urgency of the development and demonstration of Canada's renewable energy technology, and the government's commitment in the last election campaign to establish an alternate energy corporation, can the minister tell us when this corporation will be established, what its initial capitalization is to be, and what will be its top priorities in its first year of operation?

[*Translation*]

Hon. Marc Lalonde (Minister of Energy, Mines and Resources): Madam Speaker, I have already had some talks with members of Petro-Canada in that connection. The corporation responsible for renewable energy will first be set up as a branch of Petro-Canada, which has indicated to me that it was considering a capitalization of some $20 million for that new corporation. As for its priorities, I would hesitate to give details as long as the members of the new board of directors and its chief executive have not been appointed. I merely wish to indicate that the main purpose of the corporation will be to promote all kinds of new energy, especially renewable energy.

* * *

[*English*]

FISHERIES

IMPROVEMENT OF HARBOURS IN ATLANTIC CANADA

Mr. Fred McCain (Carleton-Charlotte): Madam Speaker, I should like to ask the Minister of Fisheries and Oceans whether or not the government intends to honour the commitment of the former government to increase the small craft harbour allocation by $14 million so that the much-needed program to improve fishing harbours in Atlantic Canada can commence immediately.

Hon. Roméo LeBlanc (Minister of Fisheries and Oceans): I suspect that what the Secretary of State has been saying with reference to certain cultural program announcements is quite applicable to this question. When we inherited the economic envelope we found that the commitments were great but that the reserves were small, if existent.

Obviously, we intend to try to restore the integrity of this program which, by the way, was frozen by the previous president of the treasury board: the building season last year was quite negatively affected. This year, the budget was at the $26 million level, which would have made it the lowest level for a number of years.

Mr. McCain: Madam Speaker, it is easy to muddle up the statistics to the benefit of the individual speaking at a given moment and, perhaps, even to mix the envelopes. But since the minister has answered as he has, let me ask this question: Does he consider that the figure of $26 million, which appears now to be allocated, is adequate for the job which has to be done in his constituency and in other Atlantic constituencies?

Mr. LeBlanc: If the expenditure program which was prepared by the previous government, obviously under the benevolent eye of the former president of the treasury board, had been given adequate funds, I would be able to respond to the hon. member. But we will try to get more money into this program.

SMALL CRAFT AND HARBOURS—DISTRIBUTION OF DREE GRANTS

Hon. John C. Crosbie (St. John's West): A supplementary to the Minister of Fisheries. The estimates tabled in this House total $58.4 billion, which included $50 million in a special employment fund for eastern Canada, programs aimed at stimulating employment and economic development there, of which the previous government had allocated $14 million to small craft and harbours and $25 million to fisheries.

Why does the Minister of Fisheries not get on the ball and secure that money which is already in the estimates, the $58.4 billion tabled in this House, and get it for his department and carry out the promises made, the commitments made, for small craft and harbours?

Some hon. Members: Hear, hear!

Hon. Roméo LeBlanc (Minister of Fisheries and Oceans): The budget which was established for the small craft harbours program in the estimates which were prepared by the previous government and tabled in the House indicate a level of $26.5 million for small craft harbours. I will endeavour to obtain from my colleague the moneys which were referred to in the election campaign by the hon. member, but which to my knowledge were not provided.

Mr. Crosbie: A supplementary to the minister for the employment of Liberals and immigration.

Some hon. Members: Oh, oh!

Madam Speaker: Order, please. The hon. member should refer to the minister by his proper title.

Some hon. Members: Hear, hear!

Mr. Crosbie: Thank you, Madam Speaker. One gets mixed up when one sees what is going on. In the minister's department this year, within the estimate of $58.4 billion which was tabled there were $50 million of additional moneys to stimulate employment in eastern Canada. Some of that money has apparently been diverted by the minister responsible for DREE for railway track removal in Winnipeg.

Will that hon. gentleman provide the $25 million for fisheries that is the amount there, and $14 million for small craft and harbours, and not take it for the defenestration of railway tracks in Winnipeg, and put it to its proper use?

Hon. Lloyd Axworthy (Minister of Employment and Immigration): It is unfortunate that at the meeting held last Sunday in Winnipeg among the representatives of the three levels of government there was not a representative of the Conservative party there from the federal caucus. He would not, then, be repeating the kind of misinformation which was issued by his leader yesterday on the question of rail relocation.

I suggest to him that, when it comes to employment, we shall be announcing an employment program which will provide full satisfaction for concerns in the maritime area. I say to

him it will be a lot better than the cancellation of programs which the previous government undertook.

[*Translation*]

INQUIRY WHETHER EXPORTS WILL BE REDUCED

Mr. Alexandre Cyr (Gaspé): Madam Speaker, my question is directed to the Minister of Fisheries and Oceans. At a convention in Montreal, the Fisheries Council of Canada accused the minister of being the minister of the fishermen, rather than the fisheries. In addition, its new president, Bernard Blais stated that with the 1980s we are going into a flat period because of the recession in the United States, which will result in lower prices for fishermen's catches. Can the minister tell the House whether he has statistics or studies on hand proving there really will be a 10 per cent dip in the Canadian export market? If so, what steps does he intend to take to remedy the situation?

Hon. Roméo LeBlanc (Minister of Fisheries and Oceans): Madam Speaker, it does not hurt me at all to hear that people complain about my being the fishermen's minister more than the fisheries. I am less pessimistic than some producers about the capacity of the American market for continuing to absorb large volumes of fish imported from Canada. I see no sign yet of any softening in the market to an extent that might warrant our reducing immediately the prices paid the fishermen. On the other hand, I have asked the industry to reflect upon the fact that the price of Canadian fish is not going up, like inflation in the United States; in fact, there exists a stability which might be defined as a stagnation of sorts. As for marketing generally, I have indicated that we were going to look into the possibility of co-ordinating it to a larger extent, especially abroad, and that we are trying to reduce our dependence on the American market.

[*English*]

LIMIT ON SIZE OF CHINOOK SALMON CAUGHT BY SPORTS FISHERMEN OFF WEST COAST

Mr. Donald W. Munro (Esquimalt-Saanich): Madam Speaker, I should like to address my question to the minister who has just resumed his seat, whether he is a *pêcheur,* a *pécheur* or *une pêche.*

Some hon. Members: Oh!

Mr. Munro (Esquimalt-Saanich): Can he inform the House whether he intends to proceed with the plan formulated by his officials to institute an 18-inch limit on chinook salmon caught by sports fishermen off the west coast?

● (1500)

While he is answering that question, would the minister indicate whether he has some other plan in mind? Does he have any plans for instituting a licensing system for sports fishermen?

[*Translation*]

Hon. Roméo LeBlanc (Minister of Fisheries and Oceans): Madam Speaker, the hon. member has been talking about fishing and fishermen; I just hope he will not refer to anything fishy.

Madam Speaker, my predecessor was about to reach some very difficult decisions and I regret somewhat that the election that stopped him from taking that good initiative came too soon. That being said, I am studying, as my predecessor surely did, the proposals aimed at improving fisheries management, sport fishing particularly, to apply better conservation policies. I am not now in a position to announce specific decisions in that regard. I shall inform the House in due course.

[*English*]

Mr. Munro (Esquimalt-Saanich): I wonder, then, Madam Speaker, if the minister would assure the House that he has no plans for increasing the commercial licences for 1980 or 1981 on the west coast and, if not, would he say when the announcement of changes will be made, so that the uncertainties which are now plaguing west coast fishermen can be laid to rest?

Mr. LeBlanc: Madam Speaker, the discussions which I had with the advisory council created by my predecessor—which turned out to be a very positive initiative—led me to believe that it would be very useful to have a further exchange in June. I intend to spend a fair amount of time on the west coast in the middle of June, to put forward some proposals and to hear the reactions before a decision is made. That will be part of the discussion.

* * *

REGIONAL ECONOMIC EXPANSION

WINNIPEG RAIL RELOCATION—REPLY OF MINISTER OF EMPLOYMENT AND IMMIGRATION

Hon. Jake Epp (Provencher): Madam Speaker, in answering or attempting to answer a question today, the Minister of Employment and Immigration (Mr. Axworthy) indicated that at a meeting held on Sunday with regard to Winnipeg rail relocation at the CPR yards no Conservative member was present at that meeting. I want to inform you, Madam Speaker, that in fact there were representatives there of the city of Winnipeg and of the provincial government. I at no time had an invitation from the sponsoring group to appear at that meeting, but I want to indicate that if the minister persists in that kind of half truth in this House—

Mr. Axworthy: Were you there?

Mr. Epp: —the point has to be made—

An hon. Member: Were you there or not?

Mr. Epp: As the Winnipeg *Free Press* editorialized the next day, we would like to know from the minister what programs

would be cut in Manitoba in terms of rail relocation. The editorial was headed simply "Shut Up".

* * *

BUSINESS OF THE HOUSE

WEEKLY STATEMENT

Mr. Baker (Nepean-Carleton): Madam Speaker, it being Thursday, I wonder if I could ask my friend the President of the Privy Council and government House leader about his plans for tomorrow and into next week, bearing in mind that today is an allotted day for Her Majesty's loyal opposition.

[*Translation*]

Mr. Pinard: Madam Speaker, tomorrow we shall try to get second reading of the small businesses loans legislation and if, as we hope, the bill passes that stage, we shall pursue on Friday consideration of the Employment Tax Credit Act. On Monday, the debate on the Address in Reply to the Speech from the Throne will resume; it will be the seventh day. The eighth day will come later in the session at a date not yet determined. But Monday for sure will be the seventh day of the throne speech debate. On Tuesday, we would like to complete second reading of the Bank Act and if we succeed before the end of the day, we could proceed with second reading of the Bretton Woods Agreements bill. Wednesday and Thursday, as my colleagues know, will be business supply days; the House will be in Committee of the Whole, and I expect that my hon. colleagues will let me know in due course the estimates of which departments they would like to examine.

[*English*]

Mr. Baker (Nepean-Carleton): Madam Speaker, it is our intention to give that advice to the minister. I thank him for the invitation.

I had raised a question with the minister with respect to the matter of parliamentary groups like the Commonwealth Parliamentary Association, Canadian branch, and others having the opportunity to report to the Standing Committee on External Affairs and National Defence. I wonder if he would be prepared to consider that reference—or maybe he has had time to do so—so that the work of those committees could be reported to Parliament appropriately. I undertake with the minister that there would be no debate on a reference of that nature.

Mr. Knowles: Madam Speaker, as the minister knows, there are times—for example, yesterday—when we interrupt whatever business we are doing because something comes along which is regarded as urgent. May I ask the government House leader to have discussions with his colleague, the Minister of Veterans Affairs, on the urgency of the promised legislation to do something about the widows of disabled veterans. Can he assure us that that legislation will be brought in soon?

[*Translation*]

Mr. Pinard: Madam Speaker, my hon. colleague can rest assured that I shall bring his concern to the attention of the Minister of Veterans Affairs as soon as he returns from Holland.

[*English*]

Mr. Robinson (Burnaby): Madam Speaker, I have a question for the President of the Privy Council. Has the minister had an opportunity yet to consult with his colleagues on the very worth-while suggestion made by the hon. member for Winnipeg North Centre that the annual report of the Canadian Human Rights Commission be referred to a special committee of this House for very comprehensive consideration?

[*Translation*]

Mr. Pinard: Madam Speaker, first I would like to advise the House that in a few days we will give notice of a motion to refer to a joint committee the report of the Commissioner of Official Languages. This results from an agreement we reached this morning with the leaders of the opposition parties.

As regards the suggestion repeated today by the hon. member, no decision has been reached yet on this matter; however, my hon. friend should understand that committees of the House are now studying the estimates and that many other matters are likely to be referred to them soon. This does not, by any standard, depreciate the suggestion he is putting forward. It is being seriously considered and I hope to be able to give him an answer within a reasonable delay.

* * *

[*English*]

PRIVILEGE

MR. NIELSEN—ALLEGED DELETION FROM OFFICIAL REPORT

Hon. Erik Nielsen (Yukon): Madam Speaker, you will recall that last Friday I raised a question of privilege, but it was deferred because the Prime Minister (Mr. Trudeau) was not in his seat. He was in the House today but he has now left, so I ask that that matter stand until tomorrow.

* * *

HOUSE OF COMMONS

RECOGNITION OF MEMBERS TO SPEAK

Mr. Tom Cossitt (Leeds-Grenville): Madam Speaker, I rise just briefly to ask for clarification from the Chair, if possible, and to obtain some idea of the basis on which members of the House who are commonly classified as backbenchers are recognized, particularly during the last part of the question period.

As one who has been fortunate enough to obtain recognition to move three or four motions under Standing Order 43 since the start of the session, but who has been unable to gain the

floor for questions, I wonder if Your Honour could outline upon just what basis backbenchers are selected for asking questions during the latter part of the question period.

Madam Speaker: There is no written rule about the order in which members are recognized in the House. The member who has the floor is obviously the one the Speaker recognizes. When a discussion on a particular subject is taking place and a member of the opposition who has held responsibilities concerning a certain department rises to ask a question, obviously I will recognize him because I do not want to break the rhythm of the dialogue which takes place during question period. I think it is very healthy to have questions and answers from people who have a particular interest in a specific area. I think that is quite a healthy thing to encourage in the House.

As for backbenchers, they have rights in this House equal to those of any of the members who sit here. I try to recognize them, but obviously they are more numerous than the others, and their turn does not come up as often as perhaps they would like. However, I do my best.

Hon. Stanley Knowles (Winnipeg North Centre): Madam Speaker, on this point I wonder if I might be permitted to say a word. It does seem to me that one of the reasons many members are not getting the floor in the question period is that those who do get the floor, and ministers who answer are too loquacious. I suggest that if questions and replies were succinct there would be an opportunity for more questions to be put in the question period.

● (1510)

Some hon. Members: Hear, hear!

Madam Speaker: The remarks of the hon. member for Winnipeg North Centre (Mr. Knowles) are most welcome. I feel that it will become increasingly important to cut off the preamble to questions. The questions should be sharp and, as everyone knows, the sharper ones are more effective. I suppose that members of the House are looking for effectiveness in their dialogue. This also applies to answers which, I think, should be brief and to the point. I find that I will be increasingly asking members to comply with that practice.

This is not an unwritten rule; it is a written rule that the purpose of questions should be to elicit information and that answers should give information. This would allow me then, if we save some time—I would be grateful for the co-operation of hon. members in this respect—and if members asked crisp and brief questions and answers were equally brief, to recognize more backbenchers.

Some hon. Members: Hear, hear!

ROUTINE PROCEEDINGS

[*English*]

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. D. M. Collenette (Parliamentary Secretary to President of the Privy Council): Madam Speaker, the following questions will be answered today: Nos. 324, 356 and 362.

[*Text*]

TELEGLOBE CANADA—NUMBER OF EMPLOYEES

Question No. 324—**Mr. Herbert:**

How many (a) permanent (b) other employees were on the payroll of Teleglobe Canada and its subsidiaries as at March 31, 1979?

Mr. Peter Stollery (Parliamentary Secretary to Secretary of State and Minister of Communications): In so far as Teleglobe Canada is concerned, the answer to the above question is as follows: (a) 1,238 permanent employees; (b) 35 other employees.

PRIVY COUNCIL OFFICE—SX CLASSIFICATION—NUMBER OF EMPLOYEES

Question No. 356—**Mr. Herbert:**

1. As of March 31, 1979 (a) how many persons in the SX classification were employed by the Privy Council Office (b) how many were (i) Francophones (ii) females?

2. What are the present totals?

3. Was there a structural change in the PCO since March 31, 1979 and, if so, what effect did such a change have on the number of SX's employed?

Mr. D. M. Collenette (Parliamentary Secretary to President of the Privy Council):

1. SX 24
   Francophones 3
   Females 0
2. SX 22
   Francophones 3
   Females 1
3. A new organizational structure came into effect on October 1, 1979. It did not change the number of SX's employed in the office.

JUSTICE—EMPLOYEES IN THE SX CLASSIFICATION

Question No. 362—**Mr. Herbert:**

1. As of March 31, 1979, (a) how many persons in the SX classification were employed by the Department of Justice (b) how many were (i) francophones (ii) females?

2. What are the present totals?

3. Was there a structural change in the Department since March 31, 1979, and, if so, what effect did such a change have on the number of SX's employed?

Point of Order—Mr. Cossitt

Mr. W. Kenneth Robinson (Parliamentary Secretary to Minister of Justice and Minister of State for Social Development):

1. (a) 1

(b) (i) None;

(b)(ii) None.

2. 1.

3. Yes, there has been a change in the structure of the department, but that change had no effect on the number of SX's employed.

[*English*]

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

Madam Speaker: Shall the remaining questions stand?

Mr. Cossitt: Madam Speaker, I would like to refer to two questions to which I have been referring for about three years approximately, perhaps longer. They have been repeated on successive order papers. I understand that the previous government was about to answer them in a much more timely fashion before it left office than the present government, which has taken two to three years to answer some questions. I refer specifically to question No. 15, which concerns a gentleman named Mr. Martin Goldfarb, Goldfarb Consultants Limited and the amount of public funds they have received for doing business for the present government and for the former Liberal government when it was in office.

I do not think it should take three years to figure out just what Martin Goldfarb has been getting in the way of payments for his services to the Liberal party as well as for his services to the government of this country. In other words, I think it is about time that these questions were answered. Three years is a long time. I have every right to complain vigorously about it because if it were three weeks, three months or four months, one could say that it takes a long time to compile statistical information, but it should not take three years. Three years means that something is being hidden.

My other question—the number of which I do not have readily available without having to flip through the order paper, but I am sure that the parliamentary secretary is well aware of it from its substance—is a question which has also been on successive order papers for a number of years. It involves the fingerprinting of civil servants by this government, both when it was in power previously and now. My question asks how many of them are there, why they were fingerprinted and so on. I am referring to public servants who are not in security positions, not connected with national security or national defence. I am referring to such people as secretaries and unemployment insurance officers who, I know, have in the past been frequently fingerprinted all across this country.

In my opinion, this is an invasion of privacy. Parliament has the right to know why this has been done. For three years I have been asking this question. I have raised at least five or six points of order, and for three years the government have been sitting on their behinds, which seems to be what they usually do, and have not attempted to answer either of these questions.

Could the parliamentary secretary give us some indication right now—not tomorrow, not the next day, but right now—when these questions are going to be answered?

Mr. Collenette: Madam Speaker, I welcome the intervention of the hon. member for Leeds-Grenville (Mr. Cossitt), and I should like to point out, as I did on Friday, that the present government has an admirable record in answering these questions when one compares it with the record of the former government in the Thirty-first Parliament. I would ask the hon. member to look at my answer given in reply to the hon. member for Nepean-Carleton last Friday on the rapidity with which questions are answered in this House.

My role is merely to report to the House those questions which are answered by departments. It is not for me as Parliamentary Secretary to President of the Privy Council to comment any further on these questions. I suggest that if the hon. member is not satisfied with a particular answer, he can take it up in the usual way. He can ask questions in the House, he can ask further questions on the order paper, he can avail himself of the "late show". There are a number of things he could do in addition to resorting to private correspondence with ministers.

He brought up a couple of specific questions. One is question No. 15 with respect to Mr. Goldfarb. I will try to get the answer for him as quickly as possible, but it is my recollection that since the session started we have answered a number of questions from the hon. member. I think he is doing very well in comparison with other members in the House. Mind you, I should say that the hon. member for Leeds-Grenville is one of the few members of the House who has practically filled up the order paper with questions, so he cannot expect answers to all his questions immediately.

With regard to the question concerning fingerprinting—I forget the number—he asserts that the answer was ready to be given by the former government. I ask him to consult with his leader and the hon. member for Nepean-Carleton, who was president of the privy council at that time, to ascertain why, if these questions have indeed gone through the departments, they were not tabled in the House. But I will try to expedite all the questions in the course of my normal duties.

Mr. Baker (Nepean-Carleton): Madam Speaker, I do not want to prolong this debate but I cannot fail to make two observations about the remarks of the parliamentary secretary.

As I understand the role of the parliamentary secretary, he does not stand up in the House and spout answers which are given to him by various ministries in response to different questions. The hon. member for Leeds-Grenville has asked that a question which has been on the order paper for three years in successive Parliaments be answered. I think there is a duty in those circumstances on the part of the parliamentary secretary to answer those questions if he can. If he cannot, I think it is inappropriate for him not to say that he will use his best efforts, as Parliamentary Secretary to President of the

Privy Council responsible for the operation of the House, to obtain answers for the hon. member for Leeds-Grenville and indeed for any other member of the House of Commons.

I will not argue the statistical record because I think it is a very foolish argument and we can deal with statistics any way we like. We are talking about the principle of the government answering questions put by members.

If there is some reason respecting the security of the country for the question not to be answered, then the hon. member is entitled to know. If the reason is that it is an embarrassing question for the government, then I think that is not sufficient reason to fail to answer the question. Certainly that question would not have been an embarrassing matter to the government of the right hon. member for Yellowhead (Mr. Clark), who is now Leader of the Opposition. But apparently it is embarrassing or something to the present government because it has not been answered by the parliamentary secretary or former parliamentary secretaries. The question is now for the third time on the order paper.

All I am saying to my friend is that he has the duty, not just to give us the statistics, but to say to members, when questions are persistently left unanswered, what they can do to obtain the answers or at least to inform the hon. member why the question cannot be answered. I think it is extremely important that we establish that at the beginning because I think it is important to the relationship which exists between the government and the opposition in terms of the operation of the House of Commons and House business.

● (1520)

I put it to my friend very seriously that three years is a long time to wait for any answer. The hon. member for Leeds-Grenville indicated the position on a prior occasion when we had the privilege of forming the Government of Canada. He said that the answers were ready, that they were to come on, but that they did not come on because of the fall of the government. If those answers were ready for our government, those answers are now ready for his government. I suggest he go to see the Clerk of the Privy Council immediately, obtain those answers, if they are ready as he says they are, and bring them forward to the House. I think it will simplify matters, and certainly it will be helpful in terms of the flow of information to which I believe members of Parliament are entitled.

Madam Speaker: Hon. members to my left have made their point. I will allow the parliamentary secretary to reply if he insists, but I thought the point was sufficiently made and that perhaps we could cut if off here and proceed to the other item.

Mr. Collenette: Madam Speaker, I did make the point, and I will stand by what I said, that I undertake to answer these questions. But there is a sort of underground insinuation about who is culpable in terms of answering a particular question. The hon. member for Leeds-Grenville has made the assertion that that question was ready to be answered during the tenure of the former government. I do not know whether that is so. All I know is that in the two weeks, three weeks or five weeks we have been sitting here and answering questions, that question has not come from the Privy Council office to be answered here today.

Mr. Lalonde: They did not do it in six months.

Mr. Collenette: They did not do it in six months. If indeed what the hon. member for Leeds-Grenville said is correct, they did not table it themselves. I just want to point out that inconsistency.

Also I should like to point out that delay in answering questions, or failure to answer any particular question on a given day, does not necessarily imply that that question will not be answered at some time in the future.

GOVERNMENT ORDERS

[*English*]

BUSINESS OF SUPPLY

ALLOTTED DAY, S.O. 58—ALLEGED FAILURE TO FORMULATE HONEST AND EFFECTIVE ENERGY POLICY

Hon. Bill Jarvis (Perth) moved:

That this House condemns the government for its failure to formulate an honest and effective energy policy.

He said: Mr. Speaker will note that we as the official opposition have chosen to use this our first allotted day to bring to the attention of the House and to our fellow citizens the failure of this government to deal honestly and effectively with a variety of important and urgent problems in the field of national energy policy.

Some of the problems which will be discussed today are as follows: first, pricing and supply; second, consumer impact; third, conservation and alternative sources; fourth, economic and industrial impact. I think it will be obvious to the House in terms of both importance and urgency that any one of these several issues alone could form the subject matter of today's debate. In terms of the total energy situation, I should like to point out that this list obviously is not an exhaustive one.

Any opposition acting responsibly could be justified in devoting allotted days to a variety of other energy-related issues. For example, one thinks immediately of the fact that Canadians are entitled to know, and we are entitled to debate, the international aspects of energy, particularly those aspects which gave rise to what we know around the world in this era as the energy crisis. Similarly, it would take little to justify using an allotted day to debate the energy dimension of Canada-United States relations.

Of course, there are numerous other energy issues which demand and deserve our attention. However, we feel compelled to bring to the attention of the House the four matters I have enumerated because it is our view that to ignore any one of those would, as an official opposition, be irresponsible. That irresponsibility would not be less than the irresponsibility of

the government in failing to deal effectively with all four of those issues. Perhaps the combining of all four of those issues enumerated in this debate will serve at least to emphasize their interrelationship and their interdependence, because among the multitude of sins committed by this government in the energy field—and by previous Liberal governments—has been the sin of ignoring or failing to comprehend this interdependence.

The only more serious charge that I could lay at the doorstep of this government and previous Liberal governments would be their guilt in forsaking any medium or long-term energy strategy for the sake of short-term political expedience. We have had years of announcements by a parade of ministers of finance and ministers of energy. I recall at least two ministers of finance in the last few years talking endlessly about the necessity of moving toward, to or beyond world prices in oil. We have had at least two ministers of energy announcing a conservation strategy which they thought was so good that they reannounced it several times in several sessions. Of course, it was never fully and certainly never effectively implemented, because it faced that one insurmountable hurdle—the hurdle of Liberal political expediency.

Some hon. Members: Hear, hear!

Mr. Jarvis: Mr. Speaker will hear one of my colleagues, the hon. member for Calgary Centre (Mr. Andre), dealing with energy pricing and supply. We in this party find it unacceptable that this government's attention span to self-sufficiency lasts no longer than one month following the latest Middle East crisis. That is the entire attention span of this government. Following that one month it is completely ignored.

In our view, this government takes greater satisfaction in concluding deals with foreign suppliers of oil than seizing upon the challenges and the opportunity to become self-sufficient from our own resources. We do not believe that enormous payments of Canadian dollars from Canadian taxpayers to foreign producers need be the destiny of our country. It takes little imagination for anyone in this House of whatever political persuasion to realize what we could be doing with the $3 billion we are paying out today in subsidy payments alone. Think of it if you wish, sir, in economic or industrial or regional development terms. Others may choose to think of it in terms of the enhancement of social programs. Others may think of it in terms of the reduction of the national debt. But if Mr. Speaker wishes to think of it purely in energy terms, I point out that that $3 billion would provide $500 worth of new insulation in virtually every home in Canada. In turning its back on self-sufficiency, this government is committed to the continuation of this enormous and endless drain for an indefinite period.

● (1530)

In terms of pricing, sir, when the government talks about pricing it talks exclusively about price at the pump. Sometimes, rather rarely, it talks in terms of prices in regard to revenue sharing between producing and non-producing provinces. But never does this government talk about price in the most important context—in terms of bringing on required Canadian production.

Does this government ever ask itself, for example, at what price is tertiary development from conventional sources viable? I suggest it never does. Does it ever ask itself at what price is Alsands viable, given the enormous capital investment, or at what price is gasohol, solar or tidal energy practical? I suggest never.

Pricing to this government is first a matter of algebra; it is the xyz formula, the nature of which has been and continues to be a secret. Second, when it talks about price it talks about taxes, whether they be refinery taxes, export taxes consumer taxes, next year's taxes or the taxes for the year after, all of which remain secret.

Perhaps it was put best by *The Globe and Mail*, coincidentally just this morning, in its editorial. It states:

> It is useless to complain that the government is trying to find ways of replacing the excise tax which it said it would not levy. The government has done little but evade its election promises since the election. Why expect honour?

Another of my colleagues will be dealing with the impact upon Canadian consumers. Indeed, that is not a problem that is confined to the gas pumps, as this government would have us believe. Any Canadian consumer is entitled to ask, what is the future of low-income groups who must heat their homes? What about those on fixed incomes, what is their future, particularly senior citizens who, possibly to the surprise of this government, do not drive large gas-guzzling cars to the pumps?

What about the enormous disparity that already exists among Canadians—and one thinks immediately of those in Quebec and Atlantic Canada—as compared to those in other parts of the country? How much greater is this disparity to be allowed to grow? Is there to be any form of energy cost cushion? Will there be an energy tax credit? Is there to be a subsidization of the generation of electricity in Atlantic Canada? Apparently that is not to be, Mr. Speaker. Therefore, many of those Canadians least able to protect themselves will become even more vulnerable in the future should this government's policies continue to develop as they have over the past few months.

The third point we will be raising, sir, will be in respect of conservation and alternative sources. I confess that I am not convinced this government has made that one basic decision yet, and that decision is, do we implement conservation measures or do we ration gasoline? I do not believe that decision has been made. There is no indication that it has.

Hon. members will remember former energy minister Donald Macdonald announcing a conservation measure in February, 1975. It was reannounced by his successor, the Hon. Alastair Gillespie, in 1976. What has been implemented? I suggest virtually nothing. The conclusion one reaches is that this government, as previous Liberal governments, is content with a 3.5 per cent increase in energy consumption. That is the inescapable conclusion one must draw, even in the face of not just independent studies, but its own government studies which

say that 2 per cent is attainable. What is the government's response? All we have seen so far has been the throne speech. We have an awesome conservation program consisting entirely of two things; fuel efficient standards for cars, and higher home insulation standards. That is the total conservation package we have had from this government.

What then, sir, has the government said or done about alternative sources? Again one looks to the throne speech, and I quote:

An alternative energy corporation will be created with a mandate to stimulate the development of new and renewable energy sources to replace oil.

The sole response to the challenge, the opportunity of developing alternatives, is another Crown corporation. Today in a reply to a question from one of his colleagues, the Minister of Energy, Mines and Resources (Mr. Lalonde) said this corporation will become a subsidiary of PetroCan, that it will have a board of directors and, I think, $20 million capitalization. He was not asked where the head office was to be, but I presume it is Calgary, a marvellous city in which to live. I am envious of those defeated Liberal candidates who can catch on to this Crown corporation, and there are lots of them out in Alberta. The only reason, frankly, that I see for putting this subsidiary in Calgary, much as I like the city, is its proximity to defeated Liberal candidates.

Where does this failure to respond to this challenge leave a variety of projects? Where, for example, does this leave the potential in Ontario for gasohol and alternative liquid fuels as dealt with in the Ontario budget? Where does this leave the tidal power project on the Annapolis River? Where does it leave the biomass project in Prince Edward Island? What about the Donkin No. 2 coal project in Nova Scotia? And the list goes on and on. Those projects remain at the mercy of our 432nd Crown corporation. I confess I am not sure about the numbers, but it is four hundred and something, and I believe it is 432. It is close to the 500 mark.

These projects are at the mercy of this newest Crown corporation, to be a subsidiary of PetroCan, located in Calgary, with a yet unnamed board of directors. These important projects, as you will recall, Mr. Speaker, were some of those to flow from our proposed national energy bank. Others, you will recall, included Canadian-owned oil upgraders, because we are exporting oil we do not have the capacity to deal with it at this time. That was another project. Then there was the oil sands project and the gas pipeline to Quebec City and through to the maritimes. Then we had proposals for urban transit, which we heard yesterday were now being discarded. We had urban transit upon which Liberal candidates have run for almost half a century, I believe. Are all of these projects—I say this more in sadness than in anger—and our ability to harness the alternatives with which we are so rich to have the same fate as urban transit? Is that the energy future for Canada and for Canadians?

Another of my colleagues will be dealing with the economic and industrial impact.

Earlier this week, in speaking to the Canadian Conference Board in Toronto—and I have read the speech carefully—the Minister of Energy, Mines and Resources dealt with the effects of higher energy prices and said that they:

—are bound to increase the inflationary pressure . . . and to depress over-all economic growth. They will work against an improvement in national employment and will weigh against both productivity and profits.

● (1540)

The picture is pretty gloomy. In terms of the gas pump psychology of the Liberal government, when a Canadian goes to a gas pump he will find the price of gas too high, no matter what it is, if he is unemployed. The price will always be too high for the unemployed. However, more importantly, I understand what the minister was saying and I share some of his concerns; but the real tragedy, the inexcusable tragedy, is the government's failure to appreciate the economic and industrial opportunities that are presented in the strategy of energy self-sufficiency, whether the opportunities be in growth, jobs, productivity, profits or taxes flowing to various levels of government. If one were an industrialist, one would think of such projects as Syncrude, the Foothills pipeline, and the Q and M pipeline.

If one thinks in terms of conservation, there is the potential of solar heating. Think of the manufacturing opportunities available in solar heating. That is why we were so anxious to seize upon this opportunity that is so uniquely Canadian through our energy strategy. That is why we introduced the energy self-sufficiency tax and the national energy bank.

Referring once again to the minister's speech to the Conference Board earlier this week, he said:

In developing the government's policy approaches to this situation we will be striving to create a positive approach and inject into the Canadian energy environment an element that I know has been absent for some time, namely, that of greater certainty.

What greater certainty than the certainty of price, not the xyz algebraic formula of blended pricing. In fairness, there is a certainty—the certainty of direct and indirect taxes, whether they be consumer taxes, refinery taxes, export taxes, income taxes, and who knows what other form they may take. It is certain that Canadian consumers, directly or indirectly, will pay more for their energy from this government than they would from the previous Conservative government.

Mr. Lalonde: That has to be the joke of the year.

Mr. Jarvis: It is certain, with regard to supply, that Canada will become more and more reliant on foreign sources of energy. With regard to the consumer impact, without the cushion provided by the energy tax credit and other measures, the consumer is certain to get socked; that is inevitable.

Mr. Waddell: He is getting socked.

Mr. Jarvis: With regard to the certainty of conservation, not one measure has been announced except the fuel standards for automobiles and home insulation. That is the certainty of conservation!

The certainty of alternative sources is another matter. There is an alternative source to which this government is devoted—

to sign a contract with yet another foreign government. That is its whole alternative source program. Where is the certainty in our economy? The minister promised in Toronto fewer jobs, lower profits, lower productivity and, of course, consequently lower tax revenues.

The tragedy goes beyond all that I have just said, Mr. Speaker. Granted it is tragedy enough, but beyond that, the real cost to the Canadian consumer, both in economic and human terms, is the failure of the government to see the challenge and to grasp the opportunity that is uniquely and solely ours. That is the tragedy.

Some hon. Members: Hear, hear!

Mr. Jarvis: There is the challenge of price as a tool of supply, the magnificent opportunity to be self-sufficient, of taking hold of that ability we have to protect our consumers, the obvious opportunity to enact a real conservation program, the development of alternate sources which are begging for development and the economic and industrial potential to develop these opportunities. All of these challenges were taken up in the budget of last December. Failure by this government to seize upon those challenges and to develop those opportunities would, I submit, be irresponsible, wasteful and tragic.

Hon. Marc Lalonde (Minister of Energy, Mines and Resources): Mr. Speaker, I congratulate my colleague of the official opposition on his first intervention on this very important question of energy and for having taken the opportunity on the first opposition day to put this question on the agenda. Indeed, energy has been the most important question facing this country over the last few years, the last few months, and I suspect that it will remain so for the next few years.

The question of energy is related not only to energy self-sufficiency or energy itself, but is also very closely related to the entire economic environment of this country. It even goes beyond that. Energy is closely related to the question of the unity of our country. It has as an issue all the makings of a tremendous opportunity for growth and unity in this country. However, at the same time, it can divide this country, extremely and profoundly.

Energy can also be the cause of a serious deterioration of our economic opportunities and development. Our purpose and objective as the government is to use energy as a source of tremendous economic development and as an element in bringing this country together, rather than dividing it—and there is that danger.

Having complimented my colleague for raising this issue today, I am sure that he will allow me to make a few more comments which will not be quite as complimentary, not to the hon. member but to the government of which he was a part, fortunately for a rather short period. The Conservative party can be accused of having many defects, but one thing that it has—

Mr. Siddon: —is common sense.

Mr. Lalonde: —is nerve, nerve indeed for bringing forward on the first opposition day a motion "condemning the government for its failure to formulate an honest and effective energy policy."

Mr. Andre: Underline the word "honest".

Mr. Lalonde: My hon. colleague opposite, who is hiding behind the curtains, is attempting to comment. As usual, his comments are not very relevant nor very intelligent but we will not leave him behind the curtains.

My party has been in office for just over two months. Last year the Conservative government was appointed early in June, and then the minister of energy disappeared for four or five months. He had been gone for so long that he was being referred to in the press as the invisible minister. I say this in all friendship to the hon. member for Saskatoon West (Mr. Hnatyshyn) because I have always thought, and still do, that he is a very decent human being.

Miss MacDonald: That's very generous.

Mr. Lalonde: But the fact is that he disappeared for several months. When he reappeared it was impossible for the opposition of the day to get any significant information from him; everything was under study, under examination, under review and, sometimes, under discussion.

● (1550)

What did we have then? We had a period in which there were intense divisions between the provinces, particularly the province of Ontario and the province of Alberta. There was intense dissatisfaction by the provinces at the lack of consultation, lack of opportunities to have an input and lack of knowledge as to what was transpiring between them.

Then, that poor minister was pushed aside by the former minister of finance and his leader, who took over and tried to arrive at some deal between the Government of Canada and the government of Alberta, leaving completely in the dark the government of the other producing provinces, and even worse the governments of the consuming provinces. One would have thought that after six months that government would have come up with an honest and effective energy policy; that is the least one would have hoped for and expected from a government that seemed to be so long in generating anything.

We were facing an elephant pregnancy in the case of the last government's energy policy. We were given a statement in the budget of December 11, a statement that was so horrendous that the opposition unanimously had to reject it, vote it down, one that the people of Canada had no hesitation whatsoever in rejecting in the following general election.

This is the party that dares ask for an honest energy policy, yet they came forward with a budget in which they told Canadians, "Don't worry, we have got a deal; we have an 18-cent excise tax and over the next four years an arrangement by which you will have an increase of $4 per barrel this year over and above the 18 cents; and you will have an increase of

$4.50 for the next four years". *En passant,* they said, "The third year we will adjust to 75 per cent and the fourth year we will adjust to 85 per cent of the Chicago price", which is the equivalent of the world price.

Mr. Stevens: Not necessarily.

Mr. Lalonde: The hon. member says "not necessarily." He knows that the Chicago price, in effect, is higher than the world price by a couple of dollars.

Mr. Stevens: It was always the lower of the two; tell the truth.

Mr. Lalonde: Now he says it would have been the lower of the two. Then it would have to be 85 per cent of the world price or of the Chicago price, whichever was the lower; but in fact the Chicago price was higher so we are back to the same statement.

What has been discovered in all of this? We discovered that the party which now claims that theirs was an honest energy policy had been pulling the wool over Canadians' eyes. But fortunately Canadians are no fools and they saw through the trick. They decided what to do about it at the last election.

What was the meaning of the $4.50, Mr. Speaker, that we were going to get next year and the following two years? We already know that with the current increases it would have meant $5.80 next year, $4.70 in 1982, and from what we know now, in 1983 it would be $10.90 and in 1984 $7.60. That is on the basis of inflation plus 2 per cent. It is a very, very modest assumption about what will happen to oil prices.

We all know that the OPEC countries are meeting in Saudi Arabia to review the question of oil pricing. They are due to meet on June 9 and already we are hearing talk about further increases in the price of oil on the international market.

That is the kind of proposition that was being put by the last government, Mr. Speaker. They did not dare set it straight during the speech on the budget or after. As a matter of fact, their minister of finance tried to say something about this during the election. He said that he might have to increase the price even more, but then promptly we had his leader contradicting him the next day, saying that the increase would not go over $4 or $4.50. We know now who was right; it was their minister of finance and not the Leader of the Opposition (Mr. Clark), who was prime minister at the time.

Mr. Andre: That is what I mean about honest. You are being dishonest.

Mr. Lalonde: Our friend in the opposition was hiding behind the curtains a few minutes ago, Mr. Speaker. Now he is moving to the front bench. I am sorry his leader has not found him dignified enough to put him in charge of anything yet, especially in the field of energy but ask him to be patient.

That is the party that is now calling for honesty, that is calling for effectiveness in terms of energy policy. We know what that policy was; it was the baseball bat approach to energy. The consumers of this country rejected it and rejected it strongly in the last election. I find the opposition has a lot of nerve to dare raise this question today in the way they have; but nonetheless, I am happy it is on the agenda. My colleagues and I will have an opportunity to go into several of the elements of this policy today.

I know the hon. member for Perth (Mr. Jarvis) was unavoidably absent from the House for a couple of weeks, but I am glad he has had time to read the speech I made in Toronto a couple of days ago. I would invite him to read the speech made by the Prime Minister (Mr. Trudeau) in Halifax during the election campaign when he was leader of the opposition, as well as my speech in this House during the throne speech debate and other speeches I have made in Quebec and Montreal in the last few weeks.

If he read those speeches he would find there the principles that this government came out with during the election campaign and since, the very clear outline and clear principles on which the government's energy policy is based. We have been quite forthcoming with the public about what we were proposing in the field of energy. Our commitment derived from a basic belief that energy policy must be based upon principles of security, equity and opportunity.

The previous policy was not based on those principles; it was very short on principles generally. What we had after very little consultation with the provinces other than Alberta—practically none, from what I could assess—was excessive increases in the price of oil, and an excise tax the people of Canada rejected. They did not come up with anything of substance in the area mentioned by the hon. member for Perth, that is, conservation and substitution.

We have said that what we need is a price not tied to the international price but one based upon the Canadian reality and the Canadian situation. We will have in this country a price that will be based on Canadian situations. The wellhead price for oil and gas will be determined through negotiations with the producing provinces in particular, at levels which reflect the right of the producing provinces to a fair return on their investment.

● (1600)

I want to make it quite clear that it is not a question of taking away the rights of any provinces, of preventing the producing provinces from getting richer. It is quite clear that Alberta is richer than any other province in this country, will become even richer in the next few years and fabulously rich in this decade. There is no doubt about that. Any deal arrived at will make the province of Alberta by far the wealthiest province in this country.

Nonetheless, the price must also be one that recognizes that the cost of developing new sources of supply is greater than that associated with supplies already in reserve.

When we talked about our "made-in-Canada" price, we said that there will be one price for oil coming from conventional sources and another higher price for oil coming from non-conventional sources, such as the tar sands or the frontier areas. Also, there will be an injection into that price of the cost of

imported oil which will continue to impart for a number of years.

Mr. Andre: What about new oil and tertiary oil?

Mr. Lalonde: This price—we have stated quite clearly and repeatedly, and I repeat it again today—will be lower than the price which had been forecast by the previous Conservative government in the ill-fated budget of December 11, and that is a commitment of this government.

An hon. Member: Tell us the price.

Mr. Lalonde: We want a revenue system so structured that if prices rise, as they will, the national government will get the share it needs to carry out its national responsibility.

I see my friends in the opposition over there worrying. What they should realize is that if we in this country are going to be able to stick together, we will need to have a national government which will have not only the powers but the resources to ensure that regional disparities are not going to become excessive. One cannot have a country in which there is a province that would become a Kuwait and another province that would become a Jordan. One cannot have a country like that.

For instance, the province of Nova Scotia's total revenue from natural resources is, I believe, about $8 per capita at the present time. The province of Alberta's total revenue from natural resources alone is $1,900 per capita. How much more and for how much longer can we have a continuation of this kind of disparity if we do not have in the national government the resources necessary to redistribute them in a way that will try to help those provinces with fewer resources? Obviously one will have to call upon the wealthiest provinces to make a contribution to the national wealth of the country to arrive at a better distribution of income in Canada, a better distribution than just the location of natural resources would allow for.

Mr. Andre: How does relying on Saudi Arabia help?

Mr. Lalonde: Again, my friend from Calgary Centre (Mr. Andre) cannot get that through his head. It is elementary. If you want to have a country, you will have to face those realities. I see that my friend from Calgary Centre is going through the roof, but some day he will come down to earth. As I have said, as far as we are concerned, we recognize this as a basic element of any energy policy in this country.

My hon. friend talked about pricing and supply, but he did not talk about revenue sharing. Ignoring this question is ignoring the reality of this country, and it is going to lead to very deep divisions in Canada if that question is not faced squarely by all provincial governments and by all parties in this House.

I noticed that the opposition completely left out not only the question of revenue sharing, which is fundamental in my view, in addition to the question of pricing, supply and conservation, but also the question of Canadian ownership. In my view this is not surprising coming from the opposition, but I find it regrettable.

In this country we have tremendous oil and gas resources. If we look to the future of this country, we can say that Canada will be sitting on top of the world. Unfortunately, a large portion of our resources in this field are still foreign owned. We want to do more to remedy this situation.

The previous Liberal government set up Petro-Canada as one instrument to achieve this purpose. The official opposition was trying to destroy Petro-Canada in the short six months it was in office. Petro-Canada has been a major instrument in ensuring that we are taking over a larger portion of and playing a bigger role in the petroleum industry. We want to maintain and expand Petro-Canada. One of the first steps we took after our election as the government was to remit the $80 million to Petro-Canada which the previous government had refused to give it to allow it to do its job.

Mr. Stevens: More debt.

Mr. Lalonde: In addition, we have indicated that our objective is to arrive at 50 per cent—my friends on the other side keep interrupting and shouting all the time, Mr. Speaker. I know that this subject touches their nerves. They made such a mess of it in their short six months.

Mr. Andre: We cannot believe that you are that ignorant about what is going on.

Mr. Stevens: Where did you get the $80 million from?

Mr. Lalonde: They are livid with rage about their goof.

We want to ensure during this decade that the petroleum industry will be at least 50 per cent Canadian owned. We are not going to wait until 1989 to work on this question or to ensure that we are going to make substantial progress in that direction.

As I have indicated, we have already taken some steps through Petro-Canada. We are working now on a new act concerning federal lands which will ensure that there will be a greater role for Canadian-controlled firms in all areas coming under federal control and jurisdiction. We have already indicated that we will take steps to favour Canadian firms in the area of oil and gas.

[*Translation*]

I notice, Mr. Speaker, that I have only a few minutes left. Several of my colleagues will have the opportunity to touch on other aspects of this crucial issue.

I simply want to indicate once again that we have clear and unequivocal objectives as far as our energy policy is concerned. We have set out these objectives during the campaign and we have reiterated them in the Speech from the Throne. I myself have made a statement on this matter in the House. These objectives have been endorsed by the Canadian people, and it is our intention to achieve them during this government's term of office. In the two months that we have been in power, we have taken several measures which indeed indicate this government's determination to ensure that Canada has an energy

policy tailored to its needs, an energy policy which will guarantee that this sector is truly under Canadian control and in particular an energy-pricing policy to protect Canadian consumers against exorbitant prices such as those proposed by the former Progressive Conservative government and which the House, Parliament and the entire population unequivocally rejected.

We have already taken action to strengthen Petro-Canada. In the weeks ahead we will be announcing several other concrete measures to promote our conservation policy and our policy on alternate sources of energy. We want to negotiate a price formula for natural gas which will encourage all Canadians to use natural gas instead of oil and heating fuel.

Once again, I have already communicated several times with my colleagues in other provinces and representatives from the industry, and I hope that in the weeks to come, I shall be able to announce certain important measures which may result in an increase in the use of those resources of which we have large reserves and bring about a substantial decrease in the consumption of oil, which must obviously come down.

We also want this new energy policy to provide a new economic impetus to Canada, because we are convinced that the energy issue, far from being a crisis or a problem in itself, constitutes for Canada the greatest development opportunity of its history. This government has no doubt that because of our advantageous energy situation in Canada, whether we are talking about hydroelectric resources, natural gas resources, conventional and non-conventional oil reserves, our underwater resources which are now being developed or nuclear energy, this country owns more resources than any other country in the world. Yet, here we are, a population of 23 million people, literally sitting on this incredible wealth which causes envy among all the other countries. We are firmly determined as a government to enable all Canadians to benefit from this wealth, and not only those Canadians who happen to occupy such and such a territory at any given time.

We are also determined to have these resources increasingly developed by Canadians and for Canadians. Having said this, it is obvious that those Canadians who reside in a province with greater natural resources than the others will benefit more from their development. There is no doubt about this and our policy is in keeping with this reality, but at the same time, it aims at ensuring that there will not be in this country regions which become extremely wealthy at the expense of others which will then become proportionally extremely poor. This is the role of national government and this is the role of national Parliament: To see to it that there are enough resources distributed throughout the country for the governments of the various provinces and regions to be truly able to meet their responsibilities toward the population, and also to ensure that Canadian citizens who decide to live in Quebec, in Newfoundland, in Prince Edward Island or in Manitoba will not have to move the next day to improve their standard of living to some other province because this other province happens to have an exceptional resource.

We have no intention of supporting any policy whose result would be to transform some of our provinces into uninhabited national parks. Mr. Speaker, once again, my colleagues will have the opportunity to provide more details about certain aspects of our policy, but I wish to reassure the opposition that not only will we have an energy policy, but also that we now have one which is honest and effective, and that everyone will be able to see its results in the months to come.

● (1610)

[*English*]

Mr. Ian Waddell (Vancouver-Kingsway): Mr. Speaker, before I begin my comments on the speeches by the hon. member for Perth (Mr. Jarvis) for the Conservatives and the Minister of Energy, Mines and Resources (Mr. Lalonde) for the government, I would like to make two preliminary remarks. I am told that many people now watch the proceedings of the House of Commons on television, and I think that as they see the cheap shots that go back and forth between the parties and as they see one group which was in government a few months ago blaming the other group, they must recognize that nothing very concrete happens except that the debate gets turned back and forth into what the other party did when in government. I think people must get disgusted at this kind of action and would like to see us get on to more positive suggestions.

The second comment I would like to make is that I understand that the minister of energy in Alberta, Mr. Leitch, today introduced a bill which would allow Alberta to curtail production in the oil fields "in the public interest". It seems to me, Mr. Speaker, that it is not in the public interest, or of the rest of Canada at least, for us to have a confrontation in this country between "two gun slingers meeting in the Alberta corral to shoot it out" in order to get an oil deal. It seems to me this is what is happening and it would be a real tragedy for this country.

We see the minister of energy in his opening shot a few weeks ago unilaterally—without really discussing it with Alberta—changing the deal on the oil price and lowering the price from the world standard of prices. I happen to agree with that decision. Indeed, it was suggested many years ago with a little bit of foresight by Tommy Douglas in this House that that pricing deal was wrong. I agree with what the minister said but I do not agree with the way he did it. I think it was an opening shot, so we now find Mr. Leitch and Mr. Lougheed taking their turn at bluffing. We already have one national unity issue in this country, possibly a serious one after May 20. Let us not have two.

I am a western member and I have a lot of sympathy for some of the views of the province of Alberta. But may I say that the price and the security of oil supplies for Canada is a matter of national concern, not just provincial concern. If there were ever a time for politicians in Canada, whether it be the minister of energy sitting over there or the premiers of

Alberta and other provinces, to take the high road in the name of national unity, this is the time.

I would like to take the time to deal with some of the remarks made by the Conservative spokesman, the hon. member for Perth. I should tell him that the New Democratic Party rejected the Conservative government's energy policy, as did the Canadian people. There were very good reasons for rejecting that policy. One of the main reasons we rejected it was because of the split-up of the wealth after that excise tax was to be applied. What was to happen to that money which was to have been taken out of the pockets of the Canadian consumers? Where was it to go? Well, $33 billion was to go to the industry, $40 billion to Alberta and only $17 billion to the federal government. And not all of that $17 billion was earmarked for energy programs; some of it was going to be put into the mortgage interest deductibility scheme, which was really a subsidy for upper middle-income people.

We approved of some of the measures in that budget, the energy tax credit and so on. We spoke favourably about some of them. But generally it was a lousy policy which redistributed wealth into the hands of the people who did not need it, namely the oil companies, and also into the hands of one single province. We rejected that and so did the Canadian people.

● (1620)

While the minister was talking about Petro-Canada, I heard some Conservative backbenchers call it a "peanut operation". We in the New Democratic Party do not believe that it should be or is a peanut operation. The Conservative party had four policies on Petro-Canada. All of them were intended to privatize Petro-Canada. The Canadian people did not approve of that and they made their views known in the election. Where I come from it was an important issue in the election campaign.

The Conservatives have proposed the following resolution:

That this House condemns the government for its failure to formulate an honest and effective energy policy.

We agree with that resolution, but it is much like the pot calling the kettle black when the Conservatives propose it. Surely the Clark government's pricing agreement, its excise tax, its treatment of Petro-Canada and its gas export decisions were indicative of a disastrous energy policy and a disastrous energy future for Canada.

Let me turn to the remarks made by the minister about the Liberal government's energy policy, such as it is. The hon. member for Perth used the phrase "an honest and effective energy policy" in his motion. I refer specifically to the word "honest." I think that is an appropriate place to start when one has to discuss any Liberal policy because if it is anything, it is not honest. It is dishonest.

Speaking during the election campaign in Halifax and elsewhere, the Prime Minister (Mr. Trudeau) promised that oil prices would be lower than the Conservative price. They would be $4 a barrel, then $4.50, and $4.50 up until 1984. Now he is attempting to slide out of that promise. He is attempting to weasel around it. I think the promise was really directed to the people of Ontario, and I wonder if they will tolerate this standard of political morality. Will they let the government off the hook on this promise?

I would like to read from a transcript of a press conference the Prime Minister gave, and I think this is indicative. John Ferguson of the Canadian Press asked the following question:

Mr. Prime Minister, in a speech in Halifax in which you set out the energy policy of your party, you said that the Liberal government would keep the prices over the next four years below those outlined by the Conservatives in their defeated budget. Since that time there has been a variety of interpretation as to whether you were talking about specifically the $4.00, the $4.50/$4.50 formula, or whether you were talking about keeping the increases below a less defined but possibly higher price related to world levels. Could you tell us now whether or not you are committed to keeping the price increases below $4.50 a barrel for the next three years or whether you are talking about something else?

The Prime Minister answered the following:

I was talking in the terms which you just quoted, and I did not ask myself the question you are asking now: Would that mean much lower in one year and slightly lower in other years or much lower in average over the whole period? I think you can read it the way you want—

Q. Then you are saying that there is no commitment to keep the increases below $4.50 a barrel in the following three years?

A. Well, in each of the three years?

Q. Yes.

A. Well, I have just answered. You can take it in whatever way you want, so can Mr. Lougheed, Mr. Blakeney and Mr. Lalonde.

The minister is sitting over there.

The important thing is that we get a better deal for Canadians in pricing over those four years . . . You shake your head. I will take supplementaries on this if you want.

The pressman said "no". There were no supplementaries.

I used to know an Indian chief in Alberta who used to say that sometimes when white men talk they speak in gobbledygook. Surely this is an example of gobbledygook, of trying to weasel around a campaign promise. The Prime Minister is very prone to speak philosophically in this House. Through the minister I ask him what the cost, in terms of political morality, of this promise is.

An ex-aide of the Prime Minister, a Mr. Michael J. Kirby, who is now president of the Institute for Research on Public Policy—

Mr. Rae: He is back here now.

Mr. Waddell: He is back here? He was president of the Institute for Research on Public Policy for a short time. The article I have here says he is a former Trudeau aide, but he is now back. He gave a speech in April at Carleton University. It was a lecture. In the lecture he said, and I quote: "Restoring faith in government must be our primary goal". I ask the Prime Minister now, how do you restore faith in government?

I cannot use the word in the House, but when I was a criminal lawyer I used to talk about the word "fraud", and it meant not dealing directly but dealing deceitfully and indirectly with the people. That is what the Prime Minister has done with the people of Ontario. Why do you not come clean, Mr. Minister, with the people of Ontario and the people in the rest of the country? If you are going to go to world levels or above the Conservative price, then do it.

Some hon. Members: Order.

An hon. Member: Address the Chair.

Mr. Lalonde: You have to address the Chair.

Mr. Waddell: I am sorry. I will put it through you, Mr. Speaker. If the government is going to go to world levels and if it is going to change that policy, then perhaps it should do it and tell the Canadian people honestly about it.

Another criticism I have with respect to Liberal policy is criticism of the statement given in the Speech from the Throne and given again by the minister, and that is that by 1990, 50 per cent of the oil industry will be Canadian controlled. It is as if we never had Liberal government before in Canada, as if hon. members opposite never had a chance to get control of Canadian industry and this is just a new idea, no doubt stolen from the New Democratic Party. However, it is too little by 1990, and it is too late. By that time all the cheap oil will be sold. By that time all the big profits will have been made by the oil companies. They will have diversified the profits they will have made and bought up other industries. The minister's department has a report to this effect which was tabled in the last Parliament.

This government is big on talk. The Americans used to say that Theodore Roosevelt walked softly and carried a big stick. This government talks tough, but it carries no stick at all. It talks about being progressive, but let us not be fooled because its policies are conservative. In fact, this is the real Progressive Conservative party over there.

Mr. Jarvis: Oh, heaven protect us!

Mr. Andre: Would you like to step outside and say that?

Mr. Waddell: I thought that would get a rise out of my friends to the right. They are coming alive. Just last week I raised in this House the matter of oil company profits. I raised the point that Texaco's profits increased 94 per cent in the first three months; Gulf, 72 per cent—

Mr. Friesen: Mr. Speaker, I rise on a point of order. When the hon. member calls the Liberals Progressive Conservatives, I respectfully request that that be included in Beauchesne as unparliamentary language.

Mr. Waddell: Mr. Speaker, the hon. member is not only verbose but he is also not very funny.

Let me continue. I was talking about oil company profits, a subject which I and my colleagues have raised in this House. There has been no reply. We have raised the matter of investigations into the oil companies with respect to their price fixing. There has been no reply. After seven long years we still have not seen any action. Why have we seen no action? Perhaps it is because of the financial returns of political parties. I only have figures for 1978; figures for 1979 have not been published. Gulf Oil of Canada gave $27,200 to the Liberal Party of Canada. It gave $41,000 to the Conservative party. Perhaps there is a difference in the two parties. Kaiser Resources gave $10,000 to the Liberal party. TransCanada PipeLines gave $16,690 to the Liberal party. Alberta Gas Trunk Line gave $15,800 to the Liberal party and $15,752 to the Conservative party. I could go on and on. Neither the Liberals as a government nor the Conservatives are going to intervene or interfere with their friends or with the interests of their friends who are giving them money to run their parties.

Mr. Malone: Tell us about CLU.

Mr. Waddell: I would like to speak about another area of Liberal policy, gas policy. When the minister was in opposition he said, "We are not going to sell gas cheaply." He said, "We are not going to make a fast buck." He said he wanted ironclad guarantees that there will be a northern pipeline. Now what has happened? He has been in office, what, a couple of months? He is already backtracking. A sham hearing is already being conducted at the National Energy Board. We are going to have an export gas pipeline to the United States and we are going to lose that Canadian gas. Does it not make sense to keep that gas? We are cheating ourselves and future generations if we continue to export natural gas rather than use the gas we have for substitution and to supply eastern Canada or my area of the country, Vancouver Island. That makes sense as a policy.

● (1630)

I should like to quote the *Western Canadian Lumber Worker*, a publication from my area. The editorial puts it rather well. It reads:

—Tories have absolutely no policy differences. They both act precisely the same when in power, and merely go through the motions of criticizing each other's policies when in opposition.

I want to say briefly what the NDP would do in this matter. With regard to gas, we reject the Liberal and Conservative policies of increasing natural gas exports as being shortsighted. We would extend the reversible gas pipeline to Quebec and to the Atlantic provinces. We would encourage substitution—

Mr. Lalonde: You are reading a Liberal speech.

Mr. Waddell: Instead of exporting gas we would set up a national gas bank—I challenge the minister to do that—and use that gas later on for Canadians. On oil, we would not go for an artificial target of OPEC prices which the Conservatives and, to some extent, the Liberals are prepared to accept. That leads to large profits for multinationals, it is used to buy back more of our country, and it concentrates the wealth in one province.

We tried to be honest with the Canadian people during the election. We agree that there will be some rise in the price of oil to achieve certain social objectives, but we would not tie it to the OPEC price and we would put it in response to three fundamental priciples. The first one is that not one cent of that money would be taken out of Canadian taxpayers' profits and given back to the oil companies. Second, the lion's share of the money would go to the federal government to be distributed across Canada, and it would be distributed equitably throughout the country. The Premier of Saskatchewan has put forward some of these proposals and has taken a rather states-

manlike attitude. The third principle is that there be no oil price increase without tax cuts to put money back in the pockets of ordinary Canadians. Those are the principles on which we will formulate our oil-pricing policy in subsequent debates.

With respect to Petro-Canada, we would expand it from coast to coast. We would make sure that when Canadians put gas in their car, that money goes back to Canada. We would move Petro-Canada to take over one of the major oil companies in this country so that Petro-Canada would expand and we would really have some control in the Canadian industry.

Canadians must decide whether they want to go nowhere with the Conservatives, whether they want to flounder a little with the Liberals, or whether they want to come with us and really have a made-in-Canada energy policy, and they must act now.

An hon. Member: And really be taken for a ride.

Mr. Waddell: My friend says "And really be taken for a ride." Let him consider that if we do not get control of our oil industry now for Canadians, if we do not do that in the next four or five years we will lose it entirely.

Mr. Malone: Mr. Speaker, I rise on a point of order. Can the hon. member explain to me what makes multinational oil companies uniquely different from the multinational automobile industry in southern Ontario, specifically Chrysler, which that party supports? Because the industry belongs primarily to two or three western provinces, why is it somehow a diminishing industry to be thumbed down while that party wants to support other multinationals? I should like to know the unique difference.

Some hon. Members: Hear, hear!

The Acting Speaker (Mr. Blaker): Order, please. The hon. member for Vancouver-Kingsway (Mr. Waddell) has the option of answering the question if he so chooses, but I will have to take it out of his time.

Mr. Waddell: Mr. Speaker, I prefer to complete my speech. I think it is a rather ignorant question, if I might say so. We want the automobile industry to work for Canadians, just as we want the oil industry to work for Canadians.

Some hon. Members: Oh, oh!

Mr. Waddell: Let me conclude my remarks by making one quick reference to alternate energy. We have heard nothing in this House from the government, in spite of the remarks today by the minister, on alternate energy or on conservation. We have already raised in this House the matter of urban transit and the matter of solar and alternate energy. We are going to raise the matter, and we have mentioned it, of local groups and neighbourhoods conserving energy. All that makes sense.

Let me conclude by quoting, on another level, the words of Aleksander Solzhenitsyn, from his "Letter to the Soviet Leaders", and my friend, the hon. member from Calgary will like this. Solzhenitsyn said:

—what any village graybeard in the Ukraine or Russia had understood from time immemorial and could have explained to the progressive commentators ages ago, had the commentators ever found the time in that dizzy fever of theirs to consult him: that a dozen worms can't go on and on gnawing the same apple *forever*, that if the earth is a *finite* object, then its expanses and resources are finite also, and the *endless*, *infinite* progress dinned into our heads by the dreamers of the Enlightenment cannot be accomplished on it.

We have squandered our resources foolishly without so much as a backward glance, sapped our soil, mutilated our vast expanses with idiotic "inland seas" and contaminated belts of wasteland around our industrial centres—but for the moment, at least, far more still remains untainted by us, which we haven't had time to touch. So let us come to our senses in time, let us change our course!

We are being asked how much energy it takes to run the industrial machine, where does the energy come from and where is the machine going, and what happens to the people who live in the path of the machine. I think we stand on the leading edge of history, driven by forces which require greater and greater use of energy and greater and greater consumption of dwindling resources. Can we change direction? I think that upon the answer to that question depends the future of the world we know, of our environment and of our country.

As I have said today, and as speakers for my party will after me, I think these are some positive and Canadian solutions to this energy problem which faces us in this country today.

* * *

MESSAGE FROM THE SENATE

The Acting Speaker (Mr. Blaker): I have the honour to inform the House that a message has been received from the Senate informing this House that the Senate passed Bill S-4, an act to amend the Department of Labour Act, to which the concurrence of this House is desired.

GOVERNMENT ORDERS

[*English*]

BUSINESS OF SUPPLY

ALLOTTED DAY, S.O. 58—ALLEGED FAILURE TO FORMULATE HONEST AND EFFECTIVE ENERGY POLICY

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

That this House condemns the government for its failure to formulate an honest and effective energy policy.

Mr. Lalonde: Mr. Speaker, I rise on a point of order. It is a matter of procedure. Is it not the practice in the House that we alternate between opposition and government members in debate, and should not a member from our side be recognized at this time?

Mr. Knowles: No; the debate started on this side.

An hon. Member: Can't you count?

The Acting Speaker (Mr. Blaker): The matter is one to which I gave some consideration when taking the chair today. It is an opposition motion which is being debated today. It was my view that the appropriate alternating sequence of members would be, first, the hon. member who spoke for the opposition, followed by the minister, followed by a speaker representing the NDP; and from here on in the order of speakers would follow the ordinary practice during government orders.

Mr. Nielsen: Mr. Speaker, I rise on the same point of order. This is an opposition day and the practice has been, when it has been our motion, to give the weight of any choice to this side. I suggested to the Parliamentary Secretary to the President of the Privy Council (Mr. Collenette) last night the proportion of two here for every three speakers there. That seemed to be agreeable to him at the time.

Mr. Lalonde: Mr. Speaker, I rise on the same point of order. We would not agree to this.

An hon. Member: The minister is leaving the House.

Mr. Lalonde: Some of my colleagues have noticed that I was leaving the House—at least it proves they are awake. I want to tell them that I must leave to meet with my provincial colleagues, the minister from Saskatchewan and the minister from Manitoba. I think it is very important that we have those consultations with the provinces which were so absent during the time when the party opposite formed the government.

Some hon. Members: Oh, oh!

Mr. Lalonde: In the meantime, the parliamentary secretary will be in the House to speak for the government.

The Acting Speaker (Mr. Blaker): Order. The Chair is of the impression, on the point of order raised with respect to the rotation of speakers, that the matter was agreeable to all members. We would alternate from one side to the other as is done under government orders, with the third or fourth opportunity being given to members of the NDP. If that impression is incorrect, perhaps I can receive some instructions from hon. members.

Before we do that, may I announce the proceedings on the adjournment motion for this evening.

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

The Acting Speaker (Mr. Blaker): Order, please. It is my duty, pursuant to Standing Order 40, to inform the House that the questions to be raised at the time of adjournment are as follows: The hon. member for Central Nova (Mr. MacKay)—Finance—Aid to Sydney Steel and Michelin Tire; The hon. member for York-Sunbury (Mr. Howie)—Energy—Protection of lower-income groups from severe price increases; The hon. member for Burnaby (Mr. Robinson)—Royal Canadian Mounted Police—Alleged illegalities committed by members of force.

GOVERNMENT ORDERS

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

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Mr. Collenette: Mr. Speaker, I am sorry to intervene. I was in the lobby and was not following the course of the debate. I understand that there has been some discussion about the speaking order. While I was not privy to the actual agreement, I understand that the implication was that, since this is an allotted day, the opposition would have more speakers than the government and that the usual rules of alternation would be suspended. If that is suitable to all hon. members, the parliamentary secretary and the minister, I think we should proceed on that basis. I think perhaps we were talking about three Conservatives, two Liberals and one NDP—in that order. That is fine with the government side, if it is agreeable to hon. members.

● (1640)

Mr. Baker (Nepean-Carleton): That is agreeable.

The Acting Speaker (Mr. Blaker): Then I will take that as agreed. I did not recognize the hon. member for Calgary Centre (Mr. Andre) because I thought he was rising in debate rather than on a point of order.

Mr. Andre: That is correct.

The Acting Speaker (Mr. Blaker): Whichever it may be, I now recognize the hon. member for Calgary Centre.

Mr. Harvie Andre (Calgary Centre): Mr. Speaker, before commencing my remarks, I must comment on the remarks of the spokesman for the New Democratic Party in regard to multinationals. I compliment the hon. member for Crowfoot (Mr. Malone) in observing the point. I suspect that if he was looking for a rule, the multinationals that one does not criticize in the NDP are the ones that Dennis McDermott likes.

Mr. Rae: That is a good point, Harvie.

Miss Jewett: Was that a point?

Mr. Andre: Also I suggest that if the hon. member for Vancouver-Kingsway (Mr. Waddell) re-examines what the Premier of Saskatchewan has been saying about oil pricing and revenues, he would be less quick to insist that the New Democratic Party is united. The Premier of Saskatchewan is every bit as vigorous although much more skilful at hiding than the Premier of Alberta.

I should like to commence my remarks with a quotation from a newspaper article which appeared on May 1 in the Calgary *Herald*. It reads as follows:

> Lack of credibility at the political level is costing this country dearly according to the president of the C.D. Howe Institute. Carl Beigie told a Calgary Chamber of Commerce luncheon on Wednesday that the world will survive the Iranian crisis and Canada will survive the Quebec referendum. But, he said, Canada won't survive for long under the current "deterioration of government credibility". The prime example of this breakdown, he said, is Ottawa's energy pricing policy.

That statement was not made by a Progressive Conservative partisan. It was not made by an oil company executive. It was not made by an Alberta politician or even a resident of Alberta or western Canada. That statement was made by a resident of Montreal, the president of the non-partisan, Montreal-based C.D. Howe Research Institute. He said that the biggest threat to Canada is not the Quebec referendum but this government, particularly this government's energy-pricing policy.

An hon. Member: He is an American.

Mr. Andre: The Minister of Energy, Mines and Resources (Mr. Lalonde), who did not have the courtesy to hang around, proved what we had to say about honesty in that fatuous and false excuse he gave for leaving. He started his remarks by saying that we have nerve to raise this issue, that this party has nerve to raise this issue. I would suggest that he has colossal gall to sit there and suggest that what they have been doing and saying is anything else but totally destructive to the country, as evidenced by a research institute in his own backyard. In the view of the C.D. Howe Institute, this government's energy pricing policy is simply incredible, lacking any credibility whatsoever. Also, it is totally dishonest.

A friend of mine who happened to be in Germany shortly after the recent election, told me about an editorial which he read in a German newspaper. It described Canada's reaction to the 18-cent a gallon excise tax as resembling that of a central American banana republic. In other words, to Europeans the energy-pricing policies as articulated by the Liberal party are the subject of ridicule, equivalent to those that one would expect of a banana republic. Yet we have this government apparently feeling proud to be compared with a banana republic.

In the Speech from the Throne, in the mini-budget and repeatedly in the House, the Prime Minister (Mr. Trudeau), the Minister of Finance (Mr. MacEachen) and the Minister of Energy, Mines and Resources stated that the one decision they have taken is that they will not increase the excise tax by 18 cents a gallon this year, as if somehow this negative decision required some great act of courage and would be so helpful to this nation. Somehow behaving like a central American banana republic is a marvellous thing to this group, however embarrassing it is for the rest of the world to view us as a banana republic because of the positions taken by the Liberal government, the tired old Liberal government.

The most serious criticism that could be made is the fundamental dishonesty of what the Prime Minister, the Minister of Finance and the Minister of Energy, Mines and Resources have been saying. They claimed repeatedly and erroneously that they are saving the consumers of Canada billions of dollars. What consumers are they talking about? What are they really saying? Are they really saving consumers anything?

Consistent with their dishonest approach, the government failed to recognize that the budget of December 11 provided an energy tax credit for those persons earning less than $20,000 a year. If one does not own a car because one is too poor, is a senior citizen or a student, obviously one would not pay that 18 cents a gallon excise tax, but one would still receive the energy tax credit. If one owned a car and earned less than $20,000 a year, the energy tax credit provided the equivalent of 24,000 tax free miles per year.

Thus, the position of the government on this 18-cent excise tax is to save the consumer who owns and drives a car and earns more than $20,000 a year. That is their position, but in the process they are penalizing those people who earn less than $20,000 a year and those who do not own cars. For example, they are penalizing senior citizens who use heating oil and have to keep the temperature up because of their age and, perhaps most of all, the student who does not own a car but will be saddled with the debt the government is incurring on his behalf.

Mr. Beigie of the C.D. Howe Institute stated in Calgary on april 30 the following:

> We are leaving a very unattractive legacy to the children. We are borrowing from the future as a nation rather than investing in it.

Therefore, at best the government is shielding a select and generally well-off portion of Canadian consumers of petroleum products. That is at best, but even they might not be getting the protection the government claims. The government indicated that crude oil increases will be less than what we proposed in our budget. To rationalize that, the Minister of Energy, Mines and Resources a couple of weeks ago sent out his officials with a totally fallacious, dishonest analysis of the energy-pricing agreement which the government had reached with the province of Alberta. Fortunately and not surprisingly, the press interpreted it for what it was—a sham, a shell game, a totally dishonest attempt to misrepresent what in fact had happened. They are trying to justify price increases considerably in excess of what had been decided by the previous Conservative government.

In his mini-budget, the Minister of Finance said that their blended pricing system, this magic made-in-Canada system, will result in $1 billion less expenditures through the import subsidy program.

Mr. Evans: That is a misquote.

Mr. Andre: The hon. member can read it; it is in his statement.

Mr. Jarvis: That is exactly what he said.

Mr. Andre: He said that there is $1 billion less. Does Mr. Speaker know what that translates into? It is at least a $2 a barrel increase. On Tuesday night in Toronto the Minister of Energy, Mines and Resources thought that $2 per year for the industry was fine. If we just combine those two, we are already at a $4 per barrel increase this year. That is contrary to every promise made by that group over there, including the Prime Minister, during the election campaign.

That does not take into account the statement by the Minister of Energy, Mines and Resources on April 16 in the House when he stated that they intended to collect from any oil-pricing agreement as much revenue as the previous government would have received from the budget of December 11. That means there will have to be an additional price increase this year of between $1 and $4 depending on whether or not the excise tax is included.

To honour the statements made by this government so far, it will require an increase in crude oil this year of between $5 and $9 a barrel, or twice as much as was provided for in the December 11 budget. That is a total contradiction of what this government pledged during the campaign. Remember, none of these figures takes into account any extra revenue for industry or any extra revenue for the government of Alberta. This does not take into account the position of the government of Alberta or the government of Saskatchewan, that they expect as much revenue out of the future pricing agreement as was provided for in the last budget.

● (1650)

What does that mean? Quite simply it means that if the Prime Minister, the Deputy Prime Minister and Minister of Finance and the Minister of Energy, Mines and Resources were telling the truth to the House and to the country, then what can be expected out of an oil-pricing agreement for Canada is that the consumers of gasoline will be faced with price hikes at least as high—perhaps a penny or two less—as those which would have been provided by the December 11 budget. But what is truly shocking is that users of heating oil will be faced with much higher increases than provided under the December 11 budget, and there is no provision for tax credits for those who do not have a car.

The hon. member over there must have a giant V-8 that he is worried about filling up. How about worrying a little bit about the senior citizen who does not have a car but uses heating oil to heat his home? How about worrying a little bit about him?

Some hon. Members: Hear, hear!

Mr. Andre: In order to protect those earning more than $20,000 a year driving V-8 cars, like my friend over there, we will have a pricing scheme that is going to affect everybody, the senior citizens and the students without cars, along with those with low incomes and so on.

I reiterate, this will occur only if the minister of energy and the Minister of Finance were telling the truth in explaining to the House what they expect under the oil price agreement; and, of course, that is always a dangerous assumption to make.

How about this new blended price system? The minister of energy says it will give us a made-in-Canada price. I am sure we all saw that quote: You mix a little bit of x, y and z then you take an "ah-oh".

Some hon. Members: Oh, oh!

An hon. Member: Maybe the minister understands it and that is the problem.

Mr. Andre: The first thing to note, Mr. Speaker, is that this made-in-Canada price will mean that from its implementation, as soon as we have this made-in-Canada price, the price in Canada will increase immediately when OPEC prices increase. That is what will happen when this made-in-Canada price comes in. This so-called made-in-Canada price means the Government of Canada is going to get out of the responsibility for oil prices in this country. It is a cop-out. Why did the government adopt this scheme? I suggest it was for just that reason. I know the source of that scheme. I know where it came from. It was sold to this government. The government says: "Look, this is great, we put in this blended price system and if OPEC prices go up we just pass it along to the consumer and we do not take the blame. We can blame the Arabs."

This made-in-Canada price means the Government of Canada no longer takes responsibility for oil price increases in Canada. I know who passed this idea on to that great committee that made the decision over the Christmas holidays. Where did they get it from? This blended price, this made-in-Canada price, is precisely what was in effect in the United States in 1971. This blended price is what the Americans put in place in 1971.

What was the experience in the United States with this blended pricing system? It was a complete and utter disaster. After six or seven years of experience with this blended pricing system, the United States, about a year and a half ago, abandoned it because it found that it created chaos, confusion and required a bureaucracy of over 4,000 civil servants to administer. Let me read what the U.S. comptroller-general said, and I quote:

> The cost is higher consumption, lower domestic production and higher imports. The program is complex, subject to fraud and manipulation and often administered ineptly.

That is what he said about this blended price, made-in-Canada, and stolen from the United States program.

Thus, Mr. Speaker, this government, this tired, old, dishonest bunch, would have the Canadian public believe that it will produce a made-in-Canada crude oil price by introducing a blended pricing scheme which the United States employed for six or seven years and has recently discarded because it was a disaster as an energy pricing policy. It makes one want to

weep. Small wonder that the C.D. Howe Institute in Montreal concludes that this government's energy-pricing policies are the greatest threat facing Canada today.

Aside from the dishonesty of this energy-pricing statement, the most damning criticism, and the real tragedy and the neglect and dishonesty of this minister, is that every single observer of the international energy situation has reached the conclusion that the real problem facing the world is not the price of oil, but will there be enough oil. Within two or three years the Soviet Union, the largest producer of crude oil in the world, will be a net importer of oil. This will mean that all of eastern Europe will be making demands on the same production the west is now making demands on, and there is not enough to satisfy our needs. No one but a raving maniac would suggest that international supplies of crude oil will remain readily available. In the face of that kind of world picture, it is clearly insanity for any nation to pursue policies that will increase our dependency on international supplies of oil. Yet that is precisely what the Government of Canada is doing.

By moving to this blended pricing scheme the government is adopting a scheme that leads to lower levels of domestic production and higher levels of imports. This is a scheme which exacerbates our already serious balance of payments problems, causing pressure on the dollar with resulting high interest rates and/or high inflation, which means that billions of Canadian dollars, instead of being ploughed back into the Canadian economy, will end up in the already overloaded coffers of middle eastern sheikhs. In the words of Marshall Crowe, a former adviser to the Liberal government and former chairman of the National Energy Board, we will end up with the worst of both worlds; high priced and scarce oil.

This government, instead of encouraging and promoting the development of new tar sands and heavy oil plants, has unilaterally acted to revoke a contract with Syncrude, producing at best only one year's delay at a cost of $2 billion to Canada, but perhaps causing the shelving of any other plans, certainly the delaying of any other plans for future Syncrude and heavy oil plants.

I am completely and continually amazed that this government has not worked out the simple fact that three tar sands of heavy oil plants would make this country self-sufficient. Furthermore, if we had them the money we would save would not be sent to the Middle East but would pay for those plants in three years. The NDP would rather send it to the Middle East because it might be some foreign owned company that would build them. They would sooner send it to the Middle East and let the sheikhs have it than build the plants in Alberta.

The real tragedy is the opportunity we are missing. Money spent here in Canada creates jobs here in Canada. We can continue the policy of this government relying on offshore supplies, relying on the Middle East, Mexico and Venezuela, or we can decide to become self-sufficient. That will cost a lot of money. It will mean tremendous changes in cash flows and distribution in this country, but that will have to be addressed. Again quoting Marshall Crowe:

> The problem for Canada could be to decide what to do with its potential surplus rather than the problem of finding the foreign exchange to buy increasingly scarce oil from abroad.

In closing, I would like to make a plea to this government. The Minister of Energy, Mines and Resources is behaving like the minister responsible for DREE. He says he wants to equalize things, forgetting entirely that he is the only minister in this government who has the responsibility for understanding that Canada has supplies of energy. What does it matter if we all share the shortages? What does it matter if we have some scheme in Canada for sharing the shortages when in fact we could and should have all the oil produced in this country to satisfy our needs, to be self-sufficient and to be unique in the world in that regard? My plea to the government is, stop this stupidity, stop fighting with the producing provinces, stop fighting with these bogeymen, the multinational oil companies, and get on with the job of making the country self-sufficient.

● (1700)

Then we can truly have a made-in-Canada oil price because we will not have to rely on the rest of the world. Then we can address the question and make sure that Canadians share equitably in the revenues generated by the tremendously healthy economy at that point of time. Let us do that, but for goodness sake let us get our priorities straight.

As every sensible and sane observer in the international community knows—I am not talking about partisan politicians or oil company executives but about the independent groups—our supply will not last. An MIT study of three years ago shows we face a crisis perhaps within the next two or three years, certainly no later than 1985. Yet the government is saying that the important question is 18 cents a gallon for car drivers earning more than $20,000 a year, that the important question is whether or not it can beat the producing provinces into submission or whether or not PetroCan will dig the holes or do something else. Those are not the important questions. The important question is: Will we have enough energy to heat our homes and drive our cars, no matter what the cost? That is the question and it is about time we had a minister of energy who will address himself to it.

Mr. Roy MacLaren (Parliamentary Secretary to Minister of Energy, Mines and Resources): Mr. Speaker, the rhetoric of the two previous speakers has led me to think that we are back prior to February 18, engaged once again in hearing the same cant which we heard from the Conservative party and to some degree from the New Democratic Party during the campaign. What is equally evident, however, is that the House is conscious that Canada is part of a world faced with serious disequilibrium between supply and demand for oil.

Security of oil supply has become a major international problem. The fear about the security of supply, as much as lack of supply, leads to higher oil prices. There was no oil shortage in 1979, yet the fear of one led companies and governments to stockpile, driving prices up. Indeed, the price of oil rose in 1979 in relative terms on the same scale that it did during the Arab oil embargo of 1973-74. Massive price

increases in such an essential commodity as oil have, of course, substantial adverse economic effects. They increase the rate of inflation, decreasing the rate of world economic growth.

Canada is naturally not immune from that world reality. As a major trading country our own economic well-being depends on the economic health of the rest of the world. But Canada fortunately is in a unique situation. We are a net exporter of energy. We are a country rich in many natural resources and rich in people who know how to use those resources. Provincial public utilities have an outstanding track record in hydroelectricity and thermal generation of electricity, including nuclear. In the Canadian nuclear power system, for example, we have one of the most efficient and safest systems in the world. In non-conventional oil extraction, Canada has recently become a world leader.

However, these opportunities also confront us with many challenges. We are intent on making sure that our natural resources are used for the benefit of all Canadians and of the Canadian economy. We must be certain that we have increased energy supplies at prices people can afford. That is why we as a government will not tie ourselves to international prices, as the minister has repeatedly pointed out.

We are committed to the principle that all Canadians must benefit from our energy opportunities. Producing provinces have a clear entitlement to their natural resources. We undertake that they will get a fair return. But we are also committed to the principle that the federal government must have sufficient revenue to allow it to carry out its basic responsibilities of economic stabilization across our whole country. We are confident that all Canadians share the basic objective that energy will be used toward an equitable distribution of income.

We are confident, too, that the negotiations on oil pricing with Alberta will do nothing to affect adversely the principles of equalization and central management of our national economy. The petroleum industry in Canada has benefited enormously from higher oil prices. There is a broad consensus that the industry cash flow would have been enough had domestic oil prices risen only $2 a year. There is a real danger that too great a cash flow could result in bidding up the cost of production, increasing company takeovers and diversifying oil companies into other areas of economic activity.

Our policies will accordingly address the real possibility of excess concentration, as well as the degree of foreign control in our petroleum industry. The former Liberal government ensured that foreign ownership was reduced in that industry from 91 per cent to 75 per cent. This government will ensure that that total is further reduced to 50 per cent.

We in Canada are blessed with a variety of energy resources within our borders in addition to oil and natural gas. There is the tar sands, coal, uranium, hydroelectric capacity and so on. Accordingly, it would be shortsighted to allow our debate today to be dominated by the question of oil pricing.

While the energy problem may have arisen largely due to external factors, we believe that the remedies are within our own grasp. Regardless of what price is established for oil and gas on a domestic or international stage, we face now the fact of increased cost and difficulty in exploiting our non-renewable resources and, concurrently, the development of new sources of renewable energy.

It is that subject to which I should like to turn now. In order to facilitate the transition to alternative energy forms, this government is acting now to ensure a secure future for Canadians. At the same time, we have a responsibility to minimize social dislocation and adverse environmental impact.

I should like to say something about what we must do to increase the efficiency with which we use energy in order to reduce the rate of growth of our energy consumption. I want also to set forth some alternative sources of energy which we as a government are sponsoring.

First, what have we done and what may be done to foster conservation? Although there is likely to be an increased number of private vehicles on the roads of Canada in the near future, we can hold gasoline consumption stable by implementing fleet average performance standards for vehicles sold in Canada and encourage greater public use of mass transit, which would progressively lead to more efficient use of fuel. Another obvious conservation measure is insulation, whereby energy consumption in residences can be improved by an average of 37 per cent. CHIP, the Canadian Home Insulation Program established by the government in 1977, has already committed over $1 billion to this goal over the next seven years. Much, however, remains to be done to improve upon the insulation standards governing the construction of new residential units.

Our current practices in heating are wasteful in the extreme. With an oil-fired furnace, for example, we can reduce consumption by some 20 per cent through relatively simple means. Similar savings can be found in commercial and industrial buildings. Through design innovation and by replacing primary energy with waste energy, industry is becoming more secure and more competitive.

The government has shown leadership with a wide variety of programs directed toward this end. I am happy to report that we are working with private industry in demonstrating the various possibilities of conserving energy. The voluntary task forces of businessmen have already made major progress in this area. To demonstrate better the depth of our commitment, the federal government has embarked upon major internal programs for conservation which have already saved some $50 million annually.

Through other programs, our government funds district heating feasibility studies which estimate that a large central furnace burning conventional fuels can achieve an efficiency quotient of about 85 per cent, against much smaller ranges available for standard furnaces. The central heating sources would be particularly suitable for demonstrating the substitution of municipal and wood waste. In this case we would happily avoid the cost and environmental impact of garbage landfills.

● (1710)

I have, through this brief selective survey, indicated our commitment to energy conservation. But second, and of equal importance, we shall take the opportunity to supply up to 10 per cent of our energy requirements from unconventional renewable energy. Most of this will come from the use of wood waste already accumulated in our forest industry. Wind and tidal energy are long-range potentials, but closer to realization are solar and biomass.

The federal government has a major role to play in developing solar, biomass, and nuclear energy. It undertakes long-term, high-risk developments which cannot be expected to be supported solely by the private sector. It also supplements work in this area by the provinces. As early as 1974, we established an interdepartmental task force, which evolved into an energy R and D panel, which apportions funds in relevant areas. Three-quarters of the total money sustaining the work in renewable energy, which was $21 million in the current fiscal year, comes through this panel. If we include expenditures of provincial governments and of private industries, the total swells to $35 million for renewable energy.

The National Research Council has taken a vigorous, effective lead in supporting, both within its own resources and in the private sector, new ventures in solar, tidal and wind energy. Much of this funding is contracted out to the private sector, with the National Research Council continuing to act as agent and scientific authority.

The heating of domestic water with solar energy is already cost-effective in Atlantic Canada. We have been active in promoting solar research and development through PASEM—a Program of Assistance to Solar Energy Manufacturers, and PUSH, the Purchase and Use of Solar Heating program. With the provinces, we have begun to demonstrate through these two programs the practicalities of solar energy.

With regard to biomass, Canada's vast forest and agricultural resources could, in theory, provide a huge amount of methanol annually. To equate this to current gasoline consumption, methanol could substitute for about 75 per cent of demand. Converting wood to gas is, however, still in its technological infancy, but we are working to establish its reliability and economy. Ethanol, from low grade wheat and other grains, is simple to produce but is currently economically unattractive. Our government has, therefore, created some $150 million in loan guarantees to assist in establishing electrical facilities using biomass as the energy source.

Finally, we have in Canada a nuclear industry with a product, the Candu reactor, of which we can all be proud. Here we have a high technology, indigenous Canadian industry which employs, directly and indirectly, some 85,000 Canadians. In a country which unfortunately lags behind its industrial competitors in much R and D, in a country where much of the industrial sector is passive branch plants, the Canadian nuclear industry is almost unique.

Nobel Laureat Albrecht Bethe said of the "technical wonder", the Candu reactor:

> Not only is it very conservative in fuel usage, but it works with a regularity and reliability that are absolutely fantastic.

Compared with their major competitor coal, nuclear reactors are quiet, clean and reliable. They produce no smoke, no dust, no acid rain, no ash. Given the grave implications of the acid rain problem, we must use less harmful energy sources, and I include nuclear power as one.

Our energy strategy, then, is a multi-faceted one. We shall approach the time when there is a need to provide greater co-ordination of all these efforts which build bridges to a secure and prosperous future.

The problem, as I see it, in the area of renewable energy is twofold. First, how do we provide a public focus for these many activities currently under way? Second, how may we overcome the natural reluctance of lending institutions to finance new and risky technologies?

One approach, as the minister mentioned today, is the establishment of an alternative energy corporation, able to underwrite demonstration and commercial ventures of private companies by financial and technical assistance. It can undertake alternative energy projects, from the research stage through to commercial production. An alternative energy corporation will, in the public interest, share with private entrepreneurs the risks and benefits. It will, in addition, ensure that Canadians are protected from more mature foreign competitors. Initially, Petro-Canada, our own creation, will foster this fledgling corporation until it is old enough to go it alone.

I have covered a number of areas regarding conservation and renewable energy sources. Other speakers on this side of the House will deal with other questions, including the expansion of our national oil corporation, Petro-Canada.

In conclusion, Mr. Speaker, I want to underline the exciting possibilities to which the minister drew attention—possibilities which can ensure all Canadians a stable and prosperous future.

Mr. Howard Crosby (Halifax West): Mr. Speaker, I welcome the opportunity to participate in this debate on the motion presented by my colleagues condemning the government's failure to formulate an honest and effective energy policy. Let me say immediately that I support the motion and I agree wholeheartedly with both its letter and its spirit: the government has been both dishonest and ineffective in energy policy.

I intend to address my remarks today primarily to consumers across Canada and wish to consider how the government's failure affects these Canadians. Today, for Canadian consumers the price of energy is a vital issue. Consumers responsible for home heating costs and the cost of electricity face a perilous and potentially disastrous future in terms of matching their personal incomes to their expenditures for essential goods and services.

Their plight is compounded if they are also commuters required to travel by automobile to their employment. Those who live in the colder regions of Canada, the air conditioned city centres or those in areas where electrical generation is oil fueled, face special problems. They all stand on the brink of

financial disaster. Was the Prime Minister (Mr. Trudeau) addressing Canadian energy consumers when he said: Welcome to the eighties?

Let us examine the great body of Canadians who are often referred to as "consumers". This group includes all 24 million Canadians in one sense, but there are some who buy more goods, supplies and services than others. In total number there are over 18 million in the adult Canadian group.

Let us take home owners, the group that would have been insulated against increasing costs for mortgage interest and municipal property taxes. Our mortgage interest and tax rebate program would have resulted in annual income tax savings of as much as $1,500 for these taxpayers. Now, those with mortgages face expense increases as high as $200 per month on loans in the $50,000 range without any help from the government.

The Minister of Finance (Mr. MacEachen) says there is no problem. Home owners, he says, can afford a drastic increase in interest rates. He says over 340,000 home owners who will be forced to pay increased interest rates will use only 30 per cent of their income for their monthly payment. That is no problem: they can cut back on luxury items like meat and potatoes. He says those 7,000 to 10,000 Canadians who are not disqualified by this cruel means test will be helped. He has not said how or when, so we must await the presentation of this limited assistance plan. In the meantime, some may lose their homes through foreclosures and the plan may never come about.

Mr. Speaker, there are 4.4 million occupant-owned homes in Canada. Many of those home owners face, or will face, increases in mortgage payments and property taxes in addition to substantial increases in normal household expenses. Of the seven-million-plus Canadian dwellings, 62 per cent are owned by the occupant. But those home owners—those elite Canadians, as the Prime Minister calls them—those rich people who can afford to bear cost increases according to the Deputy Prime Minister, are not the only ones who will suffer. Every Canadian family living in rented premises, and there are three million of them, faces the same kind of cost escalation, although not always directly in the form of interest rate and tax increases.

● (1720)

But hon. members can be certain that every interest payment, tax or utility charge increase will be recovered from the tenants. All seven million Canadian householders face the same interest, tax and household expense squeeze one way or another without help from the government. Their situation is now compounded because they have to face the energy problem. Seven million households are now being hit by the international energy crisis, and the government has no protection for them. The government has no policy to help them. That is why my colleagues condemn the government. The government has no policy on energy.

But the situation is worse than I have already indicated. Those seven million Canadian householders must participate in society and must work. By Canadian standards, they are entitled to recreation. But for many, the only method of transport is the private motor car. There again, Canadians face gloom and doom. The price of gas will rise. We ask, by how much? Not by as much as the PC government would have increased the price, says the Minister of Energy, Mines and Resources (Mr. Lalonde). How much is that? That depends, he is not sure, or so he says.

I am sure that, like death and taxes, gas price increases are inevitable. Gas prices will rise whether by way of an excise tax increase, a new wellhead price per barrel, a made-in-Canada price system, or any other formula. The most the government intends to do is to make the increase one or two pennies less than the gas price we announced last December. The government is only doing that so it will not be laughed at or scoffed out of office. The government does not intend to preserve the purity of the Liberal party promise not to increase the price of gasoline, only the technical words.

But what of the spirit of the promise? What of the Liberal party's vow to protect Canadians from the whims of the Ayotollah Khomeini? These people are lost in a sea of verbal rhetoric and mathematical mischief, deceit and dishonesty. Who are the victims? They are the ten million registered car owners in Canada, many of whom expected to pay much less for gas, not almost the same or even more, under a Liberal government.

We talk of consumer revolt. People are fed up with price increases. They naturally react favourably to promises to hold the line, to stabilize the price of gasoline, fuel oil and other forms of energy. The NDP spouted their usual rash promises of no price increases, lots of exploration and development without charge or sacrifice. But the NDP does not fool knowledgeable Canadians.

But Canadians were deceived by this government. There is no policy for price stability. There is no help. And, worst of all, there is no government respect for our seven million Canadian householders, our ten million car owners; that is to say, our Canadian consumers. If these people revolted, no army in creation could stop their advance. But fortunately for the government, Canadians are not like that. They are both peaceful and patient. They have been cruelly deceived. They face an uncertain increase in gas prices and fuel oil. They do not know the cost of energy, but they will wait until a policy or some kind of plan is formed.

What can Canadian consumers expect? Canadians must recognize the problems that face our nation in the energy field. We have a double-barrelled concern in Canada, namely supply and price. We can produce and purchase all kinds of energy at world prices, but that would adversely affect our whole economy. Yet if we continue to utilize our oil resources at current rates without provision for exploration and development of alternate energy resources, we will very soon run out of cheap Canadian energy. We will be left high and dry and dependent upon the whims of foreign nations and international oil dealers.

There is only one answer, and everyone in this House knows it. As a national policy we must establish energy self-sufficiency in Canada. We must formulate a plan to achieve self-sufficiency. Naturally such a policy and plan has a price tag. We presented just such a plan. Many consumers thought that the price was too high. I, for one, accept that verdict. But what can we do?

First, let us consider the problem in relation to gasoline used for transportation. I consider that the government should be concerned about the plight of the commuter, the person who must travel by private car to his or her employment. It is also reasonable to make provision for necessary incidental travel for those in urban areas not served by public transportation, and for those in rural areas. Many consumers in this category would be expected to travel 12,000 to 15,000 miles a year. With a price of $1.20 per gallon and allowing 20 miles per gallon, the yearly gas supply would approximate $720. A 10-cent per gallon increase adds another $60 or more to the annual cost of transportation. Under the government's proposal, we can expect an annual increase of at least $200 for commuting consumers.

Can this increase be absorbed by them? I have serious doubts that the commuting consumer whose family income is in the $20,000 range has the income to cover this cost increase. Some provision must be made for financial assistance. We provided exactly that kind of assistance with our energy tax rebate.

A family of five would have received a rebate of approximately $250. Has the Minister of Finance made such a provision for rebate or for equivalent assistance? No, there is no help on the way. The government is content with keeping the increase one or two pennies below the price that we proposed. This is not much of a deal for consumers.

Let us look at the plight of those home owners or renters who are responsible for home heating costs. In Canada we have become used to a standard that has developed over the years which has allowed us to heat our homes to certain temperatures with a certain consumption of oil or gas, or whatever is used to heat the home. This past standard has to be reviewed in the light of current problems. Energy conserved is money saved.

Does the government become realistic with the people and tell them what the situation is? Does the government encourage people in this way or does it lead them on into thinking that they can go on and on using energy without a policy of conservation? It is true that an insulation program was instituted, but that was only a drop in a bucket compared to running a home at a temperature of 75 or 80 degrees fahrenheit. The government has to deal with these problems.

Cost has become a real concern to home owners. The cost of heating a home with approximately 1,200 square feet, say a bungalow in eastern Canada, is in the vicinity of $850 a year. Home owners can expect this cost to increase by approximately 20 per cent, which is nearly $200. How is the home owner going to absorb that cost without any assistance if his income is less than $20,000? I do not believe he can, and I believe that the government must provide a program to assist that home owner.

We must remember that home heating costs affect groups of citizens. It is not, as the Prime Minister indicated in the past, that home owners are rich people. We have senior citizens, couples on old age assistance, who are trying to maintain themselves in their own homes. We have young families bearing all the cost of educating and clothing their children. They face these dramatic increases in cost too.

It is not realistic to think that these people can survive without some assistance from government. The Prime Minister and his ministers have said many times that they do not expect to ride on the backs of the poor, that they are not going to charge the increases in the cost of energy to the poor people in Canada. But they have provided no provision for subsidy. They have provided no program and no plan. I think it is improper. I think a plan has to be prepared.

● (1730)

Where will the money come from for a program of assistance to home owners in the lower income provinces? In Canada we spend over $2 billion a year subsidizing the importation of foreign oil. Much of this foreign oil is refined into gasoline for use in motor vehicles across Canada. Some of these cars with large engines use excessive amounts of gasoline, yet we subsidize them along with gas used in cars of lesser power with more economical engines. This is a terrible waste of funds. Then, too, we have all heard about border sales as a result of which subsidized gasoline is carried away across the border, again at tremendous cost to the Canadian taxpayers. There are many ways in which the system could be tightened so as to reduce the amount of money spent on subsidizing foreign oil imports. This money could be channeled into assistance required by home owners.

Let us talk for a moment about alternate supplies of energy because this is the long-term solution to the problem of the Canadian home owner-consumer in terms of the price of energy. Our program provided for funds to be rechanneled into vital energy projects thus reducing dependence, particularly in eastern Canada, upon imported oil.

Since the Liberal government was returned to office, all the programs that were vital to eastern Canada, particularly to Nova Scotia, have been stalled. The Donkin coal mine project which would have produced millions of tons of energy to replace foreign oil is adrift. Nothing is being done. The government has done nothing to speed up the extension of the natural gas pipeline eastward. The matter is presently before the National Energy Board and some interest has been expressed in its extension, but there are many things the government could do to advance this vital and important project. While there is afoot a project involving the Annapolis River, much research remains to be done in the development of tidal power in the Bay of Fundy. All these projects, including things like solar energy mentioned by the parliamentary secretary, are vitally important to the long-range effect on consumers because they are the method by which we can reduce

dependency on foreign oil and thus reduce the cost of energy to consumers, particularly in eastern Canada.

Let me speak for a moment on the special energy needs of eastern Canada. In many of the eastern provinces, particularly Nova Scotia and Prince Edward Island, 70 per cent of the electrical generation is dependent on foreign oil. Consumers in Nova Scotia pay twice the national price for energy. The Crosbie budget provided a subsidy which would have permitted the provincially-owned utility in Nova Scotia to maintain the price of energy notwithstanding any increases in the price of oil. This government has refused to commit itself to providing a similar subsidy. Indeed, in Halifax the other day the Minister of Energy, Mines and Resources said such a subsidy was dependent upon the negotiation of a price for western Canadian oil. Nova Scotians are left to wonder what will happen when that price is negotiated. They will be left to wonder whether they will again face horrendous increases in the price of electrical energy at the consumer and household level.

I believe the government should observe and recognize an average price for electrical energy across Canada. It is such an important and essential service in the home that the government ought to assist people in areas of Canada where the cost of electrical energy is greatly in excess of the price paid by those in other parts of the country. This is exactly what our subsidy would have provided to people in eastern Canada, particularly in Nova Scotia and Prince Edward Island. It would have allowed the utilities in Nova Scotia to maintain the price of energy at 1980 levels notwithstanding increases in the price of oil.

To add insult to injury, the Minister of Energy, Mines and Resources has refused to return to Nova Scotia the $80 million the Government of Canada has saved by virtue of Nova Scotia's coal displacement program. This sum might have been used to subsidize any increases in electrical energy prices resulting from oil price increases. Under that coal displacement program, coal was being used from the development of coal resources to fire thermal generation plants thereby displacing foreign crude oil. This resulted in a saving of about $80 million in the funds used to subsidize the importation of foreign crude oil. The decision taken by the government would not appear to be fair. This money should be returned to Nova Scotia to finance further projects which will result in the displacement of foreign crude oil by coal or other sources of alternate energy.

Let me mention briefly the plight of farmers and fishermen as consumers. Though fishermen and farms are not in the same category as the retail consumers, they nonetheless face great difficulty in passing on to the persons who buy their products the increases in their costs. Provision has to be made for them because, in the end, it is the consumer who will pay. The whole point of any sensible energy program—

The Acting Speaker (Mr. Ethier): Order, please. I regret to interrupt the hon. member but his time has expired.

Some hon. Members: Continue.

The Acting Speaker (Mr. Ethier): The hon. member may continue if he has unanimous consent. Is there unanimous consent?

Some hon. Members: Agreed.

Mr. Crosby: I want to conclude by saying that any sensible energy policy must allow for subsidization to those who cannot bear the cost of increases in the price of energy. The government has clearly stated its intention not to ride on the back of Canadian consumers in energy policy. Now it must fulfil its promise and deliver energy at fair prices to consumers, or suffer the consequences.

[*Translation*]

Mr. Maurice Dupras (Labelle): Mr. Speaker, the Minister of Energy, Mines and Resources (Mr. Lalonde) said at the beginning of his remarks that the Progressive Conservatives had a lot of nerve introducing such a motion, and I would go further and say it took nerve, audacity and boldness in the case of a member from Ontario, a former member of the previous government who witnessed disputes between the premier of his province and the Premier of Alberta in 1973-74, when Alberta hiked its natural gas price considerably. If he has forgotten the rather aggressive words his provincial minister had for his Alberta colleague at that time, I shall be pleased to send him a copy for his information.

Mr. Speaker, it is very easy for us on this side of the House to debate this motion, because the energy policy of the Liberal government is easily and agreeably defendable, and I can now understand why we have not yet heard my colleague from Joliette (Mr. La Salle) speak in defence of his party's policy on energy matters. That too would require a lot of nerve.

● (1740)

The policy of the government is well known, Mr. Speaker, it is a policy designed to help all Canadians. I think the member for Halifax West (Mr. Crosby) has a lot of nerve speaking against the energy policy of the present government because that policy brought Nova Scotia large sums of money in 1976 and 1977 to offset the higher cost of oil used to produce energy in that province. Unfortunately, the previous speaker did not touch upon this subject, Mr. Speaker. He did not say either that some of his present-day colleagues, those who were here in 1977, criticized the Liberal policy announced by the government. They blamed the government for favouring a province then headed by a Liberal government. It is somewhat unfortunate, I think, Mr. Speaker, that the hon. member decided not to say anything about it and recognize the merit of the Liberal government of the day for considering the very serious problems which faced the people of Nova Scotia.

That was another unequivocal example of a truly national policy. That is why I understand the enthusiasm with which my colleague from Alberta, from Calgary East I believe, rose to speak and criticize the Liberal government's energy policy.

Yet it would be rather difficult, even very difficult for a member from eastern Canada, from Ontario, from either Perth or elsewhere, to rise and criticize a policy which gave Canadians a Canadian price for oil as far back as 1974. And that Canadian price, Mr. Speaker, was not determined in secrecy, as the one they tried to set last December. It was done at a federal-provincial conference where all provincial ministers responsible for the supply of energy in their provinces contributed and even helped determine that price of energy for a set period.

So, Mr. Speaker, before the debate on this motion ends, I urge my colleague from Joliette to say what he thinks of the energy policy of this government which has saved the province of Quebec, his own province, no less than $6 billion since 1974. And here, Mr. Speaker, I find I should add a Quebec and provincial dimension to my speech because right now there are a lot of falsehoods being said in the province of Quebec by people holding government positions in that province, people who should have some respect for the truth.

I had started to say, Mr. Speaker, that the energy policy of this government has saved the province of Quebec no less than $6 billion since 1974. Some even talk about $6.5 billion. And if you add everything up, including benefits of $20 million a year the province of Quebec and the maritimes get from the transportation of this oil from Sarnia to Montreal by the new pipeline, that figure totals over $6 billion.

So the whole province of Quebec and all the Atlantic provinces benefited from that. And my colleague from Halifax West, who is listening attentively, did not mention what that Canadian policy saved the people of Halifax, for example, in his riding. The motion deplores the lack of an energy policy when all Canadians, particularly in eastern Canada, know full well that there is a Canadian policy, and that that policy has benefited eastern Canada since 1974.

Mr. Speaker, if the people of Halifax with a 1977 or 1978 Chevrolet fill up today it costs them slightly more than $20 whereas if they had to pay the international price the people in Halifax West would have to pay twice as much. If I take time to give those figures it is because the hon. member omitted to do so and that becomes my responsibility. And I hope the hon. member for Joliette, if he can find the courage and the zest to do so, will rise in the House to defend and commend the steps taken by the Liberal government in 1974-75 to provide Canadians with a truly efficient energy policy.

So that is what the Canadian energy policy is all about: first to determine a Canadian price for oil; then, above all, to provide a safe supply for all Canadians. The security of supply has resulted in a smooth supply, if we compare that to the difficulties encountered by our neighbours to the south who also produce oil. It is the security of supplies which is somewhat uncertain and which wavered at the end of 1978 and the beginning of 1979. European or Asian visitors to Canada would think that there is absolutely no oil shortage in Canada, even if we consider oil prices and supplies, while everywhere else such a shortage exists and causes problems for the industry.

This Canadian policy has also contributed to ensuring the survival of our industries in the east, both in Quebec and in the Atlantic provinces, which means that they are in a much better position than their competitors in Europe, Asia or Japan, because they are guaranteed supplies at a much lower price than the world prices.

Mr. Speaker, there is also another policy of the Liberal party which states that the energy resources of each province must benefit all Canadians. Some provincial governments may not have recognized the need to share their wealth with the rest of Canadians, but this need is becoming more and more obvious. The provinces accept this fact and demand increasingly that it be considered. I can mention as an example the Newfoundland premier who has pleaded for assistance from the Canadian government and the Prime Minister (Mr. Trudeau) in his fight with Quebec for the development of the energy resources in his province. And I would quote in this regard an article published a while ago in a Montreal newspaper which reported Newfoundland Premier Peckford as saying:

[*English*]

Under our constitution the Government of Canada has the right, and I submit the duty, to ensure that goods, including obviously hydro power, pass freely from one province across the territory of any other—

[*Translation*]

I suggest, Mr. Speaker, that Newfoundland's premier very eloquently demonstrated that the right hon. Prime Minister's policy of having Canada's resources benefit all Canadians is something, a responsibility, that all Canadians should and do accept. Some politicians may have difficulty in adapting to and accepting that policy, but all Canadians indeed demand that the nation's resources benefit all Canadians. And this is probably why the separatists in the province of Quebec, the Yes supporters, those who want to separate Quebec, submit that we should move to the international price as soon as possible. Of course, if they can win that point and prove to Canadians in Quebec that in a matter of a few months or a few years the international price must be reached, this would help them. They do not balk at using political terrorism, and indeed some ministers already are exercising it, ministers who should act more responsibly but who say that two or three years from now Alberta's reserves will be depleted. We know full well that Alberta's known reserves of conventional and tar sands oil are adequate for at least 300 years based on our yearly consumption.

According to my own estimate, we have more than that, and now that the world price exceeds, in effect, the production cost of oil from the tar sands, it is misleading the people of Quebec and making a comedy of their intelligence to scare them into believing that in a few years, well, whether they like it or not, whether they are separated or not, all Quebeckers will have to

pay the world price. And we all know that they go as far as to say that even if we were compelled to pay the international price, our increased electricity sales to our southern neighbours and to Ontario could easily compensate for those much stiffer oil costs. That statement should be viewed in light of the answer given to me by the Minister of Energy, Mines and Resources two weeks ago when I asked him about the validity of the statement made by ministers Bérubé and Joron, I believe, who said that higher sales of electricity to our neighbours could easily compensate for the international price of imported energy. The difference would be as follows: If we had to pay the international price, it would now be over $6.8 billion while power sales to our southern neighbours, even if the price were double, would scarcely reach $1 billion, thus creating a deficit of $5.8 billion. To a large extent, such a demonstration by these two provincial ministers only serve to undermine the credibility of people who quote figures; I do not know where they get their figures to frighten the public and prove that, whether we are part of Canada or not, we shall have to pay the international price some day.

In his excellent speech this afternoon, the Minister of Energy, Mines and Resources reiterated again in front of everybody, to make it clear in the minds of Canadians in general and Quebeckers in particular, that the government is intent on maintaining the Canadian price well below the U.S. price; that is to say, that Canadians from all provinces will pay considerably less for their energy, oil and gas supplies than Americans must pay. I suggest that this argument defeats the motion with which we are dealing today, Mr. Speaker, because the Canadian energy policy will make sure that Canadians pay prices way below those paid in the countries of our competitors.

Mr. Speaker, the opposition could easily have chosen an entirely different topic on which to criticize the government. In fact, the record of the Liberal government in that regard has been very good since 1974, and will continue to be so in coming months because negotiations have already started. The minister made a trip out west last week; he is pursuing consultations with the responsible ministers in the east in order to ensure that the Canadian policy and the pricing formula for the next few years is one to which the responsible minister for every province, both producing and consuming, has contributed.

That, Mr. Speaker, is the essence of the Liberal energy policy. One can probably understand the resistance of the Progressive Conservatives and their wanting to criticize the government on that aspect of its administration in which it has had the most success, because if there is any field in which it has proved its sense of responsibility not only to eastern Canada but to all Canadians, it certainly is in the pricing of oil in Canada. That is why, Mr. Speaker, the majority of Canadians gave their support to the Liberal party last January and February; Canadians are used to trusting this government, and the government of the present Prime Minister. The Liberal government, has accustomed the Canadian people to expecting just and fair policies for all Canadians. Once all my hon. colleagues understand the urgency of lessening regionalism, of stifling increasing growth in Canada, the urgency of nourishing a devotion to this country whose land is one of the most generous in the world, then things will improve. I do feel that Canadians supported us last February precisely because they knew the great pains the Liberal government had taken in developing a "made-in-Canada" oil energy policy.

• (1750)

[*English*]

Mr. Bob Rae (Broadview-Greenwood): Mr. Speaker, I enter this debate in order to put before you my support for the motion that has been put forward by the hon. member for Perth (Mr. Jarvis), not that we ally ourselves with the energy policy which his colleagues put forward when they were in government—I think they will understand that, in view of the position which we took with regard to their budget, and we have not changed our minds concerning that—but to respond to some of the things that have been said.

I think the energy problem poses a challenge to our economy and to our constitution. Just as we are preoccupied these weeks with the events in Quebec, I think we should also recognize the fact that there are other sources of tension in consideration which are perhaps no better exemplified than by the problem of energy. Indeed, the problem of energy also allows us to analyse our economic dependence on multinational companies and to reflect on the cost of continuing to subsidize those companies by means of pricing policies, royalty policies, and taxation policies which, if allowed to continue the way they have, would result in a transfer of tremendous funds from Canadian consumers to foreign dividend holders.

I know that my colleague, the hon. member for Crowfoot (Mr. Malone) is uneasy whenever we in this party talk about the multinational companies, but I would ask him to reflect upon the fact that it is two economists from the University of Alberta—who are not members of my party or indeed of any party—who have published papers over the past two years in which they point out that the problem of what the economists call the recycling of rents and revenues from our oil-pricing policies, the recycling outside Canada, poses a tremendous problem for our economy, a challenge to our constitutional ingenuity, and a challenge to our capacity to plan for the future of our economy. Let it never be said that we, on this side of the House and in this party believe that this is an easy problem to resolve. It is an extremely difficult problem to resolve, and it is with some of those difficulties, challenges and some suggestions, not of easy, quick-fix solutions but of a series of policies that, we believe, will aid Canadian economic independence, Canadian energy self-sufficiency and enable Canadians to have a greater degree of control over their own affairs, I would like to deal after the dinner hour. May I call it six o'clock, Mr. Speaker?

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

At six o'clock the House took recess.

• (2000)

AFTER RECESS

The House resumed at 8 p.m.

Mr. Rae: Mr. Speaker, in my introductory remarks before the dinner hour I said that the energy question touched upon many different challenges facing the country in the 1980s such as the constitutional problems and the foreign ownership problems. Our view in December was that the proposals put forward by the Conservative government of the day did not lead to a resolution of those problems, but compounded them. So, we believe that we must, as Canadians, attempt to find a solution. I impress upon the House the fact that we in this party are under no illusions as to how difficult that search will be. We must find a solution that will strengthen our economic independence and not weaken it, that will strengthen Canada's long-range industrial and economic future rather than weaken it.

I am sure most Canadians are aware that Canada imports oil. Somewhere in the area of 20 per cent of its oil needs are met by foreign suppliers, for which we pay a world price at the moment in excess of $30, and we charge Canadians about half that amount. The majority of the oil produced in Canada in 1980 is what is known as conventional oil, but the fact remains that our conventional supplies are rapidly depleting and will have to be replaced by far more expensive non-conventional supplies of which the tar sands are perhaps the most well-known example.

In determining a policy on energy pricing, we must consider the fact that there is a distinction between old oil and new oil, and that nearly all of the existing conventional petroleum reserves—more than 96 per cent of them—were discovered prior to 1973. The fact remains that the majority of the oil we are using today is the same as the oil on which companies in 1972 or 1973 were making a 15 per cent rate of return. At that time the price per barrel was $2.77. Even allowing for the fact that operating costs may have risen more than $1 per barrel on conventional oil, which still provides the majority of the supplies we use in Canada, if we do not change our taxation and royalty systems in relation to any increases in price which take place from this day on, the fact remains that we will be draining off to the multinational companies some $2 per barrel, or $1.3 billion per year. We must ask ourselves whether that is the kind of policy we want to follow. We rejected the view in December, and we reject it today.

The problem remains that the Liberals are telling us they believe in something called the blended price. Apparently a combination of the price of conventional oil, the price of imported oil and the price of non-conventional supplies are somehow put into a blender to produce a mixed price. I see the Parliamentary Secretary to the Deputy Prime Minister and Minister of Finance (Mr. Evans) laughing. I am sure, since he is a former professor of economics, he will be able to explain to this House, the way he was able to explain to his students, exactly what a blended price consists of. I would suggest to you that it is simply a way of attempting to justify to the Canadian people an increase whose size may not be justified by the requirements of the cost of production.

There are arguments which we on this side are prepared to accept for some increase in the price of oil as we enter the 1980s.

• (2010)

An hon. Member: Define "some".

Mr. Rae: The parliamentary secretary asks me to define "some". When we form the government we will define "some". He is a member of the government now and should define "some". That is his job.

Some hon. Members: Oh, oh!

Mr. Rae: It is no different from the way you behaved when you were in opposition.

The question of what that price will be is something which is determined as part of a package, and you cannot separate out and say what that price will be in the absence of knowing what all the other concessions and arrangements are in respect of royalty, wellhead tax, tax on revenues, and it is unreasonable to name a price out of thin air. Mr. Lalonde has not done so, and I suspect—

An hon. Member: Why are you criticizing us?

Mr. Rae: I have not come to criticize you. You are very sensitive. It is not a question of criticism, it is a question of analysing the basis on which the Liberal party is going to be giving us these tremendous price increases, and analysing where these revenues are going to go and how they are going to be recycled.

The fact of the matter is that, even on the Liberals' own terms, if we follow the policy of the Liberal party of eventually gaining 50 per cent control of our oil and natural gas, which is the objective the Prime Minister (Mr. Trudeau) has set for the country, the dividends which will be leaving the country as a result of price increases and as a result of windfall profits to multinational companies, that have by far the greatest stake, not only in our non-conventional supplies but in our conventional supplies, will amount to tens of billions of dollars.

The fact of the matter is that the foreign ownership question, far from being irrelevant to this issue, as Premier Lougheed has said, and far from being a red herring, is central to a resolution of this problem which will be acceptable to the Canadian people.

The fact of the matter is that it is not possible to go to the Canadian people and ask them to accept higher prices for oil and natural gas when they know what the cost of conventional supplies is, and when they know where the windfall profits are going. That is the critical problem. The problem is not so much a question of price; the problem is a question of revenue and where the revenue goes.

As I said earlier, whereas the Liberal party has been using this particular problem as an excuse, in a sense, for mobilizing certain sentiments in central Canada against those of the west, we take the view in our party that we have to find a way, in terms of our constitution, to provide for a solution to the energy crisis which will, at one and the same time, recognize the legitimate rights of producing provinces, and they have rights to some revenues from increases in prices, and indeed from existing prices, and provide for the generation of surplus within Canada which will provide for future energy needs.

We took the position in December that the excise tax was wrong in December, and we take the position that the excise tax is wrong today. The excise tax is not the way in which to go about punishing the consumer in order to generate revenues for the federal government. If anything has emerged in the past four weeks since this House began sitting, it is that the government itself has no particularly clear idea of how it is going to replace the Tory excise tax. Indeed, there was an interesting ambiguity in the throne speech. That ambiguity was in saying not that there will be no excise tax, which was the promise the Prime Minister made to the Canadian people when he was campaigning for office, but that there will be no 18-cent excise tax, which is the new position of the Liberal party.

There is a very major difference between going to the Canadian people and saying there will be no excise tax, and coming back to the Canadian people and saying in the throne speech there will be no 18-cent excise tax. What are we waiting for from the Liberal government, a 17-cent solution, or a 16-cent solution?

We have been convinced for some time that we have to deal with the problem of windfall profits, profits that are substantial both in the United States and in Canada. The fact of the matter is that oil profits in the first quarter of this year have been higher than ever before in Canada's history, and that they are on average 100 per cent higher than they were for the first three months of 1979.

If the Canadian people are going to be paying more for their oil and for their natural gas, they want the assurance that those prices and those revenues are not simply being recycled and taken out of the country. The evidence today is that this is precisely what is happening as a result of pricing policies, as a result of free enterprise policies, and as a result of multinational oil company policies, policies which were followed by the Conservative government when it was in power, and policies which are being followed by the Liberal government today. That is why the question of public ownership is not some ideological ruse simply coming from those who seek public ownership for its own sake.

Public ownership in this particular field is a necessity because it is the one key which will give to the Canadian people the knowledge and the confidence that when they are paying more for their gas at the pump, that money is being recycled into the Canadian economy and being used by Canadians for Canadians. It is simply not possible to divide up revenues in such a way that will satisfy the producing provinces, the multinational oil companies, the needs of the federal government and the needs of all the people of Canada, without raising that price to a level which is completely unjustifiable. That is why the Conservative government fell in 1979, and that is the conundrum facing the Liberal party in 1980.

We have to recognize that the solution to this problem is not an easy one. Certainly we on this side recognize that. We wish the minister well in his negotiations with the provincial governments. We are not at all impressed with the information he has given us, or with the conflicting news inflicted on this Parliament week by week as we are told the government is not considering a certain tax. Then ministers come back the next day and say, "we are not considering that tax this year", or they criticize the Conservative party for its $4 or $4.50 increase, and yet indicate that the over-all package which the Liberal party may be proposing over the next three years may result in prices which are even higher. It is not a particularly impressive record. Certainly it is not a record of honesty and integrity in energy policy, which is what this motion is all about.

● (2020)

If new patterns of public ownership could be established in the oil industry, Canadians would see that revenues from higher prices were being used for exploration and development, conservation, and for the growth of alternative supplies. There would be no need to challenge provincial ownership of this resource. Furthermore, tremendous disparities in provincial revenues as a result of ownership of resources could be at least partially resolved by direct interprovincial transfers or by the funding of a national energy bank which could be drawn on as a source of capital by non-producing provinces.

I suggest that energy self-sufficiency would then be a goal which would provide some sinew to the new confederation, a confederation which would recognize the legitimacy of provincial economies without making of them a fetish, a confederation which would recognize the notion of sharing, the importance of national co-operation, strategic planning, intervention and, indeed, selective public ownership. Dare I call it a co-operative commonwealth?

Mr. G. M. Gurbin (Bruce-Grey): Mr. Speaker, I am pleased to have the opportunity to participate in this opposition day debate on energy. With the exception of the referendum in Quebec, I cannot think of an issue that is as important to the future of Canada as that of energy. When one comes to understand what the effect of the government's inaction in the field of energy may bring, it does not take too much foresight to imagine how difficult life may soon be.

Television has already demonstrated what life with gasoline shortages will be like by showing us the American experience. Gas stations will close on Sundays, or at the end of the month when their supplies run low. People wishing to purchase gas will have to stand in line. Unrest will grow as farmers and truckers find that they no longer have the fuel that they need in order to earn their livelihood. Consumer goods based on hydrocarbons will inflate rapidly in value as supplies of oil for industry dwindle. Finally, the government will turn to rationing in order to ensure a fair division of remaining supplies.

Eventually, public opinion will force the government to examine alternative sources of energy and new methods of introducing conservation. That was the American experience. For Canada the scenario is just one step more severe. Unlike the United States, Canada does not have areas of warm climate. When our oil runs out, people will have to deal with the Canadian winter.

Let us assume that somehow the government comes to understand the problem and manages to provide an adequate supply of oil to heat our homes, drive our cars and fuel our industries. But no matter what expense we go to in order to search for new supplies of oil and gas, eventually we will run out. No need to worry; by then we will have switched to hydrogen-powered cars and our homes will be heated by electricity, solar power or biomass.

There are only a few small details to be ironed out. The new technologies that we will need to produce these forms of energy take time and considerable sums of money to create. Canada has proved to be unwilling to invest those sums. But this is just the beginning of the technology that we will need.

It is fine to discuss replacing the energy that we get from oil, but how do we begin to replace hydrocarbons in their other functions? For example, how do we replace oil as a lubricant or as a base in paint, or for its use in producing drugs? Or how do we replace the use of oil for producing plastics and other synthetics? We have an understanding of the means of producing new forms of energy so that the average Canadian will be able to drive his car and heat his home. However, the question remains, without oil will we be able to build that car or furnish that house?

If we were to look around and try to come to an understanding of how important oil is to the maintenance of our style of life, I think that we would come to realize just how undervalued our remaining supplies are. Granted, Canada does have larger oil reserves than Saudi Arabia. The question is, will we be able to get it out of the ground when we need it? Unless the government is willing to invest in heavy oil, the tar sands, frontier exploration and new delivery systems, the answer is no. Running out of oil seems like a remote possibility until one remembers that Alberta's conventional reserves will run out in less than ten years.

Getting oil from the tar sands is a costly venture and this government, under the guise of a made-in-Canada price, has said that it is unwilling to pay that price. The Liberal party referred to the last campaign as the "18-cent election". I wonder what the people of Canada will say when they recognize the real cost of their decision. The government has committed itself to rationing in the event there is shortfall in supply. It takes great pride in telling Canadians that this is the only fair way in dealing with distribution. Through rationing, it is explained, people would receive energy on the basis of need, not according to their ability to pay, and on those terms it does seem quite attractive.

What the government overlooks is that rationing will lead to as many problems as it solves. A black market in gasoline is sure to develop which will lead to a situation where those who have money will still be able to afford to drive, while those who could not afford the cost prior to rationing will be even less likely to be able to survive in the marketplace.

Which groups will be hardest hit by such a situation? It will be the poor, commuters, those who use fuel in the course of earning their living, people in rural areas who generally do not have access to mass transit and, of course, the elderly who will have low priority when it comes to allocating the rations, and who do not have the economic power to deal in the market.

There has been much made, Mr. Speaker, of federal-provincial antagonisms over resource control. There have been serious actions and reactions between Ottawa and the provinces, differences that at times seem to threaten our nation. At the very least natural resources are a focal point of constitutional discussions. It is important that this matter is approached openly and, indeed, it has been given scrutiny by a number of examiners. But there is a major feature of this rationing possibility that should give major concern to those interested in regional energy supplies and resource control. This rationing system would ultimately be an arm of the federal government.

How would the needs of industry be considered as compared to commuters and other private consumers? How would one province's needs be considered as compared to another? How much power would reside within the rationing bureaucracy in a country that remains 20 per cent dependent on foreign supplies of petroleum because it has failed to provide the dollars necessary for resource development and, in fact, continues to increase our national deficit by not even recovering the $4 billion of subsidy payments to offset the cost of foreign inputs?

Who will say, Mr. Speaker, whether I will do without gas because my function is not as important as yours and that you will do without gas because your function is not as important as a farmer's? Will we or will we not have gas? Should Parliament be dissolved so the farmer may plant? For all the energy problems we have addressed in the last years, our actions have been mere tokens of the real actions that are needed.

An hon. Member: Oh, oh!

Mr. Gurbin: That was from the no-development party. The government is reacting to situations that have developed from benign neglect. Even worse, the government seems prepared to make some decisions on the basis of political patronage rather than on merit.

What then is more equitable—rationing or adopting a user-pay system of bringing new resources on stream? Surely it should be those who use energy who should be responsible for paying the cost of finding and developing new resources. Otherwise we move either to rationing and a continued depletion of our resources or a situation where the government provides funds from its general revenues, in which case everyone pays.

I simply do not believe that a bureaucratic machine in Ottawa can show either the flexibility or the understanding of local conditions to react in a truly fair manner when determining how supplies of oil should be distributed.

An hon. Member: How did they win the war?

Mr. Gurbin: We did not have the New Democratic Party when the war was on. On past experience, I know that the bureaucracy has seldom shown the sort of insight that areas such as mine require.

I would like to turn now to an examination of the policy priorities of the Liberal and Conservative parties. I think a moment would be well spent in contrasting the records of the two parties while in power. This government is incapable of separating its often misguided notions of social justice from its other policy discussions. Its set of values tends to cloud its judgment. For example, in the May, 1976, budget the government introduced measures which would have imposed a special graduated excise tax on heavy cars. I am sure that the reason for introducing the measure was that the government had romantic notions about putting an end to limousines, at least for cabinet ministers—or at least other than for cabinet ministers. What the government failed to consider was the fact that such an excise tax would actually discriminate against many efficient cars. Under the scheme, a Camaro giving 18 miles per gallon would only be taxed $70, while a Cutlass of that model year using one gallon every 24 miles would be subject to a $500 tax levy. Fortunately public and opposition reaction caused the government to withdraw.

• (2030)

Let us consider the history of the government's conservation policies and targets. Between 1975 and 1979 the government announced three different target rates for growth of energy demand, and made energy conservation announcements a total of ten different times. This might seem to indicate that the government was being quite progressive and was introducing stronger and stronger measures. What it really means is that the government kept making announcements to contradict or change its previous announcements. For example, the government announced its program to label household appliances four different times during that period. I am optimistic enough to believe that we may some day see the results of those announcements.

Last fall the House heard lengthy speeches from the Liberal benches about the length of time that it was taking for a Conservative government to reach an agreement with the provinces regarding oil pricing and federal taxation. It is worthy of note that those remarks came from the same people who were stalled for three years, between 1973 and 1976, in similar negotiations, and from the same people who are practising confrontation with the west today.

Our government had reached an agreement with the west. It was an agreement which would have provided funds for a federal energy development bank. It was an agreement that would have promoted conservation of our non-renewable resources. It was an agreement that would have provided an impetus to the development of the tar sands and heavy oils. It was an agreement that would have set the stage for the development of alternate forms of energy. In short, it was an agreement that would have provided energy self-sufficiency and a future for Canada, and it was an agreement that this government has rejected.

Under Liberal governments, Canada has had to import ever-increasing shares of its oil requirements. The Canadian public has seen little or no action on extending the natural gas pipeline to Quebec and the maritimes. Renewable forms of energy have been largely ignored. The Canada reactor has languished because of poor marketing, scandals, and inconsistent standards for nuclear safeguards. In sum, the government has a miserable record. Its last target for energy conservation was to limit the growth in demand for energy to 3.5 per cent per annum. This sort of conservation leads to a doubling of Canada's energy requirements every 21 years.

Even when the government sees fit to introduce worth-while programs such as PASEM and PUSH, mentioned by the parliamentary secretary, it does not follow through to their full realization. The government creates programs, creates an industry, and then loses interest and allows the project to wither and die.

Even having seen what Liberal governments have done in the past I do not despair of Canada's ever seeing a coherent energy strategy. Quite the opposite, in fact. As the Minister of Finance (Mr. MacEachen) recently proved, the government knows where to go when it needs well reasoned and innovative policies. Because Canada benefits as a result of such a process I do not begrudge the government the use of our policies and, in fact, I would like to take this opportunity to remind them of some points that they may have overlooked in our platform.

The Progressive Conservative Party of Canada, as represented by its members in the House of Commons and its supporters across our country, has made no secret of its desire and willingness to see Canada become energy self-sufficient by 1990. In order to meet that target Canadians may have to face some short-term inconvenience, but what we receive in return is long-term security of supply. The pricing formula and budgetary means for such a program are well known and I will not dwell upon them. On the other hand, I would like to enumerate the areas of development that are essential to the completion of such a plan.

I was honoured to have been able to sit as a member of the prime minister's advisory committee on energy last summer. That committee was struck because our government inherited a legacy of inaction on energy matters. We needed to deter-

mine what could be done to turn the situation around. The committee met throughout the summer and examined energy matters from the perspective of the provinces, of the various companies involved in energy development in Canada, and on the basis of the needs of the average Canadian. Reconciling those varied positions is difficult but it can be done, and we had made a start at doing so. An energy agreement has been worked out with the west, oil companies had been consulted about the price increases that they needed in order to bring new resources on stream, and the end result would have been an assured supply for all Canadians.

These measures grew out of the policies that we had outlined prior to the May 22 election. One cannot compare an election platform of one party that has not been in government for a considerable period of time with the legislative record of one that has. What one can compare, on the other hand, is the fact that the present government, in its previous incarnations, failed to come to terms with Canada's energy needs, while in the six months of our government a comprehensive energy program was outlined and we had taken steps to implement that program.

How did the last Liberal government come to terms with the need for conservation? It spent considerable sums of the taxpayers' money telling taxpayers how to conserve. It spent further sums training people as experts in energy conservation in order to run their taxpayer education scheme, and then cancelled the whole program. It then went on to set conservation targets for itself. In fact the department that was responsible for the program could not meet the target and, in fact, 17 departments actually increased their energy consumption in the same period. All of this was at even further expense to the taxpayer. Even though the government failed to save energy, it proved that in Canada there was a long way to go in conservation of tax dollars.

The bulk of the government's push for conservation is to be found in the CHIP program. CHIP has a number of problems of its own but it, at least, does provide some assistance to home owners. Unfortunately it has also caused a number of fly-by-night insulation companies to come into being.

By and large, the government has felt that conservation can be mainly voluntary. It is my opinion that voluntary conservation is about as likely as the individual Canadian deciding to do his part in fighting inflation by refusing his next pay raise. The fact of the matter is that he will only start to conserve when the price of energy starts to become a concern. Obviously the poor should not be pressed further into poverty by the cost of energy, nor should those living on fixed incomes be asked to bear a heavy burden. It is for that reason that our government introduced the energy tax credit in the Crosbie budget. The tax credit would have been more than equal to the increased cost of energy to those on low incomes. At the same time we were prepared to increase funding for CHIP, and I am pleased to see that the government has followed our example.

While conservation provides an immediate and vital decrease in our energy requirements, it does not fill all of our needs. We must, therefore, look to expanding our supply of energy. Remembering that hydrocarbons may be too valuable merely to burn, we must look to alternate forms of energy to fill the gap, and to replace this finite resource.

Canada has leading edge technology in the field of nuclear energy. The Candu is at one and the same time the most productive reactor over its life cycle and the safest reactor in use in the world. This is a technology which could and should be exported in order to offset our balance of trade deficit. Unfortunately the government, through AECL, has not been able to market the system properly, and in the case of its deal with Argentina actually managed to lose money by selling a reactor.

In dealing with renewable energy, the government has had an equally poor record. It did institute the PASEM and PUSH programs, but it dumped those funds into the market so quickly that the industry could not take proper advantage of them. Now, after having tried to develop the industry, the government, in the Speech from the Throne, announces its intention to create a renewable energy corporation which would compete with the small companies and possibly lead to their demise. The government recently announced the composition and funding of this corporation. This is a gleam of hope after years of limited action.

By comparison, the Crosbie budget provided for lower bond requirements for individuals wishing to distill alcohol for fuel, provided for accelerated write-offs for conservation equipment, and established discounts on natural gas in order to persuade Canadians to convert from oil to gas furnaces. In effect, six months of Conservative government showed more of a conviction to deal with energy problems than the previous decade of Liberal government. The government shows little indication that it intends to mend its ways. It will continue to pretend that there is no problem until the lights go out.

Mr. Speaker, the concept of an energy crisis has gradually entered our consciousness. Indeed, we do have a problem, but it does not come from a lack of reserves; rather, the crisis is with the cost and the will necessary to identify, develop and distribute our God-given resources. The crisis cannot be met with the traditional manipulations, reactions and confrontations at different government levels. We have an immediate need to respond to the condition by developing a national policy, based on the regional opportunities that present themselves.

We must extend the neglected natural gas pipelines to provide markets and linkages for gas reserves, east to west, north to south. We must seriously consider the neglected electrical interconnection and controls to allow the vast quantities of electrical reserves in James Bay and Churchill Falls to be accepted in New York or Ontario grids. We must finally come to grips with the whole question of resource export taxation on natural gas, oil, as well as electrical energy.

● (2040)

Especially in those provinces whose opportunities to develop fossil reserves are limited, we must hesitate no longer to take major steps to provide opportunities for replacement of con-

ventional fuels. The government should take into account the British Columbia opportunity for a major coal liquefaction plant. Similar opportunities offer themselves in the Atlantic provinces.

Transportation fuels account for about 45 per cent of petroleum consumption. The potential of conversions from conventional fuels to natural gas and its components, including M gas and gasahol, have yet to be recognized by this government by appropriate taxing and bonding measures. In the prairies, Ontario, and Prince Edward Island, opportunities for synthetic fuel production from biomass or waste may have been delayed by this government's inaction.

Conservation can be enhanced not only by pushing through research and development of appropriate fuels and engines for private transportation, but also by major research and development and dedication to an improved urban transit system.

Our previous government had initiated a concept of funding for energy projects. That funding would have derived from revenue from energy resources. Without specific and major financial resources, major projects in cogeneration, urban transit, and tidal power may fail to materialize. Major conventional energy systems such as heavy oil supply, hydro development, and additional coal mining opportunities, may be delayed.

Because of the lack of a cohesive energy plan we continue to miss the opportunities for development of potential exportable energy technologies, such as those coming from research and development in photovoltaics and genetic engineering.

Financial research and development capability and political will should provide us a secure energy future. We are destined with the government's present approach to an increasing dependency on petroleum imports and increasing political antagonisms—a fossil-foolish mentality—that need not have limited our energy future.

Mr. Russell MacLellan (Parliamentary Secretary to Minister of State, Mines): Mr. Speaker, in my opinion there is no other point in the Speech from the Throne that was more welcome or more important than the one that dealt with the setting up of the alternate energy corporation. This is something which we in the Liberal party feel is going to be extremely valuable in the years to come, and one which we feel the party and the government will put to good use. It is hoped by each and every one of us, certainly by parliamentarians in general, that the alternate energy corporation will not only seek to find ways of using possible new sources of energy, but also will not discount or ignore the existing sources of energy that are in our country in such abundance.

It is one of those sources of energy that I would like to deal with this evening, namely, coal. This afternoon the hon. member for Halifax West (Mr. Crosby) discussed the problem that Nova Scotia has regarding is dependency on offshore oil. This dependency no doubt exists. In fact it has existed for some time. When we were blessed with an inexpensive source of oil, this was not a problem. But when the cost of offshore oil rose, and rose very quickly, it caught the province of Nova Scotia very much by surprise.

As the hon. member for Halifax West stated, dependency on offshore oil amounted to approximately 70 per cent of electrical generating requirements. Since that time there has been movement to reduce this particular dependency. The province of Nova Scotia has brought on stream a hydroelectric system in Wreck Cove, Cape Breton Island, and also four thermal generating plants at Lingan close to New Waterford. It is hoped when thermal generating plants three and four are on stream that this will reduce Nova Scotia's dependency on offshore oil from 70 per cent to approximately 15 per cent.

The uses and possibilities for coal are limitless. The use of coal is very important when we look at the possibility of finding alternate sources of oil and transportation fuels. The idea of liquefaction of coal, liquefying coal, or gasifying coal started in pre-war Germany, and the hydrogenation of coal is something that goes back quite a few years. Unfortunately it is something that has been neglected over the past because of the abundance of cheap energy, but it is now being looked at very seriously. Unfortunately it will take a good many years before the technology that was started so many years ago is brought on stream and made viable in Canada. We are anticipating that it will probably be the mid-1990s before this very valuable source of oil is available to us.

There is another source that was started at approximately the same time, that is, the sasol process which was developed in pre-war Germany as well, but has been adopted in South Africa. It is a process that the South Africans initiated in 1953 with the building of Sasol One. It is a process for the liquefaction of coal using an adjustment of the carbon monoxide hydrogen components and, using a catalyst, in fact can form a very wide abundance of products ranging all the way from methane to a heavy petroleum wax. It is a very strong and excellent possibility for the future, not only for South Africa but for the world as a whole.

Just a few days ago Sasol Two was commissioned in South Africa and a trade delegation from Canada was there at this particular exercise. This new plant is capable of producing 45,000 barrels of oil a day from the coal derivative. South Africans are going to be commissioning a third sasol plant, and that will be commissioned in 1983.

In 1983, when Sasol One, Two and Three are working, they will in fact be producing 50 per cent of all of South Africa's transportation fuels. This is a significant portion of the country's transportation fuel needs, but of course it will utilize a great deal of coal. The fact is that these two plants, one producing 45,000 barrels of oil a day from coal, and the second producing 50,000 barrels a day from coal, will require as much as 27 million tonnes of coal a year. This is more coal than is produced in Canada at the present time. Yet it is a need in this country. It exemplifies to us what a valuable resource this is and how we are going to come to depend on this very valuable resource.

The South Africans are able to utilize this source of energy right now because of cheap labour costs. They are able to

produce coal for about $6 a ton, which is considerably cheaper than Canada can. The plant that will be coming on stream in 1983 they expect will cost between $3 billion and $4 billion. The Fluor Corporation which has constructed Sasol Two, and will be constructing the third one, is in fact negotiating with the American government at the present time to construct the plant in that country. The Americans are showing considerable interest in this technology. That corporation estimates that the plant, capable of producing 50,000 barrels of oil a day from coal, will in fact cost $3.5 billion. In terms of comparing this to a refinery producing oil from oil sources, it would be the equivalent of $48 a gallon—

Mr. Baker (Nepean-Carleton): You mean a barrel.

Mr. MacLellan: —a barrel. Although we have not reached the situation where coal is in a position to compete with oil in the gasoline markets, we are going to be fast approaching that point. It is something we are very definitely going to have to consider.

● (2050)

Mobil Oil, also in the United States, has developed a process called Mobile M where they are able to turn coal into methanol and upgrade the methanol into a high octane gasoline by a process known as methanol M, and the product derived therefrom is known as M gasoline. In 1979 New Zealand found that using a natural gas base to create methanol would in fact give them a high octane gasoline at $10 a barrel cheaper than the gasoline which could be produced from the sasol derivative. They are using this process now and are producing gas from this source.

In the United States, because of their interest not only in the sasol process but in the Mobile M process, they have designated $100 million for exploration experimentation, and research into this valuable source of fuel for the future. They are making grants of $4 million each to companies, research laboratories and institutions of sufficient size to be able to carry out this valuable work. Applications for these grants closed on April 25 and the results should be announced in the not too distant future.

With respect to our country, the Alberta Gas Trunk Line has in fact sent two tons of coal to the Saarberg Corporation in Germany which has been very active in the hydrogenation of coal. This coal was experimented on there and fuel was produced from it. The cost to the Alberta Gas Trunk Line was merely the cost of the shipment because the Saarberg Corporation was able to do the work at very little cost to this country. The Alberta Gas Trunk Line is now in the process of carrying out detailed feasibility and conceptual engineering studies of this interesting possibility.

The Brazilians are using methanol in their automobiles. In fact all major automobile manufacturers in Brazil are making cars which run on methanol. These methanol-powered engines are becoming very popular, and it is estimated that in Brazil at the present time they have approximately 100,000 such cars. Methanol gives off a much cleaner exhaust and is a more energy efficient fuel than high octane gasoline. The methanol rating would be approximately 103, whereas high octane gasoline would probably have a rating of about 93. In Germany, Volkswagen has developed a car which runs exclusively on methanol. There are other cars, including Volkswagens, which run on a combination of methanol and gasoline. So the technology is there; it is growing and becoming increasingly popular.

With respect to eastern Canada some difficulty arises because the coal is a little more expensive to extract from the ground, yet there is another technology which I think is going to be extremely important to eastern Nova Scotia, a process which the British are developing. As you probably know, Mr. Speaker, the coal in eastern Canada is very high in volatiles; approximately 20 per cent to 30 per cent of the coal in Cape Breton consists of volatiles.

The British are developing a process whereby the volatiles in such coal are separated by using a solvent. The carbon portion of the coal could be used for thermal generating and the volatiles for transportation fuel. Canmet is very involved in this particular situation, working on what is more or less the next step, and is developing what they call a hydrocracker, a process for upgrading heavy oils which would be the derivative of the solvent-producing carbon on the one hand and the heavy oil on the other. The heavy oil volatiles could then be used to be upgraded into a light oil capable of feeding any refinery which exists in this country at the present time. Not only that, but to this heavy oil could be added additional hydrogen and coal, coal solids, and this mixture could be upgraded to an efficient fuel capable of being fed into any refinery in the country. This is not new technology, it is technology which has existed for the past 17 years, but it is very important technology as far as eastern Canada is concerned. Unfortunately it has been allowed to languish unused for far too long a period.

It is hoped that the alternate energy corporation will bring this technology forward to a greater degree for the benefit not only of eastern Canada but of the whole of Canada, and that coal will become a very serious alternative in a fuel-hungry world. It is important to this country that we explore all our energy possibilities. The government has declared its intention to go ahead with the natural gas pipeline to Nova Scotia. They have made that commitment in the Speech from the Throne. It is a very important commitment when one considers the possibilities of natural gas existing off Sable Island.

Added to this is another possibility, the possibility of oil off the coast of Newfoundland. These are very important potential sources brought to prominence to a large extent through the contribution of Petro-Canada, an institution to which this government has pledged its support—in fact the government has made available to the corporation an extra $80 million, recognizing that this is an important operation upon which the satisfaction of the future energy requirements of this country is going to depend. It is important that sources of energy and sources of wealth are derived from all areas of this country and that no area should find its natural resources or its possibilities for employment pushed into the background.

All members here will agree that although we represent various constituencies we are also representatives of the whole country, and in this very important matter we must look not only to decisions which have been taken, but also those yet to come. On May 20 there will be made one of the most important decisions in the history of this country. But sometimes, before decisions can be made, problems must be overcome. We owe it not only to our constituents but to a unified country that these problems, and the areas in which these problems are found, are studied, analysed and understood. It is only in this way we, as a country, will become more unified and more purposeful.

• (2100)

Mr. Nickerson: Mr. Speaker, I wonder if the hon. member would permit a question.

The Acting Speaker (Mr. Blaker): I should advise the hon. member for Western Arctic (Mr. Nickerson) that the parliamentary secretary has completed his speech but, with the agreement of the parliamentary secretary, I will permit the question.

Mr. Nickerson: Mr. Speaker, I must say that I found the parliamentary secretary's speech very interesting and enjoyable, but the question which immediately pops into my mind results from an exchange which occurred here several days ago when the hon. member for Edmonton East (Mr. Yurko) asked the Minister of Energy, Mines and Resources (Mr. Lalonde) what part coal was to play in the national energy policy. The minister sloughed that question aside and would not really answer it. He gave the impression that coal was not really to fit into the picture.

Because the hon. parliamentary secretary is privy to what the cabinet is thinking on these matters, perhaps he can tell us whether what he said tonight was an expression just of his own personal views or whether indeed there is an imminent announcement to be made on coal policy for Canada by the cabinet.

Mr. MacLellan: Mr. Speaker, this is a subject of great interest to this country, and the government is studying it very, very carefully. The reason the Minister of Energy, Mines and Resources (Mr. Lalonde) did not elaborate on that subject is because it is now under the jurisdiction of the Minister of State for Mines (Mrs. Erola), and she would be the one who would be glad to elaborate on it at any time the hon. member should ask.

Mr. Gordon Gilchrist (Scarborough East): Mr. Speaker, may I begin by saying that as a new member I am rather astounded at the situation in which we find ourselves today in Canada with regard to energy. It is inconceivable that we would be running out of a resource of which we have more in Canada than has ever been found in the world to date because past governments have not had the wisdom or the courage to develop these resources. The main reason I entered politics was to help bring some businesslike sanity into government and the ownership and better development of resources and responsible economic policies on which to build a great future for this country. Economic policy must involve energy these days, and energy policy must involve economics. They are interlocked and indivisible. One holds the key to the other.

We have known for a long time that we in Canada were energy rich and resource rich. We have known that by selling our resources we could live like kings without working very hard. Over three decades Liberal governments have capitalized on this fact to provide better social standards for Canadians, and that has been great up to a point, but such wealth must be carefully handled. It must be wisely utilized to provide not only social justice but also creative work for Canadians, and an investment in future stability, because resources do run out, many of them, and so some portion of their value must be set aside to build an ongoing industrial base for the benefit of future generations of Canadians who will follow us. However, successive governments have consistently spent more than they took in, and Canada has amassed a huge national debt, partly by buying foreign goods and services instead of letting Canadians produce them.

We have sold our raw materials, our iron ore, nickel, asbestos, tin, zinc, tungsten, oil and gas in great quantities and at low prices, and we have bought cars, televisions, cameras, machines and thousands of other manufactured goods at high prices. We have exported Canadian jobs and guaranteed the employment of foreigners. It is time we stopped doing this kind of stupid thing, stole a leaf from the Parti Québécois book and became *maîtres chez nous*; masters of our own house, controllers and investors in our own destiny.

I would like to use my time to look at the benefits of energy development rather than dwell on just the costs, as the Liberal side of this House has myopically continued to do.

It is incumbent on any government of any country to plan for future needs, but for the government of a country as vast as Canada—and as subject to cold weather conditions as Canada is—not to have planned much, much better for energy development, is no less than dereliction of duty. However, that is the position we are in. No longer are we exporters of petroleum energy. We are net importers, and at a strangulation price. Today all the lands and people east of the Ottawa River are dependent on supplies of foreign oil. They are held ransom to fragile supply arrangements from unstable foreign lands, over long water distances and at high world prices. Why? Because governments since the early seventies have not had the foresight or the wisdom to develop western reserves, nor the common sense to build a pipeline past Montreal into Atlantic Canada. Instead, these same governments were content to tax Canadians for social and foreign aid programs we could not afford, while neglecting to finance and assist in the development and transmission of vital energy.

This year, 1980, we will spend $5 billion for foreign oil. That is enough to build a tar sands plant, and every single year until we get down to developing our own reserves adequately we will spend even more. Every year we wait, Atlantic Canada runs the risk of interruption of supply, with terrible conse-

quences to farmers and fishermen, to their factories, and to the heating of their homes. What action do we get to help the citizens of Atlantic Canada? Just the crossing of fingers in the hope that Hibernia will turn out to be the biggest goldarned oil find in the world. We all hope that that will prove to be the case, but that is hardly the stuff of which sound energy policy is made.

How does the government plan to develop Canada's energy? How will it raise the vast sums of money—the hundred plus billion dollars—needed to pay for development of the western oil reserves and the tar sands? Well, it does not know. It does not have a plan. The present government, after joining the NDP to defeat the only plan for energy development Canada has ever had, after only seven months of Conservative government, has come up with no plan, no action, and no pricing formula, unless we take the blended price, which will probably add up to more than our formula.

No one should be surprised that a political party which has its entire power base in eastern Canada finds it impossible to accept the economic realities of the need to pay a higher price for oil. In their blatant grasping for votes they have prujudiced Canada's economic future. No one in Canada wants to pay more for gasoline, and neither do the Americans, the Japanese nor the West Germans, but they do not have a choice, as we do. They have no oil of their own, so they pay world prices, but they have accepted it. They have reacted positively to it, and they have prospered in spite of it. We, who do not have enough oil of our own, pay the world price too for the 20 per cent of our oil which we must import and which is increasing as a percentage due to the increasing annual consumption and the diminishing supply. Unless we undertake a crash program of exploration and development of the tar sands, we will be paying the world price too in this century.

The Conservative energy program, with its 18 cents a gallon and $4 a barrel, was designed to do at least three important things. First, it would keep us from going deeper into debt each year with the Arabs and the Venezuelans. Second, it would have encouraged reductions in consumption of gasoline by encouraging the use of smaller cars, car pools, public transit and any other way one can economize. Third, it would pay for a massive program of energy development, with all its future benefits. How did these farsighted, long-range Liberal planners react to this first ever plan for Canadian energy self-sufficiency? They rejected it. They defeated it. They denied the people of Canada the fantastic benefits of and pride in the achieving not only of energy but also of economic self-sufficiency. They said Canadians could not afford it. They said Canadians could not afford to pay $1.40 a gallon when Americans pay $1.60 and some people over $3.

Does anyone here seriously believe that we are not paying higher prices for gasoline today? Just because the pump price is $1.10 or so, that does not mean we are paying $1.10 a gallon. There are three billion extra dollars which do not appear on the pumps but which must still be paid by all Canadians, whether they drive cars or not, through their taxes to pay the Arabs and the Venezuelans for our shortfall. History will reveal the cost of Liberal duplicity. Each year we wait will cost Canada billions of wasted dollars.

• (2110)

Instead of saying that we cannot afford higher prices, we should recognize that we cannot afford not to have the benefits which higher prices will bring. Take, for example, my province of Ontario. Ontario produces half of all the manufactures of Canada. How then could Canada spend $100 billion out west without a fantastic boom occurring in Ontario or in Quebec where over half of all the things that go into the building of a high technology industry like the tar sands development originate? If we spend $100 billion in western Canada by 1990, about $25 billion will come back to Ontario and Quebec for the production of pipe, valves, turbines, generators, pumps, trucks, in an industry which desperately needs jobs, computers, building materials, not only for plants but for the thousands of new homes which will go into the new plant sites accompanying the plants, and so on. Who will build these homes and manufacture these goods? Ontario and Quebec companies, and Ontario and Quebec people. In fact companies and people from every province in Canada will benefit from this unprecedented job boom.

Just yesterday Foothills Pipe Lines announced that Stelco in Hamilton and Interprovincial Steel and Pipe Corporation in Regina were given an order for pipe for the Alaska gas pipeline project worth $2 billion. This represents 5,500 man years or person years for Canadians. These companies, working with over 300 suppliers throughout Canada, will provide 28,000 man years of employment. Is anyone so blind that they cannot see the job opportunities, skills, training opportunities and investment opportunities for all Canadians? Even teachers, that hard-hit profession, will be pressed hard to teach the skills which will be in such great demand across Canada.

In the case of the Quebec and maritime pipeline, which would be an investment of over $4 billion, over $3 billion would accrue to Quebec and the maritimes and would create 64,000 man years of jobs over the next two decades. Add to these the jobs, the opportunities for the merchants and businesses along the route and you begin to get an idea of what developing our resources means in terms of jobs and wealth to Canadians. Today a tar sands plant will cost upward of $5 billion. For every plant built, Ontario will benefit to the tune of $1 billion.

Another major benefit which would have accrued to Ontario and to all Canadians through the Conservative energy policy, would have been the guaranteed 85 per cent of world price maximum for gasoline and oil, and even less for natural gas, in fact only 72 per cent of world oil price. Compare such benefits for Canadian manufacturing and job-creating opportunities with the speculative purchase of foreign energy supplies which offer no opportunities to Canada. Here we have, on the one hand, tenuous or questionable supply linked to rapidly escalating world price. The spot market oil prices today range in the $40 to $50 a barrel bracket. On the other hand, we could be

enjoying guaranteed supply at much lower prices by creating jobs for Canadians. So which is preferable?

Shall we pay fellow Canadians to develop our resources and produce our energy needs from our Canadian companies, or shall we pay foreigners for their oil, make them rich at our expense and enable them to invest our former dollars to buy out Canadian companies? With sound energy policies we could already have been *maîtres chez nous*, masters of our own destiny, instead of potentially shivering in the cold and dependent on foreigners as Liberal government inaction has had us do.

In the debate over increased costs of petroleum energy, Ontario took a firm position against such an increase, largely on the grounds of loss of jobs in Ontario caused by inability to compete due to higher costs. That was the argument. They used the old "we can't afford it" argument. In terms of total energy needs, Ontario today can generate just over 22 per cent of its requirements. It has recognized that through conservation and conversion to indigenous forms of energy, largely electrical, it can supply a target objective of 35 per cent of its total energy requirements by 1995.

Can this be accomplished without cost to the taxpayer? Of course not. The price tag, by the Ontario government's estimate, will be $30 billion over the next 15 years. This huge sum of $30 billion should be recognized as a quarter as much as the entire Conservative government proposal for petroleum self-sufficiency, and yet will supply only a 12 per cent increase in Ontario energy needs. So how can it be justified? Why would a province commit $30 billion for 12 per cent more energy? For benefits, that is how. Ontario sees the benefits of lower cost power and reliability of supply of power. These tangible elements of energy supply will attract and encourage the establishment and development of increased industrial growth, particularly in the high technology industries with increased tax payout and job creation for the province. Ontario also foresees a comcomitant reduction in increasingly expensive petroleum consumption, thus reducing the external influence and the extra costs to its economic affairs.

Now let us look at what Canada's smallest province plans to do about its energy problem. P.E.I. is actively considering the biomass alternative. Its studies show that under today's conditions, for every dollar spent on energy importation, primarily petroleum, 90 cents leave the province. The satisfactory development of biomass would reverse this condition and keep 80 cents of every dollar within the province.

So both the most populous and least populous provinces have recognized the advantage of substantial investment for the long-term benefit of their citizens. Their policies are pay now, benefit later, the very spirit and attitude which built this country. What a contrast this is to the do-nothing, unimaginative, inactive federal Liberal government which seriously jeopardizes Canada's economic future and leaves it under the control of foreigners. Even today it is not too late for the government to realize the error of its ways, to change its direction, to recognize the need to raise oil prices in order to generate the funds needed to commence the huge task before us and, at the same time, revitalize the sagging Canadian economy. The world would welcome such a change and would be anxious to participate. Investment dollars would flow into Canada with the consequential rise in the value of the Canadian dollar, the creation of new companies, both within and around the energy field, and the rise in employment which would be immediate and dramatic.

What would be down the road? In a world short of energy, Canada would be unique, a blessed nation, a nation with not only sufficient energy but with a strong industrial base to use that energy, to make productive use of it for the well-being and social benefit of its citizens.

So to the government I say: Please take up the challenge, recognize the potential, take the steps necessary to achieve the vision of a nation which has the resources, has the knowledge, and has the resolve to realize its destiny.

[*Translation*]

Mr. Rémi Bujold (Bonaventure-Îles-de-la-Madeleine): Mr. Speaker, I am pleased to participate in this debate on a motion from the opposition which deplores the absence of an honest and efficient energy policy.

Some hon. members said this afternoon that it takes nerve and temerity to present such a motion at the beginning of this Thirty-second Parliament and I agree. I heard the hon. member who spoke before me say that we have no development policy in the field of energy. I would like to point out to him that our development policy in the field of energy applies to all provinces, not only to one or two, and I am talking more particularly about the western provinces.

Speaking of energy sources development, I would remind the House that during the short time it was in power the previous government, which is the official opposition today, agreed to allow massive exports of natural gas to the United States. That government agreed such exports without any guarantee of any kind as to the construction of a pipeline or as to the possible exchange of gas between the two countries, namely the state of Alaska and Canada. The opposition also made that decision during that short period of time to pave the way for massive exports of one of our most precious natural resources in Canada, a natural resource which among other things is non polluting and one of our most important assets. In doing that, the government of the time had no specific policy or program for Canada in this area, let alone for Canadians. So, Mr. Speaker, it can certainly not be called an efficient policy.

● (2120)

Before the Houses were convened, about a month after the transfer of powers, this government had already accepted and approved a decision by the National Energy Board to start the construction of a Quebec-maritimes gas pipeline, namely the St. Lazare-Boisbriand section, over a distance of some 30 miles. Mr. Speaker, that is what I believe we call efficiency.

But we are now faced with another dilemma. After the federal government agreed to have the construction of that section started, we are faced with another government that certainly has no development policy in the energy area. That government, the government of the province of Quebec, which wants to reduce its dependence on oil by 30 per cent by 1990, and its dependence on natural gas by 25 per cent by 1990, that government has not yet given its approval to the construction of that gas pipeline. We know that pipeline would have enabled 83 billion cubic feet of gas to be moved to a new market in Quebec and the maritimes, which is the equivalent of 40,000 barrels of oil a day.

While the government of Quebec refuses to approve that construction, Quebec energy and resources department experts stated before the National Energy Board that if it is to reach its 25 per cent goal by 1990 Quebec needs the construction of a gas pipeline all the way to Quebec City, a low price for ten years for the consumer and the distributor, and a guaranteed supply of gas from western Canada. You see the incoherence of such a government. While some officials of one of their respected departments, a most important department in view of the crisis we are facing in Canada, are asking the National Energy Board to take measures to step up the development and supply of energy in the province of Quebec, there are ministers who are unable to make decisions, which we feel, in view of the current situation, are probably outright political.

In spite of this, the Quebec minister of energy has indicated that Quebec can pay the world price for its natural gas. How do those who favour the thesis put forward by the Quebec government reconcile their irresponsible approach with the serious opportunities for gas development? Would a sovereign and independent Quebec have access to the natural gas from western Canada and enjoy the same favourable conditions as now?

If Quebec were no longer part of Canada, why should it receive preferential treatment over the United States for natural gas prices? The American markets are nearer to the gas fields than Quebec, and the natural gas sold in the United States brings $4.86 per thousand cubic feet to the Canadian producers compared with $1.51 for the gas sold to Quebec. If Quebeckers had to pay the international prices, the natural gas they now use would cost them $550 million. By comparison, they paid $225 million wholesale in 1979, and this represents only 7 per cent of the energy used in Quebec. If we consider a proportion of 25 per cent, which is the objective for 1990, the cost would rise to about $2 billion at the 1980 international prices for gas.

Mr. Speaker, we really must wonder what would happen in such a case to the energy self-sufficiency plans of the Quebec government. However, if we look at the present policy of the Canadian government, we see that we are trying to develop an energy program on a rational basis. As we have underlined and as the Minister of Energy, Mines and Resources (Mr. Lalonde) has underlined several times, Petro-Canada, this Canadian corporation which we want to maintain and in which we want to invest more money so that it may become one of the highest rated companies in Canada, continues its explorations in eastern Canada and the northern seas.

The discoveries that Petro-Canada has made already and will certainly continue to make in the future will benefit all Canadians, all Quebeckers, and certainly the entire population of eastern Quebec, especially in the lower St. Lawrence and the Gaspé area. We all know to what extent these peripheral areas depend on energy discoveries at the present time, and we also know that Petro-Canada, because of its discoveries and the proximity of the gulf and the ocean, will be able to develop harbours on the north shore, the lower north shore and also in the Gaspé peninsula, and will eventually be able to think about building more plants.

It is extremely important, especially for the population of eastern Quebec, to share fairly in all these Canadian resources and in all this wealth. How can we, in Quebec, accept all that is being said at the present time in our province simply to convince part of the population, a part which I must say is getting smaller and smaller, as we shall certainly be able to see when the next poll is published, which should be tomorrow, I believe. We shall certainly see then that this percentage of the Quebec population is decreasing at a rate that the members of the Parti Québécois and the Quebec government will certainly find alarming.

Mr. Speaker, I am coming back to the members of the Parti Québécois who, as I was saying, claim that Hydro-Quebec will provide the money necessary to purchase oil and gas at world prices. This money will be obtained by selling electricity to the United States. The Quebec energy and resources minister said the following to a Radio-Canada reporter on March 10:

> We are going to depend increasingly on the international market for our oil; on the other hand, we will have ever larger quantities of electricity which can be seen in the framework of energy exchanges. That is to say, we sell our electricity at a high price and use the profits on that electricity to purchase our oil, so that in fact the cost of energy in Quebec will continue to be very low.

That, Mr. Speaker, is what the Quebec minister of energy spreads around the whole province almost daily. This afternoon, my colleague the hon. member for Labelle (Mr. Dupras) quoted figures on oil. He mentioned that the estimates of the Quebec government do not correspond with what this party foresees. Well, just for a few moments, I should like to look at the forecast expansion of the Hydro-Quebec grid. In 1985, the surplus electricity available for export would reach a peak. At that time, Quebec would still be able to pay, with the help of its hydro exports, only 10 per cent of the total cost for oil imports. That, Mr. Speaker, does not take into account the world price it will have to pay for natural gas. As I said earlier, the Quebec government in 1990 wants to have at least 25 per cent of its energy requirements covered by natural gas.

In my view, Mr. Speaker, they are somewhat over-confident in their optimism on hydroelectric surpluses. It must be realized that these surpluses are short-term spin-offs. In other words, Mr. Speaker, when new power plants go on stream and provincial demand is lower than production, the surplus is sold in the United States. Current Hydro-Quebec projections are that after 1985 these surpluses will decline significantly. By 1995, provincial demand for hydro power should balance supply.

Even if the total production capacity currently built in the James Bay project were exported at twice today's price, gross revenue would be around $1.7 billion. This would leave no margin for conversion to electricity in Quebec, and leave a $2.6 billion deficit at the 1979 oil costs, and a $5.1 billion one at the current 1980 prices.

This shows that the Quebec government projections for future energy alternatives are totally out of line. They quote figures out of nowhere, they base their assumptions on an expected power yield that is totally unjustified. It is unfortunate in my view that the Quebec government ministers try to convince part of the people with unverified and unverifiable assumptions to document their point on the viability of independence, in a period of energy crisis where we know that the nation's greatest opportunities lie within other provinces. It is unfortunate that they come and tell the people that within 15 years the benefits from hydro power can balance the loss of oil supplies. It is most unfortunate that they use such an issue that is so vitally important to the survival of the people, that they make such points with partisan motives and nothing else.

I feel we should stick to the facts that now exist, and to the Canadian reality. As far as the federal government is concerned, what we want to do, what we want is precisely a development plan, by a corporation like Petro-Canada, which would allow us to divide the existing wealth and by which the province of Quebec, within a united country, could partake of the benefits and of the vast potential that we have. I hope, Mr. Speaker, that the people of Quebec, faced with all these facts and vast opportunities, will decide to continue being part of this great country in order to benefit from the policies our government has implemented, the policies it is implementing and also from everything the government intends to do in this regard so that the province of Quebec and the maritimes will have maximum benefit.

Mr. Speaker, as I have tried to show, all the Quebec government is trying to make us believe is that the demand for electricity will allow it to make up its deficit, especially its monetary deficit, so that Quebec can get its oil supply. But again, Mr. Speaker, I do not think that we can believe those statements, and that is why our government, as the minister stated this afternoon, intends to take action in the field of energy so that all of Canada can satisfy all its energy needs.

• (2130)

[*English*]

Hon. Erik Nielsen (Yukon): Mr. Speaker, I get a very strange sense of *déjà vu* when listening to this debate. It takes me back to 1974, 1975 and 1976 when the warnings being sounded by members on this side were ignored just as they are being ignored today.

I would like to ask the House to examine with me the chaotic situation that exists today in respect of energy in this country. Let us not forget that this is the same old government which dithered and dreamed while the energy situation worsened in those years from 1974 to 1979. They did not face up to the growing problem then and they are not now. They knew the problem was there. It was just as plain as the nose on the face of the Minister of Energy, Mines and Resources (Mr. Lalonde), and I am disappointed to see that he is not in the House tonight. Indeed, there are no ministers in the House tonight when we are debating one of the most important issues that confront the country today. There is not a single minister in the treasury benches tonight to listen to the views and opinions being expressed by members of this House. This is the same old government that assured Canadians there was no energy problem in that last year of office prior to the May election, yet it increased the national deficit by $2 billion in that last year.

I see that there is now half a minister in the House. We do not know what he does to earn his salary, but the half of him is here.

The deficit in that last year of office was increased by $2 billion to pay for imported oil. This is that same old government which fought an election and won it on the issue of preventing an 18-cent a gallon increase and is now faced with the necessity of imposing a 16-cent a gallon increase almost immediately, with much more to come later, and that cannot be denied.

• (2140)

Our policy would have enabled Canadians to know what they were paying. It would have encouraged conservation, contrary to the dishonest assertions which I have been hearing in this debate in contributions made by those opposite. It would have encouraged conservation in the same way that President Carter's policy is doing in the United States. He has introduced almost an identical policy to the one which would have been adopted had our budget been passed. It would have reduced the incredible budgetary deficit by some $4 billion to $5 billion.

The government does not care how high our deficit goes. The Liberal policy is to deliberately conceal from Canadians what they are paying for oil. There are no ifs, ands or buts about that deliberate concealment. Their budget encourages the profligate use of diminishing energy resources. Their policy attempts to lull Canadians with the false assurance that all is well, when in fact the deficit is again rising by a further $2 billion over last year, and my prediction is that it will rise even

higher with the blatant pork-barrelling that is going on by that same old bunch over there, day after day.

While Liberals have attempted to hide the consequences of their reckless policy of enforced bankruptcy, the results are evident in uncontrolled inflation, the drop in the value of the dollar, the spread of bankruptcies across this country, steadily increasing unemployment, and the steady diminution of public confidence. The policy which we prepared under the budget of the hon. member for St. John's West (Mr. Crosbie) was a tough policy, but it was an honest policy and it was effective. The government's budget is a wishy-washy, queasy, dishonest, sleazy policy. In a very short time Canadians, I believe, will see that we were right. They will not thank the present government for leading this great country once more on the road to bankruptcy. Canadians will see the Trudeau government for what it really is.

When the hon. member for Perth (Mr. Jarvis) was speaking and quoting from *The Globe and Mail*, the minister took exception to the source. I would like to give a quote, just so that members opposite will see that these views are not mine alone. My quote comes from a newspaper which has very rarely been a friend of those of us on this side of the House, the Ottawa *Citizen*, of just last week.

The article is an editorial which is headed, "Yes, but wait until next year."

Mr. Evans: Oh, oh!

Mr. Nielsen: If the hon. member for Ottawa Centre (Mr. Evans) who, I believe, is the Parliamentary Secretary to the Prime Minister, wishes to speak, I hope that he will rise and do so. There is also the hon. member for Timmins-Chapleau (Mr. Chénier) who runs around the House like some kind of punch in a Punch and Judy show. He comes down to the front bench to heckle, then moves over to the right and then to the left, but I never see him participate in debates. Let the hon. member rise if he wishes to ask a question; we will answer him.

I will read from the editorial which I found in a Liberal newspaper:

> There's been a lot of fiddle-faddling, diddle-dawdling and fuddle-duddling on the part of the federal Liberals over the question of an increase in the excise tax on motor fuel.
>
> The daily question period in the House has been dominated by the issue, as the Liberals played cat-and-mouse games with the Tories and as the Tories scrambled to put questions to the government that couldn't be evaded.
>
> It looked very much last week as if the House of Commons needs a rule requiring the government to tell the truth, the whole truth and nothing but the truth.

Some hon. Members: Hear, hear!

Mr. Nielsen: That, sir, as their history has proven, and as they have already proven in the short time that this House has been in session, is the last thing which we will hear from the ministry, the same old ministry that is now back in office. The editorial goes on:

> But the dam finally broke on Thursday under the persistent pressure of unimpeachably clear questions by Tories Bill Jarvis and Harvie Andre. The government finally made it known how it intends to get more revenue from energy without raising excise taxes.
>
> First, there's the matter of the government's time frame. Marc Lalonde had said earlier in the week that the Liberals never promised that they'd never increase the federal excise tax. The promise was for 1980 alone, despite whatever impression the Liberals may have wanted to convey to win votes in February.

Further on the editorial says:

> However, with the lid off on Liberal promises after January 1, 1981, this plan and others will likely come into play. One already in place, announced in finance minister Allan MacEachen's mini-budget, is the change in the federal sales tax paid by fuel retailers from five cents a gallon to a nine per cent ad valorem tax. As oil prices rise, the government's income from this source will increase too.

That is the shady way in which this government operates and in which they attempt to hide the inevitability of an increase in fuel prices in this country, and attempt to slough off the blame on the government which they replaced. In fact, so cynical, so crass is their policy, and so brutal in its disregard of the future of this country, that it could only be followed by those who, in their hearts, do not believe in Canada and have no faith in its future. It is a policy that is based on "here today and gone tomorrow". That is their philosophy and it shows.

Mr. Chénier: That is what happened to you last year.

Mr. Nielsen: There goes the Punch of the Punch and Judy show over there again. Their policy shows no regard for the faith which they should have in this country.

Mr. Chénier: What faith did the Canadian people have in you?

Mr. Nielsen: If the hon. member for Timmins-Chapleau, instead of yapping away with this clap trap over there, wants to participate in the debate, then let him rise and do so and not act like a Punch in a Punch and Judy show, popping all over the House and heckling away.

Mr. Chénier: You said that before. You are the clown, not us.

Mr. Nielsen: Nowhere have the weakness and evasiveness of the government been more evident than on the question of energy pricing. They know full well they cannot go on subsidizing oil imports at the expense of the taxpayer, piling up huge and dangerous deficits. The cost of financing this government's deficits is now a major component of our annual expenditures. Our government tried to face up to this situation. It was an element of the budget introduced by the hon. member for St. John's West. Yet this vacillating government continues to pretend that it is offering Canadians cheap, or relatively cheap gas, and in that very fact encourages waste.

If one were to talk about their so-called policies on conservation, there has been no attempt whatsoever at providing leadership in the field of energy conservation by the government. Quite to the contrary. One simple way in which oil conservation could be encouraged, would be a reduction in the price of natural gas which would give Canadians an incentive to convert from oil to natural gas. Another example of this government's erratic energy posture was the meeting between the Prime Minister (Mr. Trudeau) and Premier Bennett of British

Columbia just a day or two ago, the details of which still remain shrouded in mystery.

It is, however, authoritatively reported that the Prime Minister offered to provide federal funding for the proposed B.C.-Japanese coal project only on the condition that B.C. would make some kind of tax concessions for the Alaska highway natural gas pipeline. If there has been a more blatant betrayal of the pipeline project, I do not know where it is recorded. The supreme irony is that this comes from the Prime Minister—who has been accusing the Clark government of fumbling this very pipeline, an accusation which he knew to be false when he made it.

When the Prime Minister goes to work, he does not fumble, he simply knifes the project in the back and does it behind closed doors. I cannot say that the Minister of Energy, Mines and Resources is very far behind him in the manner in which he has been manipulating, or attempting to manipulate, the decisions of the National Energy Board, which is supposed to be a free and independent agency of the government, making its own free and independent decisions.

● (2150)

The latest episode in the oil pricing charade is when the federal Minister of Energy, Mines and Resources issues provocative statements such as the one he made to the Conference Board yesterday, to the effect that Alberta, and I am quoting him, "cannot use its resources to the detriment of the rest of Canada." He said that again today. While he was saying it, it took me back to the days when I lived in the maritime provinces. The people down there felt very deprived. They felt that eastern Canada was lying under the udder of the cow; the front end of the cow was feeding the prairie provinces, and guess what the maritimes got? That is what they are getting under this government as well.

What does that mean, Mr. Speaker? Does the Minister of Energy, Mines and Resources make that kind of statement about Saskatchewan selling its potash at world prices, or does it mean that Quebec is marketing its hydro power—does he make the statement with respect to that matter—or Ontario its wood pulp or gold—does he mean it should sell its nickel at world prices as he insists that Alberta does with its resources, and Saskatchewan too?

It is a dangerous game that is being played by the Liberal party and the Liberal government, both in Alberta and British Columbia. I might say that this does nothing at all to encourage unity in this country. The government is playing fast and loose with provincial resources and provincial rights as though these things were within the jurisdiction of the federal bureaucracy. They are not, and the attitude that they are is one of the reasons why we have creeping separatism across this country today. They are deliberately fueling that emotion in this country. There is no question about it. As my friend says, they set about destroying it and they are achieving it in a very admirable fashion, as we see across our northern provincial boundary today. It is a very dangerous game they are playing. There is no question in my mind that if more attention had been paid to the rights and needs of the provinces in energy and other fields, we would not be having a referendum in Quebec today.

Some hon. Members: Hear, hear!

Mr. Nielsen: Federal government spokesmen have been using the same tactic in Quebec as they used in the rest of Canada during the election. They have made energy a political football. They have been going into Quebec and promising cheap oil as an incentive to vote in a certain way in the referendum. Like thousands of others, I hope that Quebec citizens will see where their interests lie and reject the ghetto mentality of the Parti Québécois and its supporters. But I deplore a tactic which promises what is not theirs to deliver, just as they did during the election campaign last May. The energy crisis in this country will not be resolved as long as this government treats it as political bait, provides no leadership in conservation, and refuses to take the necessary measures to control this situation. The situation in Quebec cannot be resolved on a promise to deliver cheap oil. That is not going to happen.

Energy is a symptom of this government's breakdown in the field of federal-provincial relations, as is their absolute disregard for the constitutional rights of the provinces in every field, including offshore rights about which they continue to make threatening statements. That is why Canada is fragmented and that is why we have a situation in Quebec which is a reflection of a similar uneasiness, felt but not voiced as loudly yet in other provinces.

Recently the Minister of Finance (Mr. MacEachen), that jolly jumper, that jovial gentleman who at one stroke rid himself of all contenders for the leadership of his party and returned to office as a part-time Prime Minister, told Canadians—a so-called part-time Prime Minister—that they could easily afford to pay exorbitant interest rates. To young married couples across this country, newly established in expensive homes and following extremely tight budgets, this arrogant bachelor over there says, "pay up or ship out." "You can afford it," he told them from the eminence of his minister's salary, "It is no problem. All my friends," he says, "are in a position to pay." That is an astonishing statement from one who, in earlier years, when the mantle of humility sat on his shoulders at one time, was a paragon of socialist virtues—a man moved to tears in this House by the simple contemplation of the number of Canadians living below the subsistence level.

As if that were not enough, sir, a few days ago he complained in the House—at least I thought he was complaining though he may well have been boasting—that a number of his cabinet colleagues were coming in with expensive programs which might have the effect of increasing the present astronomical deficit even further. There seems to be continuing contention between himself and the minister responsible for DREE.

It is a new and welcome departure to see the minister in the role of watchdog of the public purse. It is unfortunate that he did not adopt that role somewhat sooner, a few years ago, for

example, when his colleagues took their first faltering steps toward the fiscal chasm on which they are now hovering.

Unless they change their ways, Mr. Speaker, and face up to the problems as did the hon. member for St. John's West in his budget of last December, the Apocalypse will be upon us. I do not expect that they will change because the same Four Horsemen of the Apocalypse are back at the helm. I speak of the Minister of Finance, I speak of the Minister of Justice (Mr. Chrétien), the Minister of Energy, Mines and Resources and, of course, I cannot leave out the Prime Minister. The same old bunch, the same old bankrupt methods, and the same old pork-barrelling thrust.

So bad is the situation, so bankrupt the government of policy that the minister did not even dare to bring in a real honest-to-God budget. He favoured the House with a poor, misshapen, ill-conceived, tortured, whimpering excrescence that he tried to pass off as a budget—a performance that not even all his artfulness could accomplish. He brought it in by the back door, sir. He snuck it in in a way that would attract the least attention during the debate on the address when it would attract the least notice. He parked the baby on the doorstep and stole away into the night, leaving for Europe by the first plane, but not before he trampled the rights of Parliament by denying debate on money measures. We are used to that kind of conduct, though.

Mr. Deputy Speaker: I hate to interrupt the hon. member, but the time allotted to him has expired.

Some hon. Members: Continue.

Mr. Deputy Speaker: He may continue with the unanimous consent of the House.

Some hon. Members: More.

Mr. Deputy Speaker: There appears to be unanimous consent for the hon. member to continue.

Mr. Nielsen: Thank you, Mr. Speaker. As a first performance it is unexcelled in budgetary history. Presumably on the next go-around the minister will simply sit in his office and issue a directive which the House will be expected to follow. With the electronic progress we have made in this place it will probably come to us through the earphones rather than the House being graced by his presence.

They have started issuing legislative decrees, as was pointed out the other day by Eugene Forsey. This same attitude of benevolent disdain is shown by this government in coming to grips with the oil crisis, a difficult thing for a government to do at any time, and particularly difficult for a government already as slippery as the present government. As my friend, the hon. member for St. John's West says, they are as "slippery as a cod's tongue in a barrelful of cod livers."

Once again we see the same old Liberal policy, the same old shell game of appointing several people to be responsible in the same area so that no one knows where the real responsibility lies. I suggest it lies at the door of the Prime Minister. We have a minister of energy but he is not responsible for pipelines. They are the responsibility of another gentleman who is in the other place and cannot be questioned in this House. The Minister of Industry, Trade and Commerce (Mr. Gray) has a piece of the action when he is not sweating it out or too occupied with Chrysler as he is every day, all day. We wonder when that decision is going to be made.

Is it any wonder with all these crooks—excuse me, cooks, that the energy broth has become a bubbling stew of inapplicable policies and ineffective programs?

Where is the minister of energy now? What is he up to? He is a brooding figure in his seat, day after day—mum and out of touch.

Some hon. Members: Hear, hear!

• (2200)

[*Translation*]

Mr. Deputy Speaker: It being ten o'clock, it is my duty to inform the House that pursuant to Standing Order 58 (11) the proceedings on this motion have expired.

* * *

[*English*]

BUSINESS OF THE HOUSE

Mr. Collenette: Thank you for recognizing me, Mr. Speaker. I just want to confirm some arrangements for tomorrow. To bring the House up to date, I have had discussions with the House leaders on the other side about private members' hour. Not too many of the private members' bills have been circulated and distributed yet. Those who have their bills printed are either unwilling or unable to proceed tomorrow. We were hoping to proceed with motions at one point and there were discussions about continuing with government business until five o'clock. I was wondering if we could have some general agreement reached as to whether or not that is the agreed course of action for tomorrow.

Mr. Baker (Nepean-Carleton): Mr. Speaker, we had explored that point. I think it might be best that this, being the first of private members' hours, that private members' business could be dealt with tomorrow rather than going to government business. Since the private bills are not ready, I understand it is the rule that we could move to motions. I know of at least one motion that is ready, and there are perhaps others that would be ready to proceed tomorrow so that private members' hour would not be wasted.

I believe it is important that private members of the House do have an opportunity to express themselves on their own matters, and we ought to preserve that right. That is the attitude that I have taken in discussing the matter.

I did explore the matter of going on with government business, but it was felt that we should preserve as much as we could of the private members' hour. This is one way that we

might be able to do it, so there would be a private member's motion ready to be heard tomorrow.

Mr. Deputy Speaker: The suggestion is that private members' hour tomorrow should deal with private members' motions. The hon. member for Winnipeg North Centre (Mr. Knowles).

Mr. Knowles: Agreed.

Mr. Collenette: Mr. Speaker, if it is agreed, then perhaps tomorrow before eleven o'clock we could let the House leaders know which motion will be called, after consultation in the normal way with those persons whose names stand on the order paper under motions.

Mr. Baker (Nepean-Carleton): Mr. Speaker, that is quite acceptable, and I want to thank the parliamentary secretary.

Some hon. Members: Agreed.

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

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

FINANCE—AID TO SYDNEY STEEL AND MICHELIN TIRE

Hon. Elmer M. MacKay (Central Nova): Mr. Speaker, about three weeks ago I asked the Deputy Prime Minister and Minister of Finance (Mr. MacEachen) about the situation with regard to two very important projects to the economy of Nova Scotia, namely, Michelin Tire expansion, and aid to Sysco. I see my friend, the hon. member for Cape Breton-The Sydneys (Mr. MacLellan) is here in the chamber tonight and I see that he shares my concern although he has been strangely quiet about expressing the same kind of concern that he did when he sat on this side of the House, but I guess that is understandable.

The Minister of Finance sat mute in his seat and permitted the Parliamentary Secretary to the Minister of Regional Economic Expansion (Mr. Harquail) to assure the House that there would be an announcement made very shortly. Enough time has elapsed, about three weeks, that I feel compelled to underscore, once again, the importance of this particular situation not only to the province of Nova Scotia but to the Canadian economy.

I want to take this opportunity also to express my confidence in and my admiration for the new Minister of Regional Economic Expansion (Mr. De Bané), a man of sensitivity and a man who, I truly believe, has the interests of all parts of Canada foremost in his mind. As I say, I want to take this first

opportunity to assure him of my good will and support in this regard.

Unfortunately, I cannot express the same admirable sentiments when it comes to the attitude and the past record of the Minister of Finance who has had, for a period of ten years, the opportunity as a member of the government of this country, and as a minister from Nova Scotia, to do something. Instead of that he and the present Minister of Labour (Mr. Regan), the former premier of Nova Scotia for nearly a decade, were not part of the solution, they were part of the problem.

● (2205)

However, dealing first with Michelin, may I just put on the record that this is a very important project. To all intents and purposes it was a *fait accompli* early last winter. There really has been no valid reason for the delay in the confirmation of this very important project which not only will assure that Nova Scotia will be pre-eminent in the field of radial tire technology but, indeed, will ensure a vital stake for Canada in this particularly important industry. The fact that certain parts of Ontario are having difficulty with their segment of the rubber industry certainly should be no reason for anyone to try to deny the obvious merit of proceeding with the Michelin expansion in Nova Scotia. This company makes one of the finest, if not the finest, tires in the world, has fulfilled all of its commitments and should certainly, as a matter of right, be allowed to proceed with an RDIA grant which is not only perfectly in order but which should have been announced weeks ago.

If the government does not wish to proceed on that basis it could certainly proceed under the aegis of a subagreement under the general development agreement between the province and the Government of Canada. So I can only reiterate my hope that the government will get on with this job and stop the delay which is only costing employment and economic impetus to the province of Nova Scotia.

Mr. Speaker, dealing with the Sysco situation, this again is vital to the Nova Scotia economy. On its success rests not only the economic well-being of Cape Breton Island but also the viability of a large industry in Trenton, Nova Scotia, employing some 2,000 people. The Minister of Finance, as a Cape Bretoner, ought to know that delay is the deadliest form of denial. He participated in this tactic for, as I say, almost a decade together with Tom Kent who was probably the most incompetent manager that any large corporation ever had, setting the cause of Sysco back for a decade instead of modernizing and building upon the foundation which existed in 1970 when the government of Nova Scotia had previously, for various reasons, to take over this corporation and which was then producing about a million tons of steel every year under the same chief executive officer who has now come back to try to resuscitate it after ten years of neglect. Instead of doing something at that time, the government continued to obfuscate and delay. Mr. Speaker, there is ample precedent for the Government of Canada doing something immediately to take this economic burden off the province of Nova Scotia. We

have the St. Lawrence Seaway reorganization and consolidation of debt; we have the Air Canada situation where a similar burden was lifted, and Nova Scotia deserves at least the kind of economic consideration that wealthier parts of this country have enjoyed from this government.

I see my time has almost elapsed in this brief adjournment debate. May I simply say to the government opposite: Get on with the job. Our government was doing something about it. The government had ten years to do something about it, and since taking office again it looks as if we are back to the same old empty promises exemplified by the grandiose Gabarouse project that the Deputy Prime Minister ate off for years with no results for anyone.

Mr. Ralph Ferguson (Parliamentary Secretary to Minister of State, Small Businesses): Mr. Speaker, the present government shares the concern of the hon. member in respect of the future of the Sydney Steel Corporation in Cape Breton and the possibility of additional manufacturing and related activity in Nova Scotia by Michelin Tires (Canada) Limited.

● (2210)

The hon. member is well aware that this government wrote the first significant subsidiary agreement for assistance to the Sydney Steel Corporation in December of 1977, with total commitments close to $20 million. Further significant federal commitment to the Sydney Steel Corporation was made in April, 1979, but was not acted upon by either the province of Nova Scotia or the Government of Canada which assumed power after May 22, 1979. Since that time the circumstances which led to the federal commitment to Sysco have changed considerably. The company and the province decided not to enter into a long-term billets contract with Tree Island Steel Company of British Columbia, and the government of Nova Scotia primarily withdrew from further consideration of comprehensive joint studies which had been made to examine viable future options for the company. I am, however, optimistic that Canada and Nova Scotia will resume serious examination of viable future long-term solutions for Sysco.

I have to remind the hon. member, of course, that the Sydney Steel Corporation is a provincial Crown corporation and that decisions as to the future of the corporation are in large part dictated by the objectives of the government of Nova Scotia. I can say, however, that I do not believe that short-term remedies for Sysco which have been proposed from time to time constitute the right way to go about solving the problems of the company.

I understand that the province of Nova Scotia presented a proposal to the previous administration in January of this year. No action was taken at that time. As the Minister of Finance (Mr. MacEachen) has indicated to the House, he has discussed the Sysco situation with Premier Buchanan at a meeting on April 11 in Halifax and in other telephone conversations. He has also indicated to the House today that the Minister of Regional Economic Expansion (Mr. De Bané) and other members of the government are prepared to sit down with the government of Nova Scotia at any time to consider concrete plans which will have some prospect of ensuring a viable future for the provincially-owned steel plant at Sydney. He emphasized that any federal contribution will need to be placed in the context of a plan that is based on a viable production, sales and marketing program which can also provide an assurance of the longer term future of Sysco.

ENERGY—PROTECTION OF LOWER-INCOME GROUPS FROM SEVERE PRICE INCREASES

Hon. J. Robert Howie (York-Sunbury): Mr. Speaker, we are now at a critical stage in the history of the maritime provinces. New Brunswick, for example, faces grave threats to its economic and social well-being and also significant opportunities to escape some of its chronic difficulties. In 1979-80 it achieved the dubious distinction of having half its provincial revenues derived from Ottawa—a landmark of dependency already passed by Prince Edward Island and soon to be reached by Nova Scotia. Moreover, rising energy costs threaten New Brunswick's single most important industry, the forestry sector, for its mills are substantially more energy-intensive than competitors elsewhere; this at a time when disease control and plant modernization are also urgent. Because social benefits reversed the net migration out of New Brunswick during the 1970s—a good thing in itself—the province has a high unemployment rate despite a respectable record of job creation.

In fact New Brunswick is just now experiencing what most other provinces began adjusting to some time ago—an increasing number of job seekers, especially women, with high educational qualifications and career aspirations to match.

There is one other major obstacle to maritime economic recovery which has been part of our condition for so long we have almost stopped treating it as a problem. If New Brunswick is to have significant manufacturing beyond the processing of its own most skilled and enterprising citizens, then it must identify and develop external markets, and it must have technologies suited to local circumstances. But large companies based outside the region have little reason to invest in such marketing or research and development, and most local companies can seldom afford it.

Those opportunities which must be seized relate mostly to energy. In terms of supply, there are several possibilities for reversing our growing and dangerous reliance on imported oil—dangerous for all of Canada because the country is already subsidizing New Brunswick alone to the tune of about $1 million a day. For Atlantic Canada as a whole, the figure is now well over $3 million.

Expanded hydroelectric capacity, including the harnassing of Fundy tidal power, is the most attractive source because such energy will never run out. We hear mutterings about the prohibitive cost of Fundy power but, as the cost of fossil fuels skyrockets and as we compare estimates for this kind of development with the projected investment in tar sands projects, we are entitled to wonder why the investigation of Fundy has been so slow.

We should also be thinking of a regional power grid and drawing on plentiful, distant sources, such as the still underdeveloped potential of the lower Churchill Falls in Labrador. New Brunswick's commitment to nuclear energy has been made in the form of Point Lepreau, which will begin to provide from 20 per cent to 30 per cent of provincial electric requirements next year. The ideal solution for pulp and paper mills is, of course, to convert wood residue to useful energy. Apart from the saving in imported oil, this would be a stimulus for new forest management techniques on both farmlands and private woodlots. Coal and thermal peat have technological obstacles to be overcome, but these resources also exist in abundance.

● (2215)

The question of natural gas is a distinctly two-sided one. There are enormous potential gains for New Brunswick. The Petro-Canada proposal to ship liquefied natural gas from the Arctic to an east coast port, where it would be gasified and piped to central Canadian markets, as well as the more immediate Q and M and TransCanada proposals to ship western gas eastward until Arctic resources are available—all these would command substantial activity. Q and M alone forecasts 5,500 man years over a three-year period.

The availability of natural gas opens up numerous industrial possibilities, including materials for the conversion of users to gas from other forms of energy, plastic pipe for the transmission of gas, and the production of New Brunswick's newly exploited potash resources.

The greatest opportunity of all, however, is for the expansion of Saint John's shipbuilding facilities in order to build liquid natural gas carriers. Experts are agreed that if a proposed two-phase, $50-million program to lengthen and widen the inner dry dock goes ahead, the port's permanent ice-free condition and other modern facilities will make it a strong competitor for vessel contracts.

The danger in natural gas development is long term and controllable, but only if we keep sight of it amidst the present enthusiasm. Gas is a non-renewable resource; the maritimes must learn from their mistake with oil and not become heavily dependent on another vanishing commodity. Natural gas consumption must be treated primarily as a transitional phase, with conservation and non-depleting forms of energy as the ultimate answers.

The previous government demonstrated, in the short time allowed it by the Liberals and their western surrogates, that it understood the problems and the need for immediate, comprehensive action.

Virtually every reputable economic authority in and outside the country, not to mention previous Liberal ministers of finance and energy, recognized that there could be no successful conservation campaign and no adequate development of alternate energy sources, until oil prices began rising toward realistic levels. The proposed energy bank was precisely the kind of mechanism through which research and conversion could be financed in the maritimes, and it would have provided the impetus, finally, to activate the Maritime Energy Corporation as the basis for a co-ordinated, long-term regional strategy. The budget also recognized the need to cushion the impact of oil price increases during the period of transition, hence both the shelter allowance and the subsidy for oil-generated electricity.

For an average maritime family of four driving 12,000 miles a year, getting 20 miles per gallon for gas and earning under $21,000 a year, the energy tax credit of $80 per adult and $30 per child would have amounted to $220—and fully compensated for the 18-cent excise increase and $4 a barrel price increase. Whatever the government's eventual position on oil pricing, I recommend that special consideration like this be given Canadians in the lower and middle income brackets, and that a goal of energy self-sufficiency stress development of our indigenous energy sources.

Mr. Russell MacLellan (Parliamentary Secretary to Minister of State, Mines): Mr. Speaker, when the minister responded to the questions from the hon. member for York Sunbury (Mr. Howie), he explained that he was in the process of negotiating with the producing provinces on oil prices and, until that process was completed, he would not know the extent to which the new price structure might impose a burden on the Atlantic provinces. It could be said with certainty, however, that the impact of a price increase would have been much greater under the planned budget of the previous government. In fact, the price increase this year will be less than half of what it would have been under the Tories.

The government is examining Atlantic provinces needs in the context of the over-all energy strategy now being developed. Specific programs can only be worked out, however, when revenues that will be available to the federal government are known, and this information must await a determination of oil price conditions. The very considerable assistance that has been provided to the Atlantic provinces in relation to oil costs should not be forgotten.

● (2220)

Over the years the federal government has provided assistance in a variety of ways to assist the maritime provinces in meeting their electricity requirements. The assistance dates from the early 1960s when funds were provided under the Atlantic Provinces Power Development Act. More recently support has been provided through federal loans to aid New Brunswick in construction of the Point Lepreau nuclear generating station, and Nova Scotia through funds to advance construction on the second coal-fired thermal generating unit at the Lingan coal mine. Prince Edward Island has been assisted through the construction of the interconnecting cable providing lower cost electrical energy from its neighbouring provinces. Assistance to Newfoundland is being provided through the Lower Churchill Development Corporation leading to proposals for hydroelectric development in Labrador and related electrical transmissions systems.

The federal government is strongly committed to the Maritime Energy Corporation as a means of achieving a co-opera-

tive effort in the planning and development of efficient electrical distribution throughout the maritime provinces. The federal government stands ready to provide financial support to this broader degree of regional co-operation and planning as soon as the maritime provinces reach a consensus on a procedure that would permit the necessary co-ordination. Any further studies of the Bay of Fundy tidal power must await the establishment of the Maritime Energy Corporation in accordance with a memorandum of understanding signed by the three maritime governments and the federal government in February, 1979.

I should like to remind hon. members of the huge amount of assistance that has been provided to residents of the Atlantic provinces, in respect of oil price increases, by way of the oil import compensation program. During the past six years the people of the Atlantic provinces have benefited from this program to the extent of about $2.5 billion, or approximately $1,100 per person over a six-year period.

Mr. Deputy Speaker: Order, the time allotted for the hon. parliamentary secretary has expired.

ROYAL CANADIAN MOUNTED POLICE—ALLEGED ILLEGALITIES COMMITTED BY MEMBERS OF FORCE

Mr. Svend J. Robinson (Burnaby): Mr. Speaker, I rise this evening to raise some very serious questions concerning the RCMP operation Checkmate, the McDonald commission, and the role of the Liberal government to date in these matters. I might add that unfortunately the Conservative party in this Parliament has been totally silent, both inside and outside the House, on these important points concerning the responsibilities of the government to uphold the rule of law in this country.

Operation Checkmate, which was disclosed on April 19 and 20, made reference to a number of illegal operations carried out under the guise of disruptive measures pursuant to the alleged mandate of the RCMP security service. The concern that I have on this question is that if we are to respect the principle that there cannot be one law for the RCMP and another law for the rest of Canadians—and surely this must be a cardinal principle under our system of law in this country—where there is clear evidence of wrongdoing, either criminal wrongdoing or under another federal statute, it is incumbent upon the government to prosecute that wrongdoing.

Of course, we have seen where there are prosecutions in some cases that the courts will consider the circumstances in arriving at a sentence, such as in the case of Superintendent Cobb who was given an absolute discharge in connection with the APLQ break-in. Unfortunately, the attitude of this government, however, appears to be not one of upholding the concept of the rule of law, but rather saying that if certain actions to date on the part of the RCMP have been illegal, if the RCMP have been breaking the law, then we must change the law. That appears to be the concept of the Liberal government, and that is a concept which we on this side of the House reject.

I would point only to the example of mail opening. We have seen a succession of evidence of illegal mail opening, many instances of mail opening, and the response of the government. The hasty response of the new Solicitor General (Mr. Kaplan) has been: well, perhaps what we should be doing, then, is changing the law to make this very serious invasion of our privacy legal. Once again, we reject that response to this question.

There are a number of remedies which the government can consider in dealing with violations of the law by the RCMP. Basically there are three such remedies. First, there is a question of prosecution either by provincial attorneys general or by the federal attorney general. Of course, the question of jurisdiction was one of the questions which arose in my exchange with the Prime Minister (Mr. Trudeau) on April 21.

● (2225)

It is clearly beyond any doubt under criminal law in this country that the federal government has the responsibility and, indeed, the exclusive jurisdiction to prosecute under federal statutes such as the Post Office Act or the Income Tax Act. Indeed, the Supreme Court of Canada has left open the question as to whether the federal government has jurisdiction to prosecute under the Criminal Code of Canada, that is, of course, in the Hauser decision of the Supreme Court of Canada. Prosecution is one remedy that is available.

A second remedy is disciplinary proceedings against those members of the RCMP who have been found to have violated the law, and thirdly there is the question of civil action by those persons or groups who have been aggrieved by the illegal actions of the RCMP. This is a time-consuming and expensive method of proceeding on these wrongdoings, however.

The significant factor in all of these cases of wrongdoing today is that there has not been a single charge, not a single prosecution in respect of any of these wrongdoings. It is that fact which is causing very serious questions to arise in the minds of Canadians as to the desire of this government and its predecessor to uphold the rule of law in this country.

We have seen a series of offences under the Criminal Code; forgery, breaking and entering, theft and impersonation. I suggest it is encumbent upon this government not to hide behind the smokescreen of the McDonald commission, but to proceed to show Canadians that where the law is violated there is a responsibility on the part of the government to prosecute under that law, and that there is one law for all Canadians.

We in the New Democratic Party expressed serious concern at the time of the formation of the McDonald commission, in a number of areas, including the limited terms of reference of this commission and its failure to have any mandate to look at the question of political accountability of the security service. We were frankly concerned about the political background of a number of the commissioners and, indeed, of some of the senior staff, and that was a background of active involvement in the Liberal party.

We are concerned that the RCMP must not be allowed to be made scapegoats if the responsibility for their illegal actions

lies higher up in the political chain. The commission has been going for approximately three years, and at every instance when the illegal actions of the RCMP have been disclosed we have been told by members of the government that we will have to await the outcome of that commission.

We say that the time has come to act. The Prime Minister has indicated that he intends to await the outcome of the commission report. We say, based on the record of the commission so far, and based particularly on the record of the commission in its first report on the Official Secrets Act, that we have very little cause for optimism, indeed, that this report will not be satisfactory to deal with the concerns we have in this area.

In closing I would like to say that there are two major points on which we would like some clarification. The first is, are the disruptive measures which were used by the RCMP in operation Checkmate still authorized under the mandate of the security service today, and are they being carried out? Secondly, as I asked the Prime Minister, what happened to the files which were destroyed pertaining to operation Checkmate, and who authorized that destruction?

There are many other serious questions in this area of the RCMP and the law, and I am sure that in the days ahead they will be raised.

Mr. Deputy Speaker: I regret to interrupt the hon. member but his time has expired.

Mr. Russell MacLellan (Parliamentary Secretary to Minister of State, Mines): Mr. Speaker, as both the Prime Minister (Mr. Trudeau) and the Solicitor General (Mr. Kaplan) have stated, it is not the policy of the government to comment on the day to day proceedings of the commission of inquiry. This includes the details of operation Checkmate and the destruction of associated files, which matter is also under investigation by the commission.

It can be said, however, that it is the Solicitor General's policy, as it has been of his immediate predecessors, to direct the framework of the law. As for the future, the government is considering future arrangements to govern the activities of the RCMP, and in this regard the government hopes that the forthcoming report of the commission of inquiry will be useful.

• (2230)

The laying of charges is not the responsibility of the Prime Minister or the Solicitor General, but a unique prerogative of the attorneys general, federal and provincial, depending on the nature of the case. However, Mr. Justice McDonald has clearly indicated that he would prefer any such action to await his report, and in view of the fact that he is committed to report during the summer it seems reasonable to give the commission this opportunity.

The government recognizes that the provincial attorneys general are fully responsible to determine what action they should take and when it should be taken. The Solicitor General has offered consultations to them, and two provincial attorneys general have taken up his offer, as a result of which further information under his control will be provided to them. In the event, however, that any of the attorneys general seek access to the in-camera transcripts of the proceedings of the commission, it should be borne in mind that the commissioners have taken position that the control of such material is theirs exclusively. Accordingly, in such circumstances it would be necessary for the Solicitor General to discuss any such requests with the commissioners.

The commission itself established rules that determine who is authorized to have access to the transcripts of its in-camera proceedings. The Government of Canada has access to such transcripts, but for it to circulate the information further would in the view of the commissioners, be contrary to the rules of the commission, If, however, any of the attorneys general involved decide to make formal representations to the Solicitor General to secure access to the in-camera transcripts, the Solicitor General is prepared to discuss the matter further with the commission.

Mr. Deputy Speaker: The motion to adjourn the House is now deemed to have been adopted. Accordingly, this House stands adjourned until tomorrow at 11 p.m.

Motion agreed to and the House adjourned at 10.31 p.m.

HOUSE OF COMMONS

Friday, May 9, 1980

The House met at 11 a.m.

• (1105)

ROUTINE PROCEEDINGS

[*English*]

INDUSTRY

CHRYSLER CANADA—ALLEGED FAILURE TO REACH EQUITABLE AGREEMENT—MOTION UNDER S.O. 43

Mr. John Kushner (Calgary East): Madam Speaker, I rise, under the privilege of Standing Order 43, on a matter of urgent and pressing necessity.

Inasmuch as the motor car manufacturing industry is in a financial crisis as a result of the rapidly changing market and competition from overseas, and whereas the jobs and livelihood of thousands of Canadians are threatened by the mismanagement and incompetence of the Liberal government and, in particular, the Minister of Industry, Trade and Commerce, I move, seconded by the hon. member for Edmonton East (Mr. Yurko):

That this House condemn the Minister of Industry, Trade and Commerce for his failure to negotiate an equitable agreement with Chrysler to safeguard Canadian jobs and for misleading this House and the Canadian people by publicly indicating on three occasions that he had reached an agreement with Chrysler.

Madam Speaker: Such a motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

TOURISM

REQUEST FOR ESTABLISHMENT OF SEPARATE DEPARTMENT—MOTION UNDER S.O. 43

Mr. Stan Darling (Parry Sound-Muskoka): Madam Speaker, I rise on what is a matter of urgent and pressing necessity, not only to the residents of the Parry Sound-Muskoka region but also to the residents of all regions of the country which depend heavily upon revenue generated from tourist activity.

For the year 1978, the total revenue generated from tourist activity involving both Canadian citizens and residents of foreign countries amounted to $11.1 billion, or 5 per cent of the country's GNP. In light of the fact that the revenue produced from activity directly or indirectly associated with the tourist industry in this country represents such a substantial proportion of the country's GNP, I move, seconded by the hon. member for Western Arctic (Mr. Nickerson):

That an independent department of tourism be established by the current administration to be headed by a minister solely responsible for tourist activity in this country and to be staffed by individuals presently affiliated with the branch of tourism under the existing Department of Industry, Trade and Commerce.

Madam Speaker: Such a motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

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NATURAL RESOURCES

APPLICATION OF BNA ACT IN NEGOTIATIONS ON ENERGY—MOTION UNDER S.O. 43

Mr. Blaine A. Thacker (Lethbridge-Foothills): Madam Speaker, I rise, pursuant to Standing Order 43, on a matter of urgent and pressing necessity.

Section 109 of the BNA Act and Supreme Court of Canada decisions on that section clearly state that mines and minerals, including oil and gas, belong to the provinces in which they are situated. The Government of Canada has honoured that section with respect to Quebec and Ontario resources such as asbestos, lead, zinc, nickel, electricity, etc. I move, seconded by the hon. member for Bow River (Mr. Taylor):

That this House instruct the Prime Minister to recognize his personal and public duty to honour and uphold the constitution and that he instruct the Minister of Energy, Mines and Resources to honour section 109 in the present energy negotiations.

Madam Speaker: Such a motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

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AIRPORTS

DEVELOPMENT OF AIRPORT IN HAMILTON AREA—MOTION UNDER S.O. 43

Mr. Ian Deans (Hamilton Mountain): Madam Speaker, I rise on a matter of urgent and pressing necessity under the provisions of Standing Order 43.

S.O. 43

In light of recent statements by the Minister of Transport that the future of Hamilton airport has as yet not been determined, and in light of repeated announcements over the last two years which have indicated a willingness, both on the part of previous Liberal governments and of the immediate past government of the Conservative party, that expansion plans with a price tag of not less than $40 million had been approved, I move, seconded by the hon. member for Beaches (Mr. Young):

That this government set forth, in a concise statement, plans which it has for the development of a regional airport in the Hamilton area and that, in addition, this statement clearly sets out the parameters in terms of size, dollars and aircraft usage within which a regional airport is intended to fall.

Madam Speaker: Such a motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

● (1110)

HOUSE OF COMMONS

REPORTED DAMAGING STATEMENT CONCERNING STAFF—MOTION UNDER S.O. 43

Mr. Dan McKenzie (Winnipeg-Assiniboine): Madam Speaker, I rise on a matter of urgent and pressing necessity under the provisions of Standing Order 43.

A recent statement made by the hon. member for Ottawa West (Mr. Francis) in the May 7, 1980, edition of the Ottawa *Citizen* reads as follows: "—that he knew of cases where females had to go to bed with supervisors to get promotions."

Owing to the fact that this now casts a cloud of suspicion over the House of Commons staff, I move, seconded by the hon. member for Yukon (Mr. Nielsen):

That the hon. member for Ottawa West be called immediately to appear before the Standing Committee on Management and Members' Services to explain these very upsetting and damaging statements.

Some hon. Members: Hear, hear!

Madam Speaker: Such a motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

ABORTIONS

CALL FOR DEBATE AND AMENDMENTS TO CRIMINAL CODE—MOTION UNDER S.O. 43

Mr. Thomas Siddon (Richmond-South Delta): Madam Speaker, I rise under the provisions of Standing Order 43, to move a motion of urgent and heartrending necessity.

In view of the fact that the lives of over 60,000 innocent Canadian children were terminated by the decision of therapeutic abortion committees during the past year, and recognizing that unborn infants are not nondescript appendages attached to their mother's womb but, in fact, are living human beings to whom society has an undeniable moral responsibility, I move, seconded by the hon. member for Bow River (Mr. Taylor):

That the government be directed to convene a full parliamentary debate on this important subject at the earliest possible hour, with a view to amending the Criminal Code so as to recognize the full legal and human rights of unborn children and that, further, the three political parties represented here do consent to a free-conscience vote on the consequent amendments to the Criminal Code of Canada.

Some hon. Members: Hear, hear!

Madam Speaker: Such a motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

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TRANSPORT

FINANCIAL ASSISTANCE FOR LIGHT RAPID TRANSIT SYSTEM IN B.C. LOWER MAINLAND—MOTION UNDER S.O. 43

Mr. Svend J. Robinson (Burnaby): Madam Speaker, in view of the fact that previous Liberal governments have made promises with respect to the funding of light rapid transit and have broken them, and in view of the fact that the benefits of light rapid transit, including energy conservation, efficient movement of people and preservation of residential neighbourhoods from cars and bridges, are well established, I move, seconded by the hon. member for Vancouver East (Mrs. Mitchell):

That this House calls upon the federal government to provide major financial assistance for the capital and operating costs of the proposed light rapid transit system for the lower mainland of British Columbia.

Madam Speaker: Such a motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

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AGRICULTURE

PROMOTION OF SWEET APPLE CIDER—MOTION UNDER S.O. 43

Mr. J. P. Nowlan (Annapolis Valley-Hants): Madam Speaker, I rise under the provisions of Standing Order 43. In view of the urgent and pressing necessity to protect the primary producers of this country, and in the afterglow of the unanimity of the House this week when it passed Bill S-5,

defining Canadian champagne, I move, seconded by the hon. member for South Shore (Mr. Crouse):

That the Minister of Agriculture use the weight of his office to finally enact long-delayed regulations to preserve the purity and protect the market for sweet apple cider, so that those Canadians who have neither the taste nor the pocketbook for champagne can enjoy the quiet quality and sobering strength of natural sweet apple cider.

Madam Speaker: Such a motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

THE CONSTITUTION

LEGISLATION TO PROVIDE FOR AMENDMENT IN CANADA—MOTION UNDER S.O. 43

Mr. Bill J. Yurko (Edmonton East): Madam Speaker, I rise, under the provisions of Standing Order 43, to move a motion of urgent and pressing necessity.

Whereas some provinces have repeatedly refused to endorse the patriation of the Constitution of Canada from Britain, I move, seconded by the hon. member for Provencher (Mr. Epp):

That the Parliament of Canada submit an address to Her Majesty the Queen, that Her Majesty may graciously be pleased to cause a bill to be laid before the Parliament of the United Kingdom to provide for the amendment in Canada of the Constitution of Canada.

Madam Speaker: Such a motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Madam Speaker: Hon. members have heard the terms of the motion by the hon. member for Edmonton East (Mr. Yurko). Does the House agree to such a motion?

Some hon. Members: Agreed.

Madam Speaker: The right hon. Prime Minister (Mr. Trudeau).

● (1115)

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, the House will remember that the previous government of which I was the prime minister had submitted to Parliament a white paper and a bill the effect of which would have been that suggested by the motion of the hon. member opposite.

Naturally, we are still anxious that this happen, and that Canadians can really see themselves as having a Canadian Constitution rather than a constitution made more than a century ago in another country and still ultimately amendable there. This has been our aim for many years.

I think the House has heard me say that many prime ministers of different political stripes have attempted this patriation operation, with the first attempts going back to the middle 1920s. Each time we failed to achieve the purpose because, as the motion tells us, one or the other, and sometimes several, provinces refused to agree on an amending formula.

We are determined that in the months ahead the House will have an occasion to express itself on this matter. Perhaps the House leaders of the other parties, our own House leader and myself could discuss the appropriate time to proceed with that. For my part, I think it would be appropriate if we consulted the provinces before acting unilaterally on that motion.

Some hon. Members: Hear, hear!

Hon. Walter Baker (Nepean-Carleton): Madam Speaker, if I may just respond for a few moments to what the Prime Minister (Mr. Trudeau) has said, I think it is the desire of most Canadians that there be that right within our own country to amend our own constitution. I think that goes without saying, really, but I think I should say it because of the spirit in which the Prime Minister has put forward the motion today. I was very happy to hear him say that we might consult with respect to an opportunity in this House of Commons to debate this matter. I think that is a very appropriate reference, and I commend him for it.

I also commend him for indicating the necessity and, indeed, if not the necessity certainly the propriety in our system, of consulting the provinces in respect of that matter before we act unilaterally.

Speaking for my own party, I would be more than happy to consult with my friend, the government House leader, as to an appropriate time when that debate might take place. I undertake, on behalf of my party, to participate in that kind of discussion in the event that it is initiated.

Therefore, I commend the hon. member for bringing forward this motion today and I think, given those parameters which have been laid out, I think quite appropriately, by the Prime Minister, it is a motion worthy of the support of this House.

Hon. Stanley Knowles (Winnipeg North Centre): Madam Speaker, not only do we commend the hon. member for bringing forward the motion, but we commend the Prime Minister (Mr. Trudeau) for giving it the consideration that he has in the remarks he has just made.

I certainly want to say, on behalf of our party, that we are prepared at any time to have discussions among the House leaders as to the appropriate time when we could have a debate on this issue, and one hopes that we might come to a satisfactory conclusion.

● (1120)

Mr. Bill J. Yurko (Edmonton East): Madam Speaker, in speaking to this motion may I indicate how pleased I am to have heard the comments by the Prime Minister and the House leaders of the two opposition parties. However, I would

like to inform the House that during private members' motions this afternoon from four o'clock to five o'clock, motion No. 13—which deals very specifically with this matter—will be up for discussion.

In that light, this motion this afternoon, as far as I understand it, deals not only with the patriation of the constitution but, indeed, deals with a possible amending formula which goes back some time in its evolution. Indeed, I hope it will be a time when, in fact, a number of members of this House can rise in their places and speak on this motion.

I trust, again, Madam Speaker, that a similar motion, either to the motion under Standing Order 43 this morning or the private members' motion this afternoon from four to five will be brought before this House at the earliest opportunity for an additional debate, as this matter should be debated by Parliament at the earliest opportunity.

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

Some hon. Members: Agreed.

Motion agreed to.

* * *

[*Translation*]

HOUSE OF COMMONS

PRESENCE IN GALLERY OF DIPLOMATS WHO EVACUATED AMERICANS FROM IRAN

Madam Speaker: Before we begin the oral question period, I should like to draw the attention of the House to the presence in our gallery of our Canadian diplomats in Iran who helped in the escape of the American diplomats.

[*English*]

It is always satisfying when one is called upon to render service to others. I am sure that is sufficient reward to our diplomats from Iran, but I know this House would want to pay homage to the intelligence and courage of Ambassador Ken Taylor and his colleagues for having done something which makes Canada extremely proud.

Some hon. Members: Hear, hear!

Madam Speaker: I have the honour to inform the House that I have just received a joint resolution from the Senate, and the House of Representatives of the state of Tennessee, expressing appreciation to the government and the people of Canada for the action of their diplomats in Iran. I am sure that hon. members will want me to reply on their behalf.

ORAL QUESTION PERIOD

[*English*]

INDUSTRY

CHRYSLER CANADA—REASONS FOR GOVERNMENT'S DECISION

Hon. Michael Wilson (Etobicoke Centre): Madam Speaker, yesterday the right hon. Leader of the Opposition tried, without success, to find out the reasons for the reversal on the Chrysler decision which apparently was dealt with by cabinet.

My question is for the right hon. Prime Minister, in the absence of the Minister of Industry, Trade and Commerce. Would the Prime Minister advise the House whether or not it was because of actions taken, or statements made by Chrysler Canada, the province of Ontario, or the decision of the federal cabinet, that the position which apparently had been taken by the Minister of Industry, Trade and Commerce was reversed?

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, I want to point out that there was no reversal of a decision. The subject, which had been discussed at previous times in cabinet, was discussed again today. A decision was not reached in time to make the announcement yesterday afternoon.

Mr. Wilson: Madam Speaker, there was clearly a reversal. The Minister of Industry, Trade and Commerce stated his intention to make an announcement at three o'clock, and a short while later he came out of the cabinet meeting and said that he was sorry, that no decision had been taken and there would be no announcement.

• (1125)

My question relates more to the position of the United States government. Today, the U.S. loan board will be making a decision on their aid package to Chrysler. The Minister of Industry, Trade and Commerce indicated quite clearly that there is a very close relationship between the position the Government of Canada would take and the position of the U.S. loan board.

Because of the importance of this decision, I am sure the Prime Minister is very current on these negotiations. Could he advise whether there was something that the U.S. loan board were requesting from Canada, in their proposal, that caused this reversal to take place? Was there something that was unacceptable on the part of the U.S. loan board that caused this action?

Mr. Trudeau: No, Madam Speaker. The fact that the loan board was meeting today was the reason the minister had hoped to make his announcement yesterday. I repeat, discussions in cabinet indicated that we were not ready to make that decision, in spite of the meeting of the loan board today.

The minister had been attempting to reach his counterpart—I believe it is Secretary Miller—who sits on the loan board, but he was away in Yugoslavia to attend President Tito's funeral. This made it difficult for us to obtain certain

additional facts, on the one hand; on the other hand, we were informed that the government of Ontario was hoping to improve upon the package that had been discussed between Chrysler and Canadian officials and ministers.

I personally spoke to the Premier of Ontario who, indeed, confirmed to me that he hoped to improve on the package and that he was hoping to have a meeting early next week with Chrysler officials, which presumably would also be attended by the federal minister. At that time they will attempt to improve the package for Canadians. But the general desire of the federal government is still, of course, to help this industry and the workers whose jobs depend on its survival; but, of course, we bend to the superior wisdom of the Ontario government, who feel that a better deal can be reached, and we are willing to go along with that.

Mr. Wilson: My supplementary question is also to the Prime Minister, Madam Speaker. In committee this morning, the Minister of Industry, Trade and Commerce lashed out at committee members for asking whether there was any contingency plan in place, and whether this government was considering any alternatives to the support proposals that are under consideration now, in view of the precarious position of the company, having lost $400 million in the first quarter. It was unclear to us why he was taking this rather defensive position. It occurred to me that possibly there is no contingency plan in place.

I should like to ask the Prime Minister whether there is a contingency plan in place in the event that agreement is not reached with Chrysler Canada, and in view of the very difficult position that the workers and the company and the suppliers have been put in. If there is no contingency plan in place, would he commit to the House that steps will be taken immediately to commence work on such a plan?

Mr. Trudeau: Madam Speaker, I believe that under the rules of the House it would not be proper for me to comment on the proceedings in front of a committee. I must confess that even if it were proper, I was not able to follow that committee. I can only indicate that it seems out of character to me that the minister would have, as the hon. member put it, "lashed out" at anybody. He is a very patient and constructive man.

Some hon. Members: Oh, oh!

Some hon. Members: Hear, hear!

Mr. Trudeau: Probably the reason that he did not want to talk of any contingency plan is that we do not believe the Chrysler deal has fallen through. I just indicated to the hon. member that, on the contrary, we were hoping that the government of Ontario would be successful in this meeting, which it is convening for next week, in obtaining an even better deal for Canadians. I think the hon. member would have blamed us if we had decided to go ahead on a deal that even the government of Ontario think can be improved upon.

CHRYSLER CANADA—ASSISTANCE BY WAY OF LOAN GUARANTEES

Hon. John C. Crosbie (St. John's West): Mr. Speaker, I have a supplementary question for the Prime Minister. In view of the fact that the Prime Minister's colleague, the Secretary of State for External Affairs, stated on March 7 that the government was committed to loan guarantees to the Chrysler Corporation. He said:

Oh, certainly. We committed ourselves during the election campaign to that.

In view of that statement, is it the position that the government will provide assistance by way of loan guarantee to Chrysler, whether or not the government of Ontario involves itself in the assistance and support program? Is that the position, in view of this commitment, or is the Prime Minister now trying to blame the Ontario government for some delay?

• (1130)

Supposing the Ontario government does not go forward at all and has no share at all in this program, will the Government of Canada carry out this commitment that was made during the election campaign, of loan guarantees?

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, the question is hypothetical—"Supposing the Ontario government does not", and so on. I would have to see at that point. If the Ontario government does not think that an industry in its own province should be in some way assisted, then I think the undertaking that we made to assist Chrysler would have to be re-examined.

I do not say that we would not carry forward with it, but surely the hon. member would be ill-advised to suggest that the government of the very province in which we are trying to save the jobs of the workers is uninformed on the situation and that its judgment should be disregarded.

Mr. Crosbie: Madam Speaker, the Prime Minister has left his minister patiently twisting in the air, but there are thousands of auto workers also waiting with some impatience. It was the Prime Minister's government who made a commitment during the election to give loan guarantees to Chrysler, and the Prime Minister's government did not ask the Ontario government at that time—they did not make it a condition that the Ontario government participate. The Prime Minister's party made that commitment.

Will the Prime Minister affirm that his government will go forward with loan guarantees, with or without Ontario, that he is not going to make that a condition now; and would he tell the House, in view of the fact that President Carter has contacted him recently by telephone, whether the American government has said that it is a condition of their proceeding with their whole package for Chrysler in the United States that Canada participate? Is that a condition that the United States has informed the Canadian government that they have made? There are two parts to this question. I hope the Prime Minister can realize that, and answer both parts.

Mr. Trudeau: On the second part, my answer is no, Madam Speaker. On the first part, I want to express my astonishment that the hon. member would suggest that we should go ahead with a deal that the government of Ontario thinks is not a good deal.

Some hon. Members: Oh, oh!

Mr. Trudeau: We made a commitment to assist Chrysler, Madam Speaker. It was not a commitment which was made on the condition that we would assist them if Chrysler was not prepared to come forth with certain conditions. As a matter of fact, when I made that commitment in Windsor, I indicated that we would assist Chrysler, provided Chrysler were prepared to do certain things.

It is now the judgment of the government of Ontario that not enough of those things have been done, and it would be preposterous for me to suggest that our government should override the judgment of the government of Ontario on a matter such as this, without giving the government of Ontario a chance to make its case. Perhaps we would proceed without Ontario; perhaps we would not. But I certainly think the government of Ontario should be given a chance to make its case.

Mr. Crosbie: Madam Speaker, my final supplementary question is to the Prime Minister. Does the Prime Minister agree that the Government of Canada has responsibility for economic development and economic conditions generally in the country and that, with or without the assistance of provinces, the Government of Canada should meet those obligations, particularly when the Government of Canada has made specific commitments during an election campaign to do so?

When answering that, would he advise the House, is the problem job commitments; is the problem that is now delaying this matter a question of commitments from Chrysler to preserve or expand the number of job opportunities? Is that the problem?

Mr. Trudeau: Madam Speaker, I do not think I can assist the hon. member any further. I have made it quite clear that we have been bargaining with Chrysler for quite a while. Our minister had arrived at a package which seemed rather good, but the government of Ontario is convinced that it can be improved. I cannot say anything more than that.

The hon. member might pick up the phone and talk to somebody in the government of Ontario and see if they are just trying to waste time in order not to provide jobs for workers in Ontario. I am surprised that the government of Ontario would say that.

Mr. Crosbie: That is not the question.

ENERGY

ESTABLISHMENT OF PETROLEUM PRICING AND AUDITING AGENCY

Mr. Bob Rae (Broadview-Greenwood): Madam Speaker, in the absence of the Minister of Energy, Mines and Resources, my question is for the Prime Minister. During the election campaign the Liberal party promised to establish a petroleum pricing and auditing agency, one of whose functions would be to advise the government about an appropriate price for oil. I just want to remind the Prime Minister that this is one of the seven major commitments that the Liberal party set out during the campaign.

Yesterday, not in this House but after the debate in this House, the Minister of Energy, Mines and Resources said that it was not the government's intention to establish the agency before the price rises which are going to be coming in June or July. Second, he said, and I quote: "The new energy watchdog will not even be asked for advice in this period, and in the period after July." Can I ask the Prime Minister which one of the seven commitments will be the next to go?

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, this commitment still stands. We want to set up that petroleum price auditing agency. We will do so, and it will be very important in the government's pursuit of its energy policy.

It is unlikely, the way negotiations are going, that we will have the input of that agency before July 1. The minister does not want to say that we will arrive at July 1 without having any price determined for petroleum. That, I presume, is why he said that he would have to proceed even if the agency has not completed its work.

Mr. Rae: Madam Speaker, yesterday the minister said that the government's information indicates that it costs about $8 a barrel to exploit conventional reserves. I ask the Prime Minister, where does he think the minister gets that figure, and can he explain why it now costs over four times as much to produce a conventional barrel of oil in 1980 as it did before the tremendous price increases starting in 1973?

Mr. Trudeau: Madam Speaker, the hon. member may have heard that since 1973 there has been inflation, which has increased the cost of work in producing oil.

Mr. Rae: An additional factor, Madam Speaker, may be the oil profits picture in the oil industry. The Prime Minister said that the multinationals operating in Canada are using their profits, not to provide greater energy to security but to buy up unrelated businesses. The figures which have been revealed after the first quarter of 1980 show that the oil companies' profits have gone up 102 per cent, on the basis of prices today.

I would like to ask the Prime Minister how he can justify the kinds of increases that are being discussed, when we know that the oil companies are making windfall profits even at the present time.

Mr. Trudeau: Madam Speaker, I am not attempting to justify any particular price increase. The minister is out west

now—I believe he is in Regina today—discussing this very problem. So I am not prepared to say in advance that the results will be acceptable either to the hon. member or to myself.

As far as profits of oil companies are concerned, I agree with the hon. member that they have seemed very, very excessive. That is the intent of the answer I gave the other day. As a matter of fact, I think that on energy policy, probably the hon. member's party and mine are very close to each other—

Some hon. Members: Oh, oh!

Mr. Trudeau: —on a lot of questions, and that is why we were discussing an alliance between the two parties.

Some hon. Members: Oh, oh!

Some hon. Members: Hear, hear!

PRODUCTION AND DISTRIBUTION OF OIL AND GAS

Hon. Marcel Lambert (Edmonton West): Madam Speaker, my supplementary is to the Prime Minister. Would he advise the House whether it is in his thinking that this price review, or monitoring agency is the first step that the government has in contemplation of establishing a system whereby the production and distribution of oil and gas in this country shall become a public utility under federal jurisdiction?

Right Hon. P. E. Trudeau (Prime Minister): No, Madam Speaker, it is an auditing agency; it is not a takeover agency.

* * *

● (1140)

ATOMIC ENERGY

EFFECTIVE AND STRINGENT INTERNATIONAL SAFEGUARDS OVER USE

Mr. Bob Wenman (Fraser Valley West): Madam Speaker, my question is directed to the Prime Minister. Recognizing Canada's substantial international role in the distribution of both nuclear technology and nuclear fuel, and in view of the pessimistic report of the international fuel cycle evaluation conference regarding the potential nuclear proliferation throughout the world, did the Prime Minister discuss with the Prime Minister of Japan any new initiatives for more effective and stringent international safeguards, including possible control of the fuel cycle in the purchasing state, atomic energy regional disposal centres, or return of spent fuel to supplier nations?

Right Hon. P. E. Trudeau (Prime Minister): Yes, Madam Speaker, that was discussed in my presence by the Secretary of State for External Affairs. He obtained from the Prime Minister of Japan a rather satisfactory answer on the safeguards' problem.

Mr. Wenman: Madam Speaker, in the House last week, the Prime Minister stated that the schedule for keeping the nuclear energy industry viable in Canada is very, very short. My question for the Prime Minister is this: Does the government, given the narrow time-frame referred to, intend to lower Canada's nuclear export safeguards standards, retain them at the present level, or enhance them?

Mr. Trudeau: Madam Speaker, there is no question of lowering the standards. We want to retain them. I missed the preamble to the question. I do not know if there is any particular area where the hon. member is suggesting they be strengthened, but I can point out to him that Canada has been in the vanguard of increasing safeguards. As a matter of fact, many other countries involved in production of nuclear energy machines have not yet gone as far as Canada.

* * *

AGRICULTURE

STABILIZATION PAYMENTS TO HOG PRODUCERS

Mr. Bill Vankoughnet (Hastings-Frontenac): Mr. Speaker, my question is for the Minister of Agriculture. The minister announced recently that stabilization payments would be made to Canadian hog producers this year. Could the minister explain how the figure of 5,000 hogs was arrived at in calculating the maximum payment that a producer could claim?

Hon. E. F. Whelan (Minister of Agriculture): Madam Speaker, after due consultations with the Canadian Pork Producers Council, which recommended that figure, and considering the total hog production in Canada, taking all those things into proper perspective we decided that that was a fair figure.

Mr. Vankoughnet: Madam Speaker, is the minister aware that under the terms of the program some producers could claim up to 15,000 hogs, provided they give proof that they have three legitimate partners in the operation? In light of this fact, would the minister not agree that the maximum 5,000 hog ceiling discriminates against individual producers who have spent large amounts of money to make their operations cost efficient?

If he does agree, would he consider raising the ceiling so that the 12 producers in Ontario who each raise more than 5,000 hogs can be given the same advantage as their competitors who have partners in their businesses?

Mr. Whelan: Madam Speaker, if the hon. member will check, he will find that we have done the same in the past with apple producers and producers of other commodities where there is a father and son, father and two sons, or three different partners. We did the same with beef production, where we allowed payments for a single producer of 2,500, but a maximum of 7,500 head when we paid beef stabilization.

Therefore, there is nothing new in this principle that we have announced for hog stabilization. We believe it will cover

approximately 90 per cent of the production, but these people must prove they are in the production entity the same as producers of the other commodities I outlined. So there is nothing new in it at all. It still protects the basic family farm and the producer who is actually involved in hog production.

* * *

[*Translation*]

HUMAN RIGHTS

INQUIRY AS TO DATE OF IMPLEMENTATION OF COMMISSION'S RECOMMENDATIONS

Mr. Svend J. Robinson (Burnaby): Madam Speaker, my question is for the Prime Minister. Last week, the Minister of Justice tabled the annual report of the Human Rights Commission. The commission made several recommendations, including adding as grounds for discrimination the addition of political convictions, retardation, mental illness and sexual orientation. In view of the validity of these recommendations, can the Prime Minister tell the House when he will take action to protect the victims of these types of discrimination?

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, I have not had myself the opportunity to read the report mentioned by the hon. member, but I can assure him that the Minister of Justice will consider this matter as soon as possible and that he may be able to provide an answer next week.

Mr. Robinson: Madam Speaker, my supplementary is also for the right hon. Prime Minister.

In 1978, the Prime Minister stated in a letter that he was waiting for the recommendations of the Human Rights Commission before adding sexual orientation to the grounds for discrimination. Can the Prime Minister now tell the House whether he will follow the example of the province of Quebec and the recommendations of the commission by adding sexual orientation to the grounds for discrimination?

Mr. Trudeau: Madam Speaker, I have just told the hon. member that I have not read the report. I have therefore not read its recommendations and I cannot make any comment on this matter. All I know is that the hon. member received a reply yesterday from the leader of the government to the effect that we were considering asking a special committee of the House to study this matter. If the hon. member wants to express his views before this committee, he may have the opportunity to do so.

[*English*]

COMPUTERS

USE BY GOVERNMENT OF DATABANKS

Hon. Perrin Beatty (Wellington-Dufferin-Simcoe): Madam Speaker, I understand that the President of the Treasury Board has been briefed by his officials on the investigation currently under way in the United States into an attempt from a New York private school to enter 21 Canadian databanks.

Can the President of the Treasury Board confirm to the House that of these 21 Canadian databanks on which attempts were made, at least two of these were federal government banks? Will the minister table in the House immediately a list of all federal government databanks connected to the Infodat or Datapac systems, as well as a description of the contents of the information contained in those databanks?

Hon. Donald J. Johnston (President of the Treasury Board): Madam Speaker, the question of computer theft is, of course, a very serious one. The government does have the two systems to which the hon. member has made reference, but my understanding is that no sensitive material is contained in any government computer which has dial-in access.

I am also advised that there have apparently been attempts to break into the government computer bank system in this fashion. However, I am advised that none of those attempts has been successful. The security and evaluation team of the RCMP is responsible for the security of these databanks. So far, we are very satisfied that no information has been obtained by any such attempts.

Mr. Beatty: Madam Speaker, the President of the Treasury Board did not indicate a willingness to table in this House a list of those databanks which are connected to Infodat or Datapac and indicate the substance of the information contained in those databanks. I wonder whether he might do that.

Also, can the minister confirm that in the opinion of the law officers of the Department of Justice it is not a crime in Canada today to obtain confidential information from databanks, although it may be a crime to steal computer time, telecommunications' time. Can the minister indicate to the House whether he has communicated with his colleague, the Minister of Justice, to try to close that very gaping loophole in the law at the present time?

Mr. Johnston: Madam Speaker, with respect to the request that certain information be tabled regarding government databanks, I will take that request under advisement. With respect to the second part of the question, namely, the offence of theft of information from computers, I understand that an appeal under section 287 of the Criminal Code will be going to the Supreme Court this autumn.

There is some question whether the section in question covers an offence of the kind we are discussing. I intend to recommend to the Minister of Justice that amendments to the Criminal Code be considered for the purpose of making it

clear that any such theft would be a crime under the Criminal Code.

* * *

● (1150)

FINANCE

REDUCTION OF PUBLIC UTILITIES INCOME TAX TRANSFER

Mr. Gordon Taylor (Bow River): Madam Speaker, my question is to the Minister of Finance. It concerns the Public Utilities Income Tax Transfer Act, which states that 95 per cent of the income tax paid by corporations shall be paid to the provinces. This has been cut to 50 per cent by order in council No. 1980-816. Since when, and under what authority, can the cabinet change a statute by order in council?

Hon. Allan J. MacEachen (Deputy Prime Minister and Minister of Finance): Madam Speaker, the cabinet does not have the authority to change a statute by order in council, and such a course was not followed in this particular case.

Mr. Taylor: In what way does the order in council not change the statute, and by what authority was this done?

Mr. MacEachen: Madam Speaker, the statute empowers the Minister of Finance to determine the timing of payments to the provinces, and it is under that power that a regulation was made to establish the timing of payments.

The hon. member will realize that the expenditure plan which has been in operation, and adopted by the former government, included these particular savings, so that I am confirmed in my decision that I am behaving properly by the action taken, not only by the former Liberal government but also by the former Conservative government, under the authority that is given to the Minister of Finance in the statute.

Mr. Crosbie: Stop hiding behind somebody else.

* * *

HOUSING

FUNDING OF NON-PROFIT UNITS—ALLOCATION OF CO-OP UNITS

Mrs. Margaret Mitchell (Vancouver East): Madam Speaker, my question is for the minister responsible for the Canada Mortgage and Housing Corporation. Since 1980 demand for non-profit housing units is over 11,000 and over 5,000 co-op units are ready to go with no funding, will the minister assure the Co-op Housing Foundation, which is meeting here today, that at least another 2,000 units of co-op housing will be allocated immediately?

Hon. Paul J. Cosgrove (Minister of Public Works): Madam Speaker, as I have indicated privately to my hon. friend opposite co-ops have the potential to meet the target of renters seeking accommodation in tight rental situations. It is possible that within the provisions of my budget and the corporation's budget there could be some reallocation. It is a matter that the corporation officials and I, together with provincial ministers, are considering.

Mrs. Mitchell: Madam Speaker, the question was with regard to additional units, not a transfer of units. This week, municipal non-profit housing corporations also held a conference in Ottawa. They prepared five recommendations which I hope the minister will act upon.

Since poor people particularly are desperately in need of affordable housing, will the minister agree to introduce a land assembly program to assist municipalities to build much needed social housing?

Mr. Cosgrove: Madam Speaker, if it was not clear, what I intended to convey to the hon. member opposite was that I hope within the over-all budget of the corporation some transfer could be made into that area of co-ops, so that I was talking about new units in the co-op area.

However, that problem really identifies my general problem, and my response to my hon. friend's second question is that I have to try to act within the budget. There are no funds to assist in the second program which she mentions. I realize there is an urgent need, but we are pressed from the other side regarding a number of urgent needs, and as a new minister in this ministry I am trying to priorize them.

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AGRICULTURE

HOGS—STABILIZATION PAYMENT FOR FARROWING OPERATIONS

Mr. Murray Cardiff (Huron-Bruce): Madam Speaker, my question is for the Minister of Agriculture, who recently announced a stabilization payment for hog producers. I wonder whether the minister has considered the fact that farrowing operations, which are very capital-intensive and which are very seriously affected by the current slump in the pork industry, are excluded from any benefits of this stabilization payment.

Does the minister have any plans to help farrowing operations survive the current situation and, if so, could he tell the House what they are?

Hon. E. F. Whelan (Minister of Agriculture): Madam Speaker, I am sure the hon. member knows as well as I do that there are some operations which are farrow-to-finish operations. The problems of duplication, double payments, etc., exist here. I wish there was some way we could devise a program that would be beneficial to those people who are in the piglet operation, or producing weaner pigs or whatever you want to call that operation and which would make it possible for other people to finish them.

I realize the terrible economic position some of these producers find themselves in, but the present legislation that I use is statutory and I would have to submit a whole new program

for that kind of production to be able to make a payment to them.

Mr. Cardiff: Madam Speaker, does the minister's often spoken policy of encouraging supply management boards in the pork producing industry mean that he would like to squeeze some present farrowing operations out of business, and does he consider that some of these heavily capitalized farrowing operations should be allowed to go under in order to reduce supply?

Mr. Whelan: Madam Speaker, knowing the hon. member's background and his association with marketing boards, I am surprised he would even insinuate that I would be so cruel and mean as to try to do that to anybody. In no way do I want to see them suffer economically. But the hon. member is also well aware that they can do things themselves, and could have done so in the past, to better their economic position and supply the market in a much more orderly fashion than they have, so they would not be in the position they are in.

I am sure the hon. member is aware that they have told me from time to time not to interfere in their hog production operations. They have said, "Don't you dare touch them," and I warned them two or three times. If they produce hogs until they are coming out of their ears, where are they going to put them? Where are they going to market them or sell them? I warned them that the whole economic stability of the hog production industry would be destroyed, and that is what happened. A blind man on a galloping horse could see that it was going to happen.

Some hon. Members: Hear, hear!

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HOUSE OF COMMONS

SURVEILLANCE OF MEMBERS OF PARLIAMENT

Mr. F. Oberle (Prince George-Peace River): Madam Speaker, in the absence of the Solicitor General, I would like to direct my question to the Prime Minister. It has to do with the practice which existed in his former government, whereby through an agency in the Solicitor General's office lists were compiled and surveillance of Canadians who were in extra-parliamentary opposition to the former Liberal government and who posed a danger to the security of our country was conducted. Can the Prime Minister say today whether this practice has been reintroduced or is still going on today?

Second, and with regard to the first part of the question, could he say whether the government is now undertaking, in light of the finding of the McDonald royal commission that there were numerous lists and that the information on those lists was shared with other countries, some effort to assist Canadians who were affected by these lists to vindicate themselves and clear their names?

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, the question seems to be somewhat confused. If the hon. member is referring to the fact that the Solicitor General and the RCMP inform various arms of the government about people who they might have cause to feel should not be employed—if this is what the hon. member is talking about when he talks about lists—then I have no reason to say that this will not continue.

On the contrary, I think it is the duty of the RCMP and of the Solicitor General to inform the ministers, and particularly the Prime Minister, about people who might not be fit to serve in such and such a position. Before appointing ministers or parliamentary secretaries, I always make sure I give a list to the RCMP and make sure that this list is okayed by the RCMP in terms of security clearances.

So I cannot give the assurance the hon. member asks for. On the contrary, I feel this is my duty, and I am quite sure the present Leader of the Opposition, when he was prime minister, must have done the same thing.

Mr. Oberle: Madam Speaker, as the Prime Minister well knows, my question relates more to lists which were compiled in the Solicitor General's office itself, which listed innocent Canadians who may have been in opposition to the Liberal party and the Liberal government, rather than subversive to the country. I want to know whether that list still exists. I refer to the so-called EPO list.

In connection with the whole matter of security clearance, can the Prime Minister also tell me whether it is the intention to change the guidelines in connection with security clearance, and particularly that portion of the guidelines which made it impossible for Canadian citizens who had relatives in other countries of the world who were not friendly to Canada to achieve higher positions in the public service?

• (1200)

Mr. Trudeau: Madam Speaker, I can give the hon. member the assurance that the kind of lists he described never existed, in our government at any rate. The Solicitor General did not compile lists of innocent persons, as the hon. member indicates, in order to harm them. The Solicitor General never was the inventor or author of lists. If he got names which were reported to him by the RCMP as names of people who should not be employed in certain positions, he merely transmitted that information.

An. hon. Member: Oh, come on.

Mr. Trudeau: I hear an hon. member from the NDP say "Oh, come on". That is precisely what I am doing. The RCMP transmits its information to the Solicitor General. The Solicitor General does not invent that information and does not fabricate these lists.

LABOUR DISPUTES

INQUIRY WHETHER CONCILIATOR APPOINTED TO FACILITATE MOVEMENT OF GRAIN AT CHURCHILL

Mr. Bill McKnight (Kindersley-Lloydminster): Madam Speaker, I had hoped to ask my question of the Minister of Labour, but I understand he is not in the House for personal reasons. Therefore, I should like to put my question to the Minister of Agriculture who has expressed some concern in these matters.

In light of the breakdown in negotiations between the National Harbours Board and the grain handlers at Churchill, has the government received telexes from the minister of agriculture for the province of Saskatchewan and the minister of labour for Manitoba asking that a conciliator be appointed to facilitate the movement of grain at Churchill?

Mr. Robert Bockstael (Parliamentary Secretary to Minister of Transport): Madam Speaker, I want to thank the hon. member for his question. I am happy to report that both parties signed a memorandum of agreement yesterday. The union will recommend acceptance to its membership and the wage settlement is all but concluded.

Some hon. Members: Hear, hear!

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[*Translation*]

NATIONAL UNITY

QUEBEC REFERENDUM—INQUIRY WHEN GOVERNMENT WILL ANNOUNCE ITS PROPOSALS FOR RENEWED FEDERALISM

Hon. Roch La Salle (Joliette): Madam Speaker, my question is for the right hon. Prime Minister. Since the important date of the referendum is barely ten days ahead, and since the Prime Minister had two wonderful opportunities when going to Quebec to shed some light on his renewed federalism project, but did not deem fit to do so, would the Prime Minister tell the House whether he intends to announce before May 20 some of the proposals he apparently wishes to put forward to the provinces in that respect?

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, the hon. member should know the referendum question is not on renewed federalism but sovereignty and association. The position taken by this government has been very firmly based on that question, and I would hope the hon. member would do the same.

Mr. La Salle: Madam Speaker, I am fully aware of the question, but the Prime Minister should also be aware that Quebeckers would like to know what they are offered in return. In view of the fact that one of his former colleagues, Mr. Pelletier, our ambassador in Paris, officially recognized Wednesday last that a large number of Quebeckers will vote Yes because they are hoping for some thaw, without necessarily being separatists, and since 15 per cent of the people are undecided, could the Prime Minister explain why he sheds no light on what I call that slogan of renewed federalism.

Mr. Trudeau: Madam Speaker, it must first be ascertained whether Quebeckers want to leave Canada or not. If they want to leave Canada, clearly a renewed federalism is not within the mandate of the Premier of Quebec.

We know that the PQ premier came to Ottawa a few times to attend federal-provincial conferences. He rejected all proposals we made for amending and improving the constitution. He referred to them as a mere pittance and so forth. Clearly that is his policy, because he believes in a separated Quebec. Therefore he is not going to co-operate with us to improve federalism. This should be obvious even to the hon. member for Joliette.

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[*English*]

AGRICULTURE

ORDERLY MARKETING SYSTEM FOR HOG PRODUCERS

Mr. Vic Althouse (Humboldt-Lake Centre): Madam Speaker, I should like to address my question to the Minister of Agriculture. This week, processor buying practices have forced western hog prices down $12 to $13 per hundredweight below the eastern price, making the stabilization program announcement this week virtually meaningless to most prairie producers. The western producers have reduced their share of the market by almost 25 per cent in the last four years in an attempt to tailor production to demand. My question is: what will the minister do to implement an orderly marketing system about which he keeps talking, in light of the obvious packer moves into more vertical integration in the hog industry in Quebec where no marketing agency exists, since these moves are at the expense of producers in provinces which do have marketing boards?

Hon. E. F. Whelan (Minister of Agriculture): Madam Speaker, the hon. member knows full well, I suppose, and I take it for granted, what his provincial minister of agriculture in Saskatchewan has suggested—I believe about 20 per cent of the hog producers belong to the support program that they have there—that we enforce a national hog marketing plan on hog production in Canada.

When the hon. member refers to Saskatchewan hog producing going out of business and to orderly marketing, he is stretching the point even more than a little, I think. Because when they went out of hog production to the tune of over 50 per cent, it was mainly because grain prices, and especially barley prices, were very good and gave them a better return with less work than producing pork. So they went out of the pork business and the pork business was done through the free market system which was operating with no control over production, so that anyone from any part of Canada could enter hog production. For instance, in Ontario in the last two

years 1,800 new hog producers entered into the production area and borrowed money, in most instances from private lending institutions. If you check with the Farm Credit Corporation, Mr. Speaker, you will find that there are fewer problems than there were a year ago at this time.

Mr. Althouse: Madam Speaker, since the minister referred also to grain marketing, I should like to ask him the following supplementary question. Since Otto Lang's feed grain policy was a large contributor to more processor control of the hog industry and its subsequent shift to an unorganized province, will there be a reassessment of the open market feed grain policy and will feed producers in the west get a vote on the feed grain policy?

Mr. Whelan: We will honour the agreement we made about reviewing the feed grain policy and I hope that I can report something in the very near future concerning that program. But again the hon. member has misinterpreted what has taken place, because even when the feed grains brought in a fair return, there was not that much difference in the total return, whether you were a hog producer or whether you were selling your grain as a commercial grain grower. The returns were fairly equal, and if producers had stayed in production at that time, they would probably be in a better position and maybe there would not have been that increase in production in other parts of Canada. No one can really say. Many people were entering into pork production because it looked as if it would bring a proper return. If one were to check the records, one would find that I had warned them over two years ago to get their house in order.

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NATIONAL CAPITAL

CARTIER SQUARE—REQUEST FOR GUARANTEE OF RECREATIONAL AREA

Mr. J. P. Nowlan (Annapolis Valley-Hants): Madam Speaker, my question is for the Minister of Public Works. With all the difficulties of trying to guarantee jobs, the high price of oil and everything else, I would hope that the Minister of Public Works could give us a guarantee in terms of Cartier Square. I know that he had a press conference which attracted a lot of interest last week, in which he stated that the historic Ontario Teachers College will be maintained as a heritage property and, what is perhaps equally important, that the open space in Cartier Square will be left to a certain extent so that a public park would be guaranteed as well as a school playing field, in view of the fact that Lisgar Collegiate, which is an historic school in the city, does not have adequate school playing field space.

Hon. Paul J. Cosgrove (Minister of Public Works): Madam Speaker, my friend asks whether I can guarantee that there will be certain amounts of open space. That is an easy guarantee for me. As the minister reporting for the National Capital Commission, I can report that Mr. Drury has indicated that the school will continue as a heritage building, but its eventual use in terms of user is something to be determined. There are large open spaces that we will retain in view of the move of the embassy from that site to another. The plans for a courthouse, I believe, should be re-examined in terms of their appropriateness for the site, location, etc. But indeed there will be a large open space remaining and I hope that all parties, the city, the region, the commission, and indeed myself as the minister responsible for the commission to Parliament, will have some say in the site analysis.

* * *

● (1210)

PRIVILEGE

MR. TAYLOR—ALLEGED CHANGE OF STATUTE BY ORDER IN COUNCIL

Mr. Gordon Taylor (Bow River): Madam Speaker, I want to raise a question of privilege on the answer given by the hon. Minister of Finance (Mr. MacEachen) today. Just to recap the matter, my question was: Since when and under what authority can the cabinet change a statute by order in council? The answer given by the hon. minister was that the cabinet cannot change a statute by order in council.

Now I should like to look at the facts. First I should like to outline three very important axioms which are very relevant to this particular question. One is that the cabinet has no power except that given to it by the House of Commons. The second one is that the regulations must be based on laws passed by Parliament; they may be extensions but they may not change the law. The third one is that the House of Commons holds the ultimate power.

I want to review the circumstances. After an agreement reached by the Government of Canada with the provinces, a bill was presented to the House of Commons which was passed. I should like to refer to chapter 37 of the Revised Statutes of Canada 1970. Section 3.(2) reads as follows:

> The amount that may be paid to a province under subsection (1) in respect of a taxation year of a designated corporation is 95 per cent of that part of the income tax paid under part I of the Income Tax Act by the corporation for the year that is attributable to its gross revenue for the year—

There is a continuation but it does not change that particular point. So the statute definitely points out that 95 per cent of those moneys collected from the generation and sale in a province for distribution to the public of electrical energy or steam must be repaid to the province. That has been going on since the statute was passed right up until the order in council in question here.

I might say that in the 1978 budget of the hon. member for Saint-Maurice (Mr. Chrétien) it was suggested that this would be changed. At that time I believe a bill received first reading. It was not proceeded with, so the law was not changed. But on March 27, 1980, the present cabinet passed the following order in council known as SOR/80-214 under the Public Utilities Income Tax Transfer Act. It reads in part as follows:

His Excellency the Governor General in Council, on the recommendation of the Minister of Finance and the Minister of National Revenue, pursuant to section 5 of the Public Utilities Income Tax Transfer Act, is pleased hereby to amend the Public Utilities Income Tax Transfer Regulations, CRC, c. 1361, in accordance with the schedule hereto.

It continues:

Paragraph 3(2)(b) of the Public Utilities Income Tax Transfer Regulations is revoked and the following substituted therefor:

"(b) cause the product obtained by multiplying the estimated amount by the fraction 50/95 to be paid to the province out of the Consolidated Revenue Fund."

This is not an extension of the present act; this is a change of the amount entirely. This regulation was based on the act. The new regulation is not based on the act. I submit that one cannot change a regulation. As it is predicated upon the act—and the act indicates 95 per cent— the order in council certainly cannot change it, yet that is exactly what the order in council did.

As further reference that this is what the order in council did, the minister introduced a bill which received first reading on May 2. I should like to refer to clause 3 of that bill. The other clauses are not relevant to this particular point. Clause 3 reads as follows:

All that portion of subsection 3(2) of the Public Utilities Income Tax Transfer Act—

Those are the ones I read to the House. It continues:

—preceding paragraph (a) thereof is repealed and the following substituted therefor:

So we are taking out of the act the section that the former regulation was based upon. It continues:

"(2) The amount that may be paid to a province under subsection (1) in respect of the 1966 to 1978 taxation years of a designated corporation is 95 per cent, and in respect of the 1979 and each subsequent taxation year of a designated corporation is 50 per cent, of that part of the income tax paid under part I of the Income Tax Act—

This will definitely change the legislation. It has not yet been changed, but it has received first reading in this House. I should like to point out that if the cabinet can change a law in this way, members of the House of Commons might just as well go home. To approve of changes in the law before the changes are made means that the House of Commons is being treated as a rubber stamp. We are violating one of the primary principles of representative government. The cabinet cannot spend money or use taxation without the consent of the House of Commons, yet that is exactly what has been done.

The bill goes a little further. Actually it places emphasis upon public ownership. It is a back door way of forcing the provinces into public ownership rather than private ownership. If that is the ultimate objective, the House will have to consider it. The law has not yet been changed, but the 95 per cent approved by the previous Liberal government, passed and approved by the House of Commons, has been violated by the present government. The minister said that we do not have the authority. In effect he has said, "Amen", that this is a question of privilege.

I want to suggest since this is a question of privilege that Madam Speaker approve it as such. I emphasize again that the order in council changed the regulations based on the law which was in effect. It had no authority to change that amount. The House of Commons said 95 per cent; at that time the regulations indicated that it could be 95 per cent, but the minister in his order in council said, "No, we will change that basis and make it 50 per cent", which is completely different from the original act.

If the hon. Speaker finds this a valid question of privilege—and I think the minister has agreed already that it is—then I suggest that this question should be sent to the Standing Committee on Privileges and Elections to consider this whole matter, including the payment to the provinces of the moneys withheld under the authority of this order in council. Therefore, I move, seconded by the hon. member for Edmonton East (Mr. Yurko):

That the matter be referred to the Standing Committee on Privileges and Elections to consider this whole matter, including the payment to the provinces of the moneys withheld under the authority of that order in council.

Some hon. Members: Hear, hear!

Hon. Stanley Knowles (Winnipeg North Centre): Madam Speaker, I wonder if the hon. member for Bow River (Mr. Taylor) would permit a question. In view of the nature of this matter, I wonder whether it would not be better to ask for it to be referred to the Standing Joint Committee on Regulations and Other Statutory Instruments. That is the committee which deals with this kind of thing. It is more versed in this area than the Standing Committee on Privileges and Elections.

Mr. Taylor: Madam Speaker, I accept the suggestion of the hon. member for Winnipeg North Centre (Mr. Knowles).

Motion amended.

● (1220)

Mr. Bill Yurko (Edmonton East): Madam Speaker, I rise to speak on a matter of privilege and also as the seconder of the motion that has just been made.

Speaking on the matter of privilege which is before this House, I suggest it affects the responsibilities and the privileges of each and every member of this House. I would also like to point out some facts to add to those that have been put on the record by the hon. member for Bow River (Mr. Taylor). Let me point out that on May 6, at page 738 of *Hansard*, I brought forth this matter under Standing Order 43 as a matter of urgent and pressing necessity.

The corporation affected by the order, or by a request from this government, was forced to reduce its rebates, which the government was rebating to the people of Alberta so affected, from 95 per cent to 50 per cent. This request to the company, or this order, if you wish, to the company, was made by the government before, in my estimation and understanding, the government had legislative authority to do so.

I again wish to refer to the Public Utilities Income Tax, Transfer Act of 1966-67, specifically to sections 3(1) and 3(2), and make a case in connection with the possible actions of the

Deputy Prime Minister and Minister of Finance (Mr. MacEachen) under these two sections.

Section 3(1) reads:

> The Minister of Finance may cause to be paid to a province out of the Consolidated Revenue Fund, at such time or times as he may determine, an amount determined by the minister in accordance with subsection (2) in respect of the 1966 and each subsequent taxation year of a designated corporation carrying on business in the province.

Subsection (2) reads, and I want to emphasize the specific wording:

> The amount that may be paid to a province under subsection (1) in respect of a taxation year of a designated corporation is 95 per cent of that part of the income tax paid under part I of the Income Tax Act by the corporation for the year that is attributable to its gross revenue for the year from
>
> (a) the distribution and sale to the public in the province, or the generation and sale in the province for distribution to the public, of electrical energy or steam; or
>
> (b) the distribution and sale of gas to the public in the province.

What it does say, as I read this legislation, is that if the minister, who has the ability and the capacity within the act to make payments on his schedule, does so, the minister when he makes these payments has to make them at 95 per cent, not 50 per cent, 40 per cent or 30 per cent. They must be 95 per cent as specifically stated under subsection (2) of section 3 of the act. The regulations, as I read them in this legislation, do not give the minister any ability to reduce that rebate when it is made, if it is made at all, from 95 per cent to 50 per cent.

The intent of the minister's actions in connection with the action he has taken in respect of Calgary Power is very clear. I submit the minister acted beyond the law, or beyond the intent of the law, in issuing instructions that the rebate he has given to some of the companies involved, namely, Calgary Power, be reduced.

I submit this matter is a very serious matter involving a breach of the privileges of this House. It is a matter involving the use of powers the minister does not possess. As a result, I fully agree with the hon. member for Bow River and suggest that the matter be referred to the committee, as suggested in the motion he has placed before this House.

Hon. Allan J. MacEachen (Deputy Prime Minister and Minister of Finance): Madam Speaker, I would like to deal briefly with this point which has been described as a question of privilege. It is obviously not a question of privilege. Whatever it is, it is not a question of privilege. It may be a matter of debate that can be dealt with when the bill is called for second reading.

The fact of the matter is that the bill—and of course, nobody questions that the Public Utilities Income Tax Transfer Act provides that payments will be made at the 95 per cent level; there is no dispute about that—provides the minister with the power under the act to make payments at such time or times as he may determine, and the timing of the payments is provided for under regulations of the Public Utilities Income Tax Transfer Act.

The regulations provide that payments can be made once each fiscal year in March. Each payment is composed of a final adjustment in respect of a prior taxation year and an interim payment pending Revenue Canada's assessment of the tax return in respect of the current year. For example, the payment made in the 1979-80 fiscal year was made in March, 1980, and comprised a final adjustment in respect of the 1977 taxation year and an interim payment in respect of 1979.

Parliament was notified some time ago by the present Minister of Justice and (Mr. Chrétien) that the Public Utilities Income Tax Transfer Act would be amended and the decision was taken in the context of a $2.5 billion expenditure restraint program undertaken in the summer and fall of 1978. It was felt that in the light of this substantial expenditure restraint program, payments to the provinces, which constituted 20 per cent of total outlays, should bear part of the burden, and for that reason it was decided in fact to abolish the 95 per cent rebate by legislation and to make changes in the equalization program.

In fact, those two changes constitute, over the next two fiscal years, an expenditure amount of $1.5 billion. In other words, if this bill affecting the Public Utilities Income Tax Transfer Act and equalization were not proceeded with the treasury would be attacked to the amount of $1.5 billion.

We are talking about the regularity of this procedure. These particular savings have been worked into the estimates that were prepared by the former government, and the former minister of finance has behaved in precisely the same way on the basis of the power that was given to him under the act; otherwise he would not be able to work these savings into his expenditure program.

● (1230)

The order in council was passed or the regulations were made under the authority and power given to Parliament, and by Parliament to the Minister of Finance, to make payments at such time or times as he may determine. I have stated that it is the practice each March to make a payment with respect to a past taxation year and an interim payment with respect to the current taxation year. We made an interim payment with respect to 1979, and that interim payment was 50 per cent.

If this bill is not passed when it comes to making the final payment for 1979—and the final payment is not due until 1982 under the practice—then, of course, it would have to be made at the 95 per cent level. The Minister of Finance is empowered to establish the timing, and the practice has been to make an interim payment. We are making an interim payment of 50 per cent for 1979. When the final payment comes due in 1982, under the practice which has been followed up to the present time, and if this bill is not passed, then of course the will of Parliament will be observed by the government in office and the full payment of 95 per cent will be made.

So the hon. member may raise a question of privilege in 1982 if the bill is not passed and if the government fails to make the payment in the amount of 95 per cent. I suggest that we defer the question of privilege until March, 1982, and it may be relevant at that time.

Madam Speaker: From the outset I have to rule that this is not a question of privilege. Obviously, it seems to be a difference of opinion between two members of the House. The hon. member for Bow River (Mr. Taylor) is questioning the regularity—

Mr. Taylor: Madam Speaker, on a point of order.

Madam Speaker: Order, please.

Mr. Taylor: Madam Speaker, I am rising on a point or order, with respect.

Madam Speaker: Order. The hon. member cannot speak twice on this question. That is why I am not recognizing him. I will continue my remarks which I had begun with regard to the hon. member's question of privilege.

I have said that I do not think that it is a question of privilege. I would add that since the hon. member is questioning the regularity of the procedure used by the government in order to fulfil its responsibilities, the precise matter raised by the hon. member is under constant review in the Standing Joint Committee on Regulations and Other Statutory Instruments. Therefore, the question which the hon. member is raising can be referred to that committee. In fact, it is automatically referred to that committee under Standing Order 65(3) which I could read to the hon. member, but I suppose that he can do that for himself.

I invite the hon. member, if he is not satisfied with the explanation just given by the Minister of Finance (Mr. MacEachen), to go to this committee and make his point another time.

Mr. Taylor: I am definitely not satisfied. This is a violation of the rights of every member of this House.

Madam Speaker: Order, please.

* * *

BUSINESS OF THE HOUSE

Mr. Knowles: Madam Speaker, because there have been some discussions about private members' hour today, arising from the fact that certain bills are not ready, I wonder if the Parliamentary Secretary to the President of the Privy Council would indicate to the House what the agreement is for four o'clock today.

Mr. Collenette: Madam Speaker, I wish to confirm that all parties have agreed to take up motion No. 13 standing in the name of the hon. member for Edmonton East (Mr. Yurko). I would point out at this time that there is substantial difference between the motion under Standing Order 43 which the hon. member for Edmonton East raised and which was adopted by the House, and motion No. 13. Hopefully all members will participate in that debate at four o'clock.

Order Paper Questions

ROUTINE PROCEEDINGS

[*English*]

DEPARTMENT OF LABOUR ACT

REMOVAL OF REQUIREMENT TO PUBLISH LABOUR GAZETTE

Hon. Gerald Regan (Minister of Labour) moved the first reading of Bill S-4 (from the Senate), to amend the Department of Labour Act.

Motion agreed to and bill read the first time.

* * *

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. D. M. Collenette (Parliamentary Secretary to President of the Privy Council): Madam Speaker, the questions to be answered today are Nos. 193, 280 and 377.

[*Text*]

ROYAL CANADIAN MINT—REVENUE—EARNINGS—DEFICITS

Question No. 193—**Mr. Herbert:**

1. For each fiscal year (a) 1977 (b) 1978, what was the total revenue and net earnings or deficits for the Royal Canadian Mint?

2. For each year, what was the total (a) of direct or indirect subsidies or other benefits conferred by the government on the corporation (b) of loans, advances or guarantees extended by the government to the corporation (c) investment by the government in the corporation both before and after any write-off?

Hon. J.-J. Blais (Minister of Supply and Services):

1. (a) Revenue—$61,243,000
   Earnings—$3,994,000
   (b) Revenue—$83,856,000
   Earnings—$4,572,000
2. (a) 1977—nil
   1978—nil
   (b) 1977—$4,277,000
   1978—$4,602,000
   (c) 1977—(before $21,601,000) (after—$15,601,000)
   1978—(before $22,315,000) (after—$15,013,000)

FISHERIES PRICES SUPPORT ACCOUNT

Question No. 280—**Mr. Herbert:**

As at March 31 in each of the past five years, what amount was outstanding in the accounts of Canada in respect of the fisheries prices support account?

Small Businesses Loans Act

Hon. Roméo LeBlanc (Minister of Fisheries and Oceans): At March 31 in each of the past five years the amount outstanding in the accounts of Canada, under advances from the fisheries prices support account were as follows:

1978-79	23,051
1977-78	2,039,639
1976-77	1,501,154
1975-76	2,613,914
1974-75	1,269,224

The above amounts include inventories of fisheries products held by the fisheries prices support board at year end.

COLONEL BELCHER HOSPITAL—CALGARY

Question No. 377—**Mr. Herbert:**

1. How many (a) permanent (b) term (c) casual employees are presently working at the Colonel Belcher Hospital in Calgary?

2. Have these numbers changed since March 31, 1979?

Hon. Daniel J. MacDonald (Minister of Veterans Affairs):

1. (a) and (c) nil

as Colonel Belcher Hospital was transferred to the province of Alberta on April 1, 1980.

(b) Seven working on transfer of employment documentation.

2. Yes.

(a) 541

(b) 0

(c) 8

On call—10.

[*English*]

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

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

Some hon. Members: Agreed.

GOVERNMENT ORDERS

[*English*]

SMALL BUSINESSES LOANS ACT

MEASURE TO AMEND

The House resumed, from Monday, April 28, consideration of the motion of Mr. Lapointe (Charlevoix) that Bill C-17, to amend the Small Businesses Loans Act, be read a second time and referred to the Standing Committee on Finance, Trade and Economic Affairs.

Mr. Joe Reid (St. Catharines): Madam Speaker, I am pleased to have this opportunity today to speak briefly on Bill C-17, a bill which gives some urgently needed recognition to one of our most vital sectors of our economy, that of small business.

There are over one million small businesses in Canada. Most of them have annual sales of less than $2 million and yet these small businesses were responsible last year for almost one-third of our GNP. Small business is highly labour intensive, employing 2.5 million or about 42 per cent of all business employment in Canada.

Small business means big business for Canada's banks. At the moment there are 430,000 loans made to small business enterprises which total $9 billion or 25 per cent of the total lending by banks. So to say that small business is an important part of the Canadian institution is simply an understatement. It is the backbone and financial base of every community, large or small, in this country, and it forms a very important segment of our national economy.

Yet, for some reason, in many political circles business is the least understood and the most maligned segment of our society. Some would have us believe that it is the businessman who is reaping rewards at the expense of the ordinary man who is struggling to make ends meet. The truth of the matter is that the goals and the aspirations of millions of Canadians in our work force depend on the success and the initiative of those engaged in small business.

In these difficult economic times, it is the small businessman who stands to lose everything that he has worked for. That is one of the reasons I and many of my colleagues entered politics. We saw those who had the most initiative, who took the most risks and who certainly worked the longest hours being pushed to the wall.

• (1240)

Our Liberal colleagues over the years have, because of increased spending on both domestic and foreign aid programs, loaded heavy taxes and endless regulations on to business, small and large. During the election campaign I spoke to many small businessmen in my community and we discussed their situation—the cost of filling in and filing forms, collecting and remitting taxes, applying for and paying licence fees, dealing with inspectors of all kinds, defending actions, and so on. It has been estimated that the cost of the "paperburden", as the present government so aptly termed it several years ago, comes to something like an average of $5,000 per year.

In addition, this past year business has had to cope with high interest rates, rates designed to fight inflation and uphold the value of the dollar but which add enormously to the cost of running a business.

Those with a cash flow problem—and let us be realistic, this includes practically every business—are caught. They must still stock their shelves or keep production going or they risk losing everything they have worked for. They cannot just go into hibernation while interest rates and costs are high and come out again when the situation brightens. Bills must still be

settled, payrolls must be met and taxes must be paid. And they usually are paid; the community benefits and people benefit and governments and banks benefit. Meanwhile, however, the debts of the small businessman are increasing as he strives to survive another month.

Small business is facing today a genuine economic crunch and we believe that the government has a special obligation to deregulate, unburden and generally help the small business community. Unlike large business, the small businessman does not always have the time to do the fancy, analytical work so necessary today, to examine economic trends, file briefs, make submissions to government to keep abreast with tax laws, exemptions and new regulations that continually come forth. A small firm can lose track of its real costs quickly in the maze of inflation and fast changing interest rates.

The individualistic small businessman, who has traditionally been the last to depend on others, is now looking to government to help solve a problem which is beyond his control and is not of his making. And why not? The government caused much of the problem by overspending, by artificially stimulating the economy, by buying and paying more than our markets could justify, and by borrowing so much in money markets to pay its debts that it crowded out legitimate business needs and enterprises.

I might also mention that, in addition, governments have failed to exercise control where control might well have been exercised. After all, if government is going to control and regulate business inside and out, it should at least be consistent and apply controls on the elements of cost created by itself, as well as costs relating to productivity. Fair wages, yes, but for fair production as well. We have a long way to go in this country in improving our labour cost versus productivity output. We have a long way to go towards balancing our position with other industrialized nations such as Japan and West Germany, which have nothing to compare with Canada's potential in national resources.

Our failure to date can hardly be laid at the door of the small businessman who is struggling against high wage costs, high taxes, and the high cost of operation, mostly brought about by government intrusion. Is it any wonder that almost 6,000 businesses went bankrupt in 1979, and that Ontario bankruptcies in the first two months of this year went up 25 per cent over the same period of last year?

Instead of making life difficult for small business, government should be injecting policies into the system to restore the basic incentive aspects to the business world. It is the responsibility of this House to enact legislation which will aid small business and we are supporting this bill because we believe it will help. We are glad the individual loan ceiling has been raised but we would have been happier with measures which would have lowered the interest rates on that increased loan amount.

The government has an obligation to fight, on behalf of the small businessman, the high interest rate problem, as the previous Conservative government did when it proposed the introduction of the small business debenture. This would have allowed the small businessman to borrow up to half a million dollars at half the nominal rate of interest. This measure would have effectively lowered the after tax interest rate on such debts by about three percentage points, and this would have allowed many small and medium-sized companies to at least consider expansion programs which could result in further employment.

It was a great disappointment to me, when speaking to small business owners during the election campaign, to discover that they did not know about this excellent cost reduction measure which would have greatly aided their profit picture. Not only would it have made their businesses more profitable but it would have given small business an 8 per cent or 9 per cent competitive advantage over big business.

Hardly anyone was aware of this important measure, designed to keep small businesses healthy and vital and to maintain local employment in areas not protected by collective bargaining procedures. Therefore, Mr. Speaker, I feel that in offering assistance to small business, the government must not only uncomplicate the procedures but must also improve the method of disseminating information all across this country so that business people are aware of the funds, loans, assistance programs and tax measures available to them.

I would like to stress the need for the speedy passage of Bill C-17. The Conservative party recognized the importance of small business in our economic community in its defeated budget of last December and was delighted to see so many of the measures proposed crop up again in the mini budget of the Minister of Finance (Mr. MacEachen). It was our government which underlined the urgent need to alleviate the cash flow problems of the small business sector resulting from abnormally high interest rates, and we would certainly do nothing at this point to impede the passage of a bill which offers some relief to this country's small business people.

We strongly back the measures included in Bill C-17 but we must underline the need for the continuing support of this vital, mostly Canadian-owned segment of our economy. Bill C-17 is a start but the government must not stop here.

Mr. Girve Fretz (Erie): Mr. Speaker, I am pleased to address myself to this bill and to the House for the first time in the Thirty-second Parliament. I am also pleased to see that the new government is again implementing initiatives first voiced by the last government. I, of course, refer to our stated intention of aiding small business, by recognizing the importance of small business to the national economy.

For the benefit of those who are unaware of some of the facts concerning small business in Canada, I should like to point out that there are approximately 600,000 small firms in business in Canada. In combination with other small entrepreneurs such as professionals and commissioned sales personnel, there are a total of over 800,000 enterprises which could be described as comprising the small business community in our great country of Canada.

In terms of total national employment and production, the small business community plays a substantial role in the

working of the economy. The production of goods and services by small business enterprises accounts for 20 per cent of the value of all goods and services produced in Canada.

● (1250)

Clearly, a sector of the economy which produces such a substantial component of the gross national product must be counted as a vital component of the total commercial and industrial mosaic in Canada. In terms of achieving national goals such as increased employment, increased real earnings and dimished regional disparities, the potential contribution from small enterprise is indeed immense. It is difficult, in fact, to see how such goals could be achieved without enhanced small business participation.

A major interest of mine, in contemplating the benefits of small business to our economy and national life, is the contribution made by the tourist industry. This industry leads to an increased understanding and awareness of each other's unique contribution to Canada, and, as such, is a strong bond in our confederation. Moreover, of the 800,000 small businesses in Canada, fully 80,000 or 10 per cent are involved in some way in the tourist trade.

In 1978, the Canadian tourism industry was worth $11 billion to Canada, or about 5 per cent of our gross national product. Of this amount, nearly $9 billion came from the spending of Canadians travelling right here in Canada, while more than $2 billion came from the spending of visitors to Canada from foreign countries.

This industry accounts for over one million jobs in Canada, or one in every 11 working Canadians. The majority of foreign visitors come from the United States, our great neighbour to the south. Two-thirds of our international travel revenue comes from this source, while overseas visitors account for roughly one-third of our foreign exchange revenue from travel. Tourism is Canada's sixth largest earner of foreign exchange, and it is the world's fastest growing industry.

As I mentioned, Mr. Speaker, the Canadian tourism industry involves some 80,000 businesses which are widely dispersed across our nation. There are about 20,000 hotels, lodges, cabins, motels and campgrounds, an estimated 43,000 restaurants, a myriad of events and attractions, as well as facilities such as parks, historic sites and marinas.

Furthermore, it has been forecast that tourism will be one of the world's largest industries, if not the largest, by the year 2000. If current growth rates of approximately 10 per cent per annum continue, very nearly two billion people will be travelling by the year 2000. That means for every two people travelling today, there will be three in the year 2000. Total worldwide tourist revenues will rise to nearly $2,000 billion by the year 2000.

In terms of the total numbers of travellers, the future looks like a marketer's paradise. Canada will undoubtedly share in the growth of worldwide tourism, and it is well placed to benefit from these faster growth rates.

However, in order for the tourist industry in Canada to benefit fully from this expected increase in travel, certain programs and opportunities must be in place to support and promote the travel industry in Canada. That is why, with certain reservations, I am happy that this bill has been introduced and that it will make financing of loans of up to $100,000 available. For in order to exploit the growth in tourism, Canadian facilities must grow and improve, and as we know that will require money.

If I may, I would like to refer to a report of the Tourism Sector Consultative Task Force on the Canadian tourism industry. The publication is dated July 12, 1978. At page 33 under the title of C-9 in connection with the Small Businesses Loans Act, it says:

> —in connection with the Small Businesses Loans Act, the limits should be raised to $250,000 (amount of loans outstanding) and $2,000,000.00 (gross revenue). There may be a problem of chartered banks requiring mortgages for a small business loan. They should accept a second mortgage as the loan is government guaranteed.

So we see that $100,000 is not too much money, and it is probably insufficient for many businesses to carry on.

However, I do have some misgivings about the Small Businesses Loans Act. The fact is that this program has not been fully promoted and advertised. The majority of small business persons are unaware of the Small Businesses Loans Act and, indeed, are confused by the multitude of programs available, either provincially or federally.

These programs, I am sure you will agree, Mr. Speaker, offer many financial alternatives to small businesses. In point of fact, however, without adequate dissemination of information on particular programs, such as the Small Businesses Loans Act, the small business person is confused and perplexed in an already complex financial marketplace.

Therefore, my recommendation would be to make the small business person more aware of the programs available by advertising in trade magazines or by information supplied to the accounting profession, who are often the first turned to when a question of financing is raised.

The purpose of this proposed advertising would be two-fold. Not only would the business person be apprised of the funding available, but this knowledge would arm him in his dealings with the banks and other lending institutions. For it is well known in the business community that the banks are reluctant to inform loan applicants of this funding option.

This is not because of any inherent risk in lending funds with the federal government acting as guarantor although, if the federal deficit continues to increase as forecast by the infamous mini-budget, that could become a real consideration. It is because, as in so many other situations, businesses both large and small do not have the time, and many times do not have the patience or the resources, to indulge in the vast amount of paperwork which dealing with the government entails.

I have had constituents who have told me that banks just cannot be bothered to go through all the nuisance of filling out forms with all the detail that government demands. I ask you,

Mr. Speaker, what is the use of having this program if the banks, who are to administer it, would rather not inform their clients of its availability because the benefit to the bank is outweighed by the cost, in terms of time needed to comply with the government demand for information? If the bank is willing to lend the money, using the criteria that prudent lending practices dictate, why is it necessary that this government form be so complex and so demanding?

This is a problem that is not restricted to those who live in my riding of Erie. It is a problem that is seen across Canada and recognized as a hindrance to business by many, chief among them the Canadian Federation of Independent Business which has made strong representations in the past to the federal government on this problem.

The situation is so bad that the professional trade magazine for accountants counsels its members to do an end run around the banks and other lending institutions by applying for a loan, having it approved, and then requesting that the loan be considered under the Small Businesses Loans Act.

This government, who in the past started the "office of paperburden", should be aware of the difficulties encountered by small business in availing themselves of funding, strictly because of the complexity of the application for that funding. If this government indeed means what it says about helping small business, this is an obvious first step to take. Eliminate the paper burden, advertise the Small Businesses Loans Act extensively, and this recommended legislation will be a good start to encouraging and promoting the cause of small business in Canada.

The Acting Speaker (Mr. Blaker): Order, please. I have to give the House the usual warning that if the Minister of State for Small Businesses (Mr. Lapointe) takes the floor, that will terminate this debate. I presume he does wish to take the floor.

It being one o'clock, I do now leave the chair until two o'clock this afternoon.

At 1 p.m. the House took recess.

• (1400)

AFTER RECESS

The House resumed at 2 p.m.

The Acting Speaker (Mr. Blaker): When the House rose at one o'clock, Bill C-17, an act to amend the Small Businesses Loans Act, was under debate. The Minister of State for Small Businesses had risen to take the floor. As I indicated to hon. members, if the minister speaks that will end debate on second reading of this bill.

[*Translation*]

Hon. Charles Lapointe (Minister of State, Small Businesses): Mr. Speaker, I am very pleased indeed with the debate that has gone on in the House during the few hours we have had to study Bill C-17 on second reading. That debate has allowed us to see that on both sides of the House, that is on the part of hon. members of the Progressive Conservative Party and the New Democratic Party as well as those of the government party, there is a common determination to attend very specifically to the well-being of small business in Canada.

I agree with my colleagues when they say that that sector of our economy is one of the most important, if not the most important of the whole economic structure of our country. I am sure we all agree in the House, Mr. Speaker, that, in view of the large number of small businesses in Canada, their importance in terms of gross national product as well as the remarkable personality of our Canadian entrepreneurs, this sector of our economy constitutes the spearhead of any industrial strategy or economic approach to the development of Canada.

As I said earlier, I am very happy with the favourable remarks made in the House about that vital sector of our economy.

[*English*]

At the beginning of my remarks I wish to commend the hon. member for Capilano (Mr. Huntington) who, as the former minister of state for small businesses, trade and industry, led off the response from the official opposition. In his remarks he displayed a keen sense of the issues that face small businesses today. His remarks were constructive and helpful to the government.

Some hon. Members: Hear, hear.

• (1410)

Mr. Lapointe (Charlevoix): He termed the Small Businesses Loans Act, and I quote "a very successful program of financial aid to the small business community", and he spoke of the very low loss percentage of the program. Further, he welcomed the announcement that the government will be conducting a comprehensive review of its financial support programs for small business.

[*Translation*]

The hon. member for Capilano (Mr. Huntington) then expressed the wish that we look more specifically at that question of working capital or the accessibility of small businesses to certain funding programs to increase their availability of working capital. That idea was repeated by the hon. member for Kamloops-Shuswap (Mr. Riis), the NDP critic on small business, and I think that the government also shares their concerns about the availability of working capital. However, the instrument before us, Bill C-15 to amend the Small Businesses Loans Act, might not be the ideal instrument to deal specifically at this point with the question of greater accessibility to working capital for Canadian entrepreneurs. But I am quite prepared, Mr. Speaker, to hear the representations of my colleagues on this point. I have myself started to attach a great deal of importance to this, more particularly in

the general context of the review we are now doing of the funding problems of small business.

As I said in my remarks at the outset of this debate, we have in co-operation with the Canadian Bankers' Association as well as the Economic Council of Canada undertaken two comprehensive studies on programs relating to small businesses and the funding difficulties facing small businesses at this time. I think that, within those comprehensive programs, we will be able to find more adequate solutions to the problems relating to working capital.

Others of my colleagues opposite used this debate on Bill C-17 to deal more generally with the interest rate problems and all the difficulties facing small businesses. I think I should have expected that because in the political arena it is normal to use all opportunities to try and make a point, to say that much needs to be done, but what I remember most from the debate is the general agreement my colleagues opposite expressed with the amendments to the Small Businesses Loans Act being proposed in Bill C-17.

I noticed more particularly, Mr. Speaker, the very lively and convincing speech by our colleague from Burlington (Mr. Kempling) who referred to the difficulties and annoyances small businessmen can face in Canada when they decide to apply for those programs established by any level of government. I can assure my colleague from Burlington that we will not limit our efforts to reducing administrative formalities and problems caused to Canadian businessmen by red tape. Indeed, as he requested in his speech, we have explained the Small Businesses Loans Act in a booklet and 300,000 copies have been distributed in 1979; furthermore, the banks are trying to improve and develop their information system so that businessmen can be made aware of that very useful and very important program as a development tool for small businesses.

As I said earlier, the high interest rate issue has also been raised. However, I do not think that Bill C-17 is the proper channel through which to tackle the high interest rates which Canadian businessmen have to pay. As all hon. members know as well as I do, Mr. Speaker, as late as yesterday we saw that for four weeks now the interest rate has maintained a downward trend and I hope that will help Canadian businessmen.

As mentioned by the hon. member for St. Catharines (Mr. Reid) earlier this morning, I think the proposal made by the Minister of Finance (Mr. MacEachen) in his economic statement a few weeks ago, that is the business development bond, will allow them in the short run to face the high interest rates which have been especially hard on small business.

[*English*]

I would like to come back more precisely to one remark made by our colleague, the hon. member for Western Arctic (Mr. Nickerson). In his remarks he said that clause 4 of the SBLA bill would allow the maximum aggregate number of guarantees to increase from $600 million to $675 million up to June, 1980. The hon. member said at that time, and I quote from page 448 of *Hansard*:

> There is no way an additional $75 million is going to be guaranteed within the next 30 days or so, and therefore I strongly suspect that this is a cover-up and that loans have already been guaranteed in excess of the $600 million allowed by the law.

I would like to correct right away this remark by saying that from July 1, 1977, to the end of March, 1980, $551 million has been guaranteed. Lending in 1980 is running at 24.8 per cent over 1979. If this increase continues for the month of April, 1980—statistics are not yet available for April—only $49 million will remain in the guarantee for the months of May and June. The $600 million guarantee has not yet been exhausted.

The following are the figures for the three-year guarantee period: July 1, 1977, to December 31, 1977, $50 million; January 1, 1978, to December 31, 1978, $176 million; January 1, 1979, to December 31, 1979, $258 million; and January 1, 1980 to March 31, 1980, $67 million. The total is $551 million.

While the guarantee of $600 million has not yet been surpassed, this will happen before the current program terminates at the end of June, and this is why we have proposed to increase the ceiling by $75 million.

[*Translation*]

Mr. Speaker, to conclude, I would like to come back to the remarks of the hon. member for St. Catharines and those of the hon. member for Erie (Mr. Fretz) to point out how urgent it is for the standing committee to study that legislation so that Canadian businessmen may continue to take advantage of that program as in the past, because the allowable financial ceiling will be reached within a few weeks.

[*English*]

As hon. members opposite have not raised objections to this bill, I am hopeful that it will be passed quickly through committee to be enacted.

[*Translation*]

To conclude, I would like to thank all my colleagues who participated in this debate for their excellent suggestions and also for the positive comments they made in their addresses.

[*English*]

Motion agreed to, bill read the second time and referred to the Standing Committee on Finance, Trade and Economic Affairs.

* * *

● (1420)

EMPLOYMENT TAX CREDIT ACT

AMENDMENT RESPECTING EXTENSION OF PROGRAM PERIOD

The House resumed from Wednesday, April 30, consideration of the motion of Mr. Axworthy that Bill C-19, to amend

the Employment Tax Credit Act, be read the second time and referred to Committee of the Whole.

Mr. Thomas Siddon (Richmond-South Delta): Mr. Speaker, I am pleased to be able to resume debate on Bill C-19 after an adjournment of several days. I should like to take the opportunity in the course of my intervention to expand upon some of the concerns I have as a Canadian about the larger questions of the current state of our economy, and what I see as a lack of action on behalf of the government and of the minister who introduced this bill in coming to grips with the much needed solutions to these problems.

The bill before us, entitled "an act to amend the Employment Tax Credit Act", is merely an extension of an existing program which was introduced as a temporary program, and for that reason we will extend it for one more year. Government members opposite have made a great deal in recent months of the number of jobs that have been created through programs of employment tax credit and the like.

I think that Canadians would like to know what follow-up statistics show as to whether jobs created by this type of a temporary initiative are permanent or whether those jobs self-destruct shortly after the benefits terminate. We understand that the extension for another year will allow another 50,000 new jobs to be created, but we have to look to the next year with a great degree of discomfort in recognizing that, by the end of 1980, we may again have more than 1.2 million people unemployed in this country. I think we should really be asking the minister—and I hope we will ask him—in committee and on future occasions, what other initiatives he has been able to impose upon his cabinet colleagues to convince the government to deal with the growing and horrendous problem of unemployment which is likely to occur in this country, if the economy goes in the direction that many prognosticators predict it will.

So the first question I ask is: Will these be temporary or permanent jobs? Second, will the conditions of eligibility—that is, that the employer has to state that these positions will be surplus to the normal requirement—and the atmosphere which is likely to prevail in such circumstances, reduce inefficiency and initiative on the part of the employer and the workers, in the sense that it means essentially that we will get more bodies to do the same job?

If the government is going to give employers back some of their tax money or allow them to keep it to hire people to do tasks surplus to the normal requirement, perhaps that might be regarded as having a demoralizing effect on fellow employees and on the attitude of the company in pursuing competitive instincts. Of course, we want to know whether, and how, abuses are prevented in which the employer signs a declaration leaving the impression he is embarking on a new initiative when, in effect, he may just be filling a position which he would otherwise have had to meet from his existing cash flow. So there are a number of questions that might be asked of the minister and I trust we will have a chance to pursue these questions in committee.

However, I should like to get off that point and on to the main thrust of my intervention to indicate that this is indeed a short-term initiative. It is as if the minister were pretending he was feeding peanuts to a friendly elephant in a situation where that elephant is no longer an elephant but has become a hungry lion. If the minister is not too careful, he may lose more than his arm.

The scenario facing this country in the next few months, I think, results from an attitude on the part of the government—not only the politicians but the bureaucrats who design systems—that we can cater to every human need by throwing more money at it or by designing a new government program, establishing a new government department, and proliferating the notion that the government can take over whenever the private sector fails. It is true that we need more in the way of tax measures and less in the way of government make-work programs. As this is a tax measure I applaud it, albeit as only a temporary initiative.

I believe that the country is in a state of crisis largely because the private sector in this country has become seriously demoralized. What do we need to do to re-establish a buoyant and productive economy in Canada? I believe that the past decade of Liberal rule has broken the spirit of the private sector economy, especially the small business sector, such as manufacturing, merchandising, construction, farming, fishing and the like. A government which takes with one hand and hands back to someone else with the other sooner or later demoralizes the producers in society. Indeed, we will have a degree of equality where we may all enjoy the same comforts of life, but those comforts, in the final analysis, will be less in total than if we continued to encourage individual initiative and the instinct to rise to the height of challenge, to be entrepreneurial and to create an expanding economy.

Therefore, I really believe there are two key facets to the problem of unemployment in Canada today. First, we have the facet that has been created by more than a decade of government which pursues a Liberal socialist philosophy and which is destroying the private sector instinct to build our country.

Second, we have a government which has set a bad standard for the private sector to emulate in terms of the manner in which they have managed the economy. I would go so far as to suggest that the monetary socialist approach that has been taken to the conduct of our economic affairs in this country reflects a degree of incompetence and a lack of common sense. There is little comprehension of the tools required to encourage the growth, development and entrepreneurial instincts of those who would build their future, without having to be subject to the heavy hand of government.

I want to give a few examples to illustrate that thesis, but first I should like to return to my first point. I think there is a philosophy afoot in this country. I do not have to think that; it is obvious. It is manifest in the attitude that the Minister of Energy, Mines and Resources (Mr. Lalonde) has taken toward the resource-owning provinces. It is an attitude which is based on the so-called concept of sharing.

I put a lot of stock in the Judeo-Christian values which suggest that we should be our brother's keeper. I think most members in the House do so too. There is genuine hardship and genuine need in society and we all do have a collective responsibility to respond. But the concept of sharing as revealed by government members opposite and by my friends to the left has become a dogma. I would go so far as to say it could be called the Robin Hood concept of sharing. In fact, the dictionary will confirm that "sharing" means the "giving and receiving of wealth or goods for the common good, in a framework of generosity".

I believe that it takes an atmosphere of generosity and good will if this notion of sharing is to work, the notion which was so fully reflected in the throne speech and which stated that we must have justice for all. I suggest that in our quest for justice and equality we can go too far; we can go so far as to destroy the spirit of individuals and of regions to build and progress on their own account.

● (1430)

I believe it is true that the resources of individual regions are given to them as the basis for building their local economies. That title to resource ownership has been granted since the time of confederation. Indeed, there was some dispute in the House earlier today about the means by which the government opposite is intervening and abrogating that right which the provinces have enjoyed for more than a century. The notion that resources can be confiscated from one sector of society or from one individual in society and assigned to another can be carried too far. As a consequence, I believe the private sector, the business sector and particularly the small business sector in this country are terribly demoralized. We will not eliminate that problem by increasing taxes, by imposing upon them more bureaucracy, more red tape and form filling, but indeed by doing the exact opposite; that is, by getting off their backs and giving them an opportunity to grow and prosper in this country.

I should like to come to the second point of my thesis. Aside from being over-zealous in the pursuit of this notion of sharing, the government, the monetary socialists, have really mishandled the economic affairs of this country. There is a lack of common sense in the manner by which they have husbanded the taxpayers' hard-earned resources. We read a lot these days about something called the Laffer curve.

I do not want to bore the House with technical descriptions, except to indicate that there is one theory in society which indicates that the higher the tax level is raised, the more revenue the government gets for the purpose of delivering the programs it would like to deliver. That is, the greater the taxation becomes as a percentage of take-home income or the gross national product of the country, the more revenue will flow to government and the more opportunity the government will have to do things; to reinvest that revenue to provide some form of incentive or initiative in some other sector of the economy. Increasingly it is becoming evident that that type of a straight line relationship just does not follow common sense, nor does it conform with thousands of years of experience. In fact, if the percentage of the wealth of the economy or of the average take-home pay of individuals that the government takes in the form of taxation is increased without limit, there is a level of taxation where we begin to destroy the incentive for individuals who want to build collectively for the common good of society. If one continues to increase taxes above that level, the revenue flowing to government, and indeed the gross national product of a country, will begin to subside and fall very quickly to a very low value. This is the principle behind the so-called Laffer curve.

When one is beyond that point at which the level of taxation has exceeded the optimum one for producing the best delivery of services and the healthiest economy, or when people are being surtaxed to too great an extent, one will find that further increases in taxes do nothing more than further demoralize the economy. In fact, in this situation tax reductions are the only way to stimulate the economy and to put us back on an even keel. If we look at the evidence, it is clear that the percentage of taxation as a fraction of the gross national product in this country has doubled since 1970. I believe, that we have gone beyond the point where further increases in taxes can be regarded as a benefit to the economy and to the initiatives the government might take. In fact, the present tax levels are probably destructive to the economic progress of our country.

This little discourse on the mechanism of the Laffer curve tells us, I believe, that we are heading into difficult economic times and ever-increasing unemployment, simply because we do not understand the basic, common sense rules of economics.

I should like to point now to some information which came to my attention recently. This information is not widely known. It has to do with the magnitude of Canada's borrowing. We have heard a lot of debate in recent weeks about the additional deficit which will result because the Liberals opposite are reluctant to face up to the fact that we must pay for what we consume or else our children will pay it for it in the future. So they do not mind holding down oil prices artificially and accumulating an additional $2 billion of federal deficit for 1980. They feel that it is all right that our children pay for that some time further down the road.

Of course, that is just one example of the way in which this government continues to enlarge the federal deficit to the point where in 1979-80 the former Liberal government projected to spend 20 per cent more than they would receive in revenue. But when the Progressive Conservative government took office and presented its budget, we had reduced that government deficit to less than 14 per cent of government spending. Now, as a consequence of the mini non-budget presented recently in this House, we are back to a situation where the government will again incur 20 per cent more in terms of spending than it will receive by way of income during the present fiscal year.

The budget of the hon. member for St. John's West (Mr. Crosbie) indicated that within five years a conservative government would reduce our deficit to less than 6 per cent of programmed expenditure. It is a travesty, a condemnation of the government opposite, that they will not present five-year

projections as to where this country is going. They are reluctant, they are hesitant. They know where they are leading us but they are afraid to admit to the public at large that they are bankrupting this country.

I think it is important that we plan ahead, that we respect the resources of the people who foot the bill and display some consideration for the consequences which massive deficit financing will have on the economic strength of Canada. To highlight that point I want to refer to data taken from the annual reports of the World Bank which showed something rather alarming. These reports indicate that in the years from 1974 to 1979 Canada has borrowed more money in the form of foreign loans and international bond issues than any other country in the world. I do not mean on a per capita basis; I mean that Canada is borrowing more money than any other nation in the world. Sure, it is great to live in Canada, but how is it that we can be so foolish as to borrow at such a rate that in 1976 we borrowed 26 per cent of all the moneys borrowed by all the countries of the world? The average between 1974 and 1979, as reported in the annual reports of the World Bank, is 18 per cent of all the world's borrowing, incurred in the name of Her Majesty the Queen on behalf of those of us here, our families and our children. Since 1974 Canada has been the world leader in total borrowings.

When we listen to the hon. Minister of Finance (Mr. MacEachen) coming into the House and telling us that because of high interest rates Canada will now incur at least $500 million more in deficits as a result of the carrying charges on that borrowing which was not anticipated two or three months ago, it shows how vulnerable this country has become to international forces and how dependent we are on the wiles and economic circumstances of countries and situations beyond our control.

It might interest members to know that in fact Canada's borrowing is larger than that of France or Japan by a considerable degree. In 1976 Canada borrowed $9.5 billion on international markets, while the next highest borrower, France, borrowed only $2.8 billion. We borrowed $9.5 billion out of a total of $34 billion borrowed by all the countries of the world. Indeed, we are borrowing almost a quarter of the world deficit!

Is it not time to take this matter under consideration and change the course of this country? On a per capita basis Canada borrowed almost 25 times as much as Japan, and in 1976 Japan was the world's third highest borrower. In 1978 Canada borrowed $4.85 billion out of a world total of $36 billion. Japan borrowed only $2.8 billion with a population five times larger.

● (1440)

I see that you are shedding a tear or two, Mr. Speaker, and I think we all should. I am citing this evidence to show that government members opposite have no common sense when it comes to the question of managing the wealth of this country and its tremendous potential. Here we are going off to Mexico signing contracts for oil, we go off to Saudi Arabia and elsewhere to assure sources of supply, when we have the supply right within our own country. The present government is, indeed, assuring non-security of supply by its very actions.

We also have this question of high interest rates, and I have to reflect on a personal perspective which has probably been mirrored by what has happened in the last couple of weeks with the collapse of the interest rate levels. When Mr. Bouey, the governor of the Bank of Canada, came before the Standing Committee on Finance, Trade and Economic Affairs last fall, he told us that we had to maintain high interest rates in order to keep inflation under control, and the reason for that was that we depend so much for the commodities we consume and use in our homes on "imported products".

Secondly, governor Bouey said that our Canadian plant capacity was saturated. Therefore, if we did not keep interest rates high the Canadian dollar would fall, thus encouraging more inflation because of the higher costs of imported goods which we rely upon. He said we had to discourage that and keep inflation under control.

Some very prominent people in this country associated with the Canadian Institute for Economic Policy—and all members of Parliament received this report released on April 22, 1980—recently took the following position, and let me quote:

> The Bank of Canada's policy for reducing inflation— tight money and high interest rates—might have had some justification if the inflation had been caused by an overly expanded economy. But the Canadian economy has not been overheated. Therefore, the Bank's policy has been ill-advised. It has not been successful, and, if persisted in, will be no more successful in the future.

I am pleased to see, therefore, that there has been some change of heart on behalf of the governor of the Bank of Canada. I do not think that the current trend is entirely consequential upon the tumbling interest rates in the United States. I hope we are soon going to wake up to the realization that we do have the opportunity to control our own economy. It is shortsighted to say we cannot increase our own plant capacity. It is shortsighted to say we should continue to enjoy all of the comforts of these things we like to buy from offshore and to travel extensively outside the country when, indeed, a lower dollar, if that had to be the consequence of lower interest rates, would offer a tremendously healthy advantage for our economy. That point also is clearly stated in the report which I have cited.

An hon. Member: Who wrote it?

Mr. Siddon: If hon. members opposite wish me to indicate the author, as they have requested, let me say that the author of this report was a former Liberal finance minister who says the Bank of Canada is wrong, that the Liberal government is wrong and has been wrong for many years, and that it is time we realized that the only way to an independent and healthy economy is to recognize that high interest rates in fact increase inflation, increase bankruptcies and impose a hardship on individual businesses that operate within our country.

Now, if you look at the budget brought down by the former minister of finance on December 11, Mr. Speaker, you will note that the mortgage tax credit program would, indeed, have represented a subsidy on interest rates to the tune of 25 per

cent. Members opposite do not want to admit that and neither do our NDP friends to our left, but a 25 per cent tax credit on mortgage payments is a 25 per cent subsidy on mortgage interest rates. That would have ensured that the forest industry would not be collapsing in western Canada and in other parts of the country. It would have assured the construction industry, the real estate industry and the home furnishing industry a much healthier position in Canada today. This would have reduced the cost of a 15 per cent mortgage on renewal to something less than 12 per cent. It is utterly irresponsible for members opposite to have taken the approach they did in condemning that initiative.

On the other side of the question, they like to make a great point of the fact that the mortgage tax credit was going to cost the government something. Actually it was a matter of leaving revenue in the pockets of the people who earned it and were entitled to it. It is the opposite of the Robin Hood philosophy.

On the other hand, the Liberals said that to pay for that cost we were going to increase the price of oil. We were in fact going to increase the price of oil—to a lesser degree than they will in fact have to increase it, inevitably—in order to encourage conservation, and also in order to encourage employment in this country in the private sector of the petroleum industry, in exploration, in the steel fabricating and steel rolling industries, and in terms of all of those supporting industries, including the shipbuilding industry, which would be part of our attempt to develop our own energy resources.

What I am saying is that higher oil prices and a mortgage tax credit program both would have created more jobs than we have in Canada today and would not have cost the Government of Canada one nickel. In fact, all of these additional jobs would have reduced the burden on the unemployment insurance fund and would have increased the flow of income tax revenue to the federal coffers. Without any net change in the existing revenue picture, the Government of Canada and the people of this country would be facing a much healthier economy as we move into the 1980s than we are as a consequence of the Liberal government's retrograde policies; its ill-conceived and nonsensical plans.

Let me deal now with some of the consequences of the government's incompetence in my own riding. I should like to cite a few circumstances that have arisen over the past two or three years. Let me read first from a letter dated April 27 1980, received from a constituent. Reading from its body, it states:

> It is with regret that I have to inform you that Max Sibbelee Aircraft Tires Ltd. is forced to close down its retreading plant as of May 1, 1980.
>
> Due to rising costs, stiff competition from the United States companies and the complete lack of protection from the federal and provincial governments, another Canadian company has gone down.

I should like to tell hon. members a little of the history of this situation. Some three years ago the owner of this small business, the only western Canadian business engaged in the retreading of aircraft tires, was placed under some pressure from a California firm to stop retreading tires and to merely import and distribute their product. At the same time, the Canadian federal government was financing the establishment in Ontario of a retreading plant in the name of that same California firm, and that government-supported retreading plant, of course, got all the Air Canada business. My constituent found that his area of the retreading market was reduced, but rather than accept the offer from the U.S. firm to become merely a warehouse for their tires, he came to the hon. government House leader in the other place, a well-known Liberal politician from western Canada, and asked if the Senator could help him obtain some tariff protection so that this company from California would not be able to compete unfavourably with him, allowing him to stay in the business of continuing to supply tires to the Department of National Defence, CP Air and other airlines operating in western Canada.

Unfortunately, my constituent had a very frustrating and unsatisfactory time with that particular member of the government. Subsequently he learned that if he was to stay in business he had to purchase a machine called a holographic tire testing machine, which he could buy only in the United States, in order to examine every retreaded tire he produced to ensure there were no imperfections or defects. One wonders why this new standard was suddenly imposed. Nonetheless, upon purchasing this equipment, which cost several hundred thousand dollars, he was immediately slapped with an import duty for bringing that piece of equipment in from the U.S., although it was not available in Canada.

He appealed successively to ministers of this government but received no satisfaction and no agreement to his request that the import duties assessed be refunded. So on the one hand he got no protection from imported products that competed with his product line and, on the other hand, when he was required to upgrade his own manufacturing capacity, he had to pay import duty on the equipment he had to purchase from the U.S. in order to stay in business.

● (1450)

As a consequence of the recent action of this government, in denying this man some rebate of the duty on this very sophisticated piece of equipment, his business has collapsed and 50 people are out of work. There is something wrong with the attitude of a government which does not pay attention to the importance of building enterprise in this country and to giving special consideration to small businesses and employers such as my constituent.

I would like now to cite another situation which has developed in my riding. It is with respect to the potato processing industry. Three years ago an entrepreneur in my riding had just put the finishing touches on an $8 million plant for processing french fried potatoes into packaged form for use in commercial and retail outlets. Around that time he discovered that the federal government had awarded a large DREE grant to a company in Manitoba to produce the same product.

I tried at that time to find out from the officials in DREE what market studies had been done to determine the impact of the competitive imbalance which would result, because of the

federal government's subsidy to this large competitive corporation, which is known as McCain's. McCain's were able to provide a product at a price which was backed by the goodheartedness of the people of Canada, so that they undercut the new industry in my riding which was attempting to get into that market. We were told that DREE had no intention of explaining the extent to which they had studied the market factors surrounding their decision to award several million dollars to this plant in Manitoba. A short time later the plant in my riding collapsed.

After several more months of discussion and appeals to the provincial government and federal government, a special ARDA grant was awarded which allowed the owner of this plant to remove all the potato processing equipment and instal a big cold storage freezer. This cold storage freezer was installed after he had laid off 100 employees. Now he employs fewer than ten people and his business is freezing fish. The equipment and the jobs in that plant went somewhere else.

The spin-off implications for my riding and for farmers in the lower Fraser Valley are quite significant because that plant in Manitoba, together with its associate plants across Canada, has a virtual monopoly on the frozen french fried potato business in this country. That company had a smaller plant in Vancouver which was very antiquated and it is now closed. This older plant was the only source of sales for the potatoes grown in the lower Fraser Valley, other than those potatoes which go direct to the consumer market.

What I am saying is that through the process of government intervention to ensure some form of regional equality—sharing or help to other regions of the country—jobs, and opportunities have been lost and dreams have been broken in my part of the country. That is wrong. The farmers who would have been planting potatoes are now trying to find something else to plant and having a very difficult time. In fact the government, as we determined in an exchange with the Minister of Agriculture (Mr. Whelan) the other day, refuses to introduce some form of seasonal tariff to protect the farmers of the lower Fraser Valley from the large quantities of potatoes which are imported from Washington and Idaho. The situation is ludicrous and intolerable.

The government has destroyed a company in my riding which was employing 100 people and an opportunity for farmers in my area to grow produce, but allows produce in large quantities to be imported from just across the border, a few miles away, without giving Canadian potato growers one small bit of protection.

Incidentally, this large company which received all these DREE benefits, to the tune of $10.5 million, the McCain Corporation, is reported to have made an attempt some months later to purchase an interest in Canada Packers Limited. Here is a company that knocked off a few little businesses across the country with the benefit of $10.5 million of taxpayers' money, which then makes a play some months later for a share in Canada Packers. I believe that the transaction was actually completed and McCain's did acquire an interest in Canada Packers Limited. I cannot understand it.

As I said earlier, there is the situation in British Columbia where sawmills and forest industry enterprises in general are collapsing because of similar initiatives by this government. It shows a complete lack of any sense of realism in the approach which it has taken to the housing industry, and the industry is at the point where it is collapsing.

I am pleased to see that the Minister of Public Works (Mr. Cosgrove), who is responsible for housing, is present because his solution to this problem was not very well received by the Canadian Institute of Public Real Estate Companies the other day when he suggested that the government may be introducing some form of deferred or graduated payment mortgage scheme to accommodate the current high interest rate. The scheme is being contemplated to accommodate the problems of foreclosures and mortgage defaults.

The minister implied that the benefits of government assistance will go first to those who need it most. This, of course, means the AHOP foreclosures. But AHOP is a program that resulted from a foolish government policy in the first place. What the government is contemplating now is an extension of the old AHOP deferred payment system where one could start with small payments and increase them as time went on. That is the solution which the government is offering to the people of Canada at the present time. Based on the expectation that real estate values will appreciate, the government, assuming that it can find some investors who will lend the money on a deferred payment basis, wants to allow people to buy houses on small payments which will increase progressively with time. But what happens if the tide of inflation reverses or the economy collapses? There may be hundreds of thousands more ghetto units across the country financed by the people of Canada. Furthermore, our children will carry the burden because of the massive deficit of this country brought on by a government that has conned people into buying something which we as a society can ill afford.

A spokesman for the Canadian Institute of Public Real Estate Companies, after the speech of the Minister of Public Works last week, said:

> Putting the case for major subsidies, he said it was inconsistent that the federal government was willing to subsidize oil by up to $4 billion this year and give nothing to housing.

That is the case which I made earlier. Our government would have given 25 per cent of the mortgage interest payment back by 1982. This year we would have allowed a 12.5 per cent saving on mortgage interest which would have remained in the pockets of Canadians. Instead, the Liberals are subsidizing the high cost of imported oil. It makes no sense.

I have a few more quotes from that same page of *The Ottawa Journal* with respect to the mini-budget submitted in this House by the Minister of Finance last week.

An hon. Member: Don't quote comic books.

Mr. Siddon: I am not quoting comic books, I am quoting informed public opinion. On that page of the *Journal* the Canadian Chamber of Commerce spokesman is quoted as saying:

An increased deficit, particularly when viewed against a commitment to a major effort to control expenditures, could undermine the government's credibility regarding fiscal discipline.

The article goes on:

Not only will a larger deficit undermine the government's credibility, it will create additional downward pressure on the Canadian dollar and the financial markets.

The chamber also favours a more rapid move toward oil prices in the domestic market. It says higher oil prices would help reduce the federal deficit, encourage conservation and promote new exploration and development.

What about all the new jobs such a situation would create?

Mr. Chénier: That's an old cliché.

Mr. Siddon: We had a program which essentially assisted people with high interest rates. It was no less than a genuine subsidy of the mortgage interest rate. I find it hypocritical that the Minister of Finance, in his statement last week, agreed that he would introduce our small business development bond, which has the effect of benefiting small businesses in this country, but refused to accept that a similar initiative is long overdue and much needed in terms of the home building industry and to meet the aspirations of young people to own their own home and to be able to afford to keep it.

An hon. Member: Why didn't the people buy it?

● (1500)

Mr. Siddon: The hon. gentleman opposite asks why the people did not buy it. I think it is because they were conned into believing the mortgage tax credit was going to be financed by higher oil prices and they did not believe higher oil prices were essential to our future energy security. I think they were wrong; I think higher oil prices are essential. Time will prove the truth of the initiatives spelled out in that December budget which I think will go down in history as a most important initiative.

Some hon. Members: Hear, hear!

Mr. Stan Schellenberger (Wetaskiwin): Mr. Speaker, in my first address to the Thirty-second Parliament—

Some hon. Members: Hear, hear!

Mr. Schellenberger: I do not wish hon. members to think this is my first time here. I have been here for a while, but this is the first time that I address this Parliament.

I must commend the hon. member for Richmond-South Delta (Mr. Siddon) on his speech. I wanted to make some remarks about the economy, but he has put the view on the record so well he stole the words out of my mouth.

I shall limit my remarks on the bill to two aspects, Mr. Speaker. I hope to challenge the House to use its imagination in order to assist one group of Canadians which is attempting to find employment, that is, the youth of this nation. I want to discuss that aspect of the problem because I have a feeling that when we have such high unemployment in this nation, a bill of this sort does not assist the youth. I think the minister feels that the unemployment tax credit is an important aspect of youth unemployment.

The other area I want to speak about for a few minutes is the problem of unemployment amongst the native people of this nation and how this bill does not in any way assist them. We have a serious problem of unemployment in the country, particularly among young Canadians.

In March of this year the unemployment rate was 8.6 per cent; the rate for Canadians between ages 15 and 24 was 15.1 per cent, almost double the national figure. This contrasts with the 6.3 per cent unemployment rate for Canadians over 25 years of age. These figures do not even begin to reflect the situation in the more disadvantaged regions of this nation. In Newfoundland the rate of youth unemployment is 25.7 per cent and in New Brunswick it is 21.8 per cent. Nor is the situation improving, Mr. Speaker. In March of this year the seasonally adjusted figures showed that the level of unemployment had increased for men and women aged 15 to 24 by 18,000 and 5,000 respectively. In contrast, when we look at the unemployment figures for men and women aged 25 and over, they actually declined by 17,000 for men and 5,000 for women.

We should consider these statistics in the context of the bill before the House which proposes to assist people to find employment. From these statistics it is obvious that this piece of legislation, and others that have been enacted by Parliament, do not assist young people to find jobs during the winter, nor will they in spring and summer. These figures are only numbers and they really obscure the impact of young people not being able to find employment. When they arrive in the work force just out of school, feeling the challenge to get out and earn a living, and then find there are no jobs, the psychological effect is great.

Our society places a great deal of emphasis on work. The work ethic is regarded by our citizens as a very important attribute of this western society. But what does it feel like to be pounding the pavement, not able to find a job when you feel society expects it of you? In a work oriented society you need that job. It has been said many times that the employment of men and women has something to do with their dignity and feeling of self worth.

These young people come out of college, high school or a technical institution, loaded with achievement, ambition, and enthusiasm, to find that only one in two or one in three can find a job, even though manly of them spend hours, days and weeks trying. Many young Canadians are caught in this vicious cycle right now. They graduate with a degree or diploma from university, high school or technical school and find it is not enough. When there is high unemployment, employers can be selective and ask for people with experience. Obviously young people just graduating have had no opportunity to gain experience. As we know, they have enthusiasm and eagerness. They are generally efficient and often more productive than any other age group, once they find a job.

I suppose there is no man or woman in this assembly who has been unemployed.

An hon. Member: Don't depend on it.

Mr. Schellenberger: Well, you are not unemployed right now—maybe soon, but not right now. The only people in this House who are of that age group are the young men and women sitting at your feet, Mr. Speaker. Perhaps they can identify with the problem of getting out into that work-orientated world and being able to find a job. They can recognize the problems that result.

At a recent meeting of the Amerian Ortho-psychiatric Association, Dr. Saul Levine and Dr. Eli Ginzburg concluded that long-term youth unemployment can be both individually and socially disruptive. The alienation which such youth feels from society manifests itself in high rates of dropping out of the school system entirely, of despair and depression, and even of crime and mental illness.

I have described the problem, Mr. Speaker, and I assume the Minister of Employment and Immigration (Mr. Axworthy) is aware of it. I certainly hope so. The question is, what can we do about it? Is this piece of legislation going to assist, or even in some way solve the problem? The statistics I used earlier would lead me to believe that it will not. Parliament must find new and productive programs to assist youth in their search for jobs. Our schools can help in this. I remember when a member of the Conservative party travelled the country a number of years ago in the labour field. He came to the conclusion that our schools are not suited to training young people to find the jobs they want to do. They are being taught many important skills but those skills are not necessarily related to the jobs which are available when they go out looking, nor are they related to summer employment programs. Maybe part of the answer is to examine some of the other countries in the world which are having some success in this field.

• (1510)

I look at a couple of programs from Europe. Youth unemployment there is relatively the same as that for people in other age groups. Perhaps we can learn something from the programs that are in place in Europe. In many of these countries there are programs in place to give a young person the opportunity to move in the direction of the kind of employment he will ultimately want to pursue. He receives training by these companies at the same time he is attending school. It is a kind of apprentice program while being educated. Upon leaving school, rather than have the companies give these perspective employees long-term on the job training programs, which generally they cannot afford in a tight economy or when there is high unemployment they do not have to, people are partially experienced and partially able to make use of some of those skills. We should be looking quickly at instituting this type of on the job training while students are still attending educational institutions. I know that the federal government has a large budget for education, but by using these suggestions perhaps we could get a program like this on the road much quicker than we are doing at the present time.

A number of other suggestions have been made which I think are very valid. In particular I am speaking of the summer employment program. We have a program called OFY. Basically—but it is not the case in all of the programs because some of them actually assist young people in acquiring the skills they need as they go on in life—many of these programs are simply menial tasks that do not really give the young people the kinds of experiences and on the job training that they need. Surely the amounts of money that we set aside for this program could require more constructive terms of reference as to the end use of that skill in which we want to get our young people involved.

Surely we could come up with some new programs, for instance, work outside of the government where we could encourage existing local governments, private non-profit and volunteer groups, educational and research organizations to assist in hiring students for special summer projects. By doing that they could be selective about the kinds of students that they hire. They could select those students who have a desire to work eventually in the specific field after leaving the educational institution.

We have experimented with summer hiring programs. Many of the federal government departments have done this. I think it is working very well and I would hope that we would expand that kind of program. Instead of hiring full-time people during the year, many of the surveys and field projects carried on by the Department of Consumer and Corporate Affairs, the Department of Agriculture, the department of housing, and the department of urban affairs, could be done by hiring young people during the summer to assist them. These young people would then be getting the skills and on the job training which will assist them after leaving school.

I am sure many committees of the House of Commons, as well as members of this House, could devise some excellent short-term projects for the summer that could be of value to us in this institution or in some government departments. Our imagination should be used. Our party also suggested that we create a specific environmental corps for the summer to employ young Canadians in major environmental operations across Canada. In my opinion, that is an excellent suggestion.

Coming from an agricultural riding, I believe that we could assist many of our farmers during the summer by employing young people. I know that in Ontario and in parts of British Columbia farmers are constantly looking for people to harvest the crops in the summer and in the fall. Farmers have great difficulty in finding people to do these jobs. In fact they have to import labour from offshore. Surely there are a lot of young people who are unemployed who would be willing to take on this kind of work if the government would assist them in their travel and housing arrangements for brief periods during the summer. At the same time we would be assisting the farmers in getting their produce to market. And, again by using imagination, we could come up with some ways of assisting young people.

There is another area that I think is essential and it is something along the line of a youth opportunity fund. We could channel it through the Industrial Development Bank, or some other institution. By doing this we could assist profit

orientated community development groups initially to hire young people to assist them toward a goal where they will be making money and able to pay salaries. There are many of those kinds of community profit orientated types of groups who require people to assist them, and this is one way we could get that sort of thing off the ground. All these programs are programs that assist in a small but very important way. The biggest dilemma that faces us is getting our economy rolling again. If we can bring down the total rate of unemployment, we will then bring down the rate of youth unemployment at the same time, and as my hon. friend who preceded me mentioned, these are some of the ways we could move in order to bring our economy back to order.

Our young people must be challenged. At the present time we are not challenging enough of them. We have not given enough thought in this House of Commons, provincial assemblies or even in the municipalities to how we can better assist and challenge the young people in this nation.

As I look at the bill, I cannot help but think that it really is not giving the assistance necessary. There is one other area I would like to discuss before leaving the Employment Tax Credit Act, and that is the unemployment rate among our native people. The unemployment rate for our native people in the worst of any group in this nation. By looking at the statistics we find that the native unemployment statistics are 300 per cent higher than any other group of people in Canada. The problem is somewhat distinct from any other problem.

Most of these people live on specific reserves set aside, and others who have left those reserves and who are now living in cities often having great difficulty getting jobs. Many of them live in the poorer parts of the cities on welfare and many other social programs that go along with that. This program does nothing to assist them. Obviously, as we look at the rates of unemployment, the programs that we have put in place in this House of Commons are not doing the job. The statistics show that there is no drop in these high rates. By looking at statistics we find that the unemployment rate gets as high as 95 per cent during certain times of the year. These people are not productive nor are they producing anything toward the wealth of this nation. These people are forced to live on the various social programs that are available. I hope to be challenging the Minister of Employment and Immigration and the Minister of Indian Affairs and Northern Development (Mr. Munro) by asking them to tell this House what plans they have in place for the next year or two to assist this group of Canadians to find employment.

We have many suggestions. I hope that we will be given the opportunity to discuss them in this House and in committee, but we must deal with these problems.

I was interested in the minister's remarks about having the potential to build tar sands and heavy oil sands plants in Alberta if the proper agreements are brought forward as far as pricing is concerned. These plants create a tremendous number of jobs for Canadians. The minister said that he could not put anything into this agreement because of a bill that the provincial House has passed that does not allow preferential hiring in Alberta because, based on the individual Human Rights Protection Act, no one group should be singled out to be given preferential treatment. That does not limit us in this federal House when negotiating contracts to put into them such things as hiring within an area. That area is in the northern part of the province and is surrounded by large numbers of native people.

● (1520)

We have the examples of the Syncrude and Sun Oil plants which have hired a great number of native people. They trained them and they are now working in those tar sands plants. We should be putting into effect the same kinds of opportunities for more of the native of people of that area to work in the Cold Lake plant and the new Athabasca tar sands plant.

I make this suggestion to the minister who said it was impossible because of this piece of legislation. I do not believe it is impossible. I think it is very easy to draw hiring in a specific area into the contract. It is only common sense. I hope that suggestion can be drawn into the contract because it is important to those groups of people. Here is an example of something that is working very well. Both of these tar sands plants have a large amount of laundry that needs to be done. The band that had no employment opportunities before was able to secure that contract. It now has many of its men and women working in the new laundry service, and it is working in an excellent manner.

Surely we can put our heads together to come up with more opportunities when starting projects that have billions of dollars associated with them, in order to create employment for those groups of people in the statistically highest unemployed areas.

We have put some challenges before the minister today. We will be asking him questions based on those challenges. I hope he has some answers with regard to the assistance this bill can give to those people, if any, and maybe some other initiatives to which he is putting his imagination.

Mr. Dan McKenzie (Winnipeg-Assiniboine): Mr. Speaker, I welcome the opportunity to enter the debate this afternoon on Bill C-19 to amend the Employment Tax Credit Act, which we hope will relieve some of the high unemployment in Canada. A number of speakers have described this as a band-aid bill. However, we must support it because the government has presented no major job-creation programs to this time for meaningful full-time employment.

It is most distressing to read news articles in the paper such as one that appeared recently, and I quote:

Canada's Specialty: Highest Jobless Rate

Canada has the unwelcome distinction of being alone, among the industrial rivals of the U.S., with a higher rate of unemployment.

That is an absolute disgrace. It certainly does not say much for almost 17 years of Liberal government in this country. I am going to touch on unemployment in Manitoba this afternoon and make some recommendations to the minister on how

to alleviate the high unemployment in the construction industry in that province. The latest figures put out by the Winnipeg construction association show that there are 8,423 craftsmen out of work in Manitoba, not a very happy record. Also, for the record, we have to look at the number of business bankruptcies in this country from 1968 through to 1979, which have increased year after year. This clearly indicates how difficult it is to operate a business in Canada. It is one of our major problems and the reason we have almost one million unemployed today.

We hope the government will bring forward some legislation such as that recommended in the Crosbie budget last year. One recommendation was a common stock investment plan which would have assisted Canadian corporations in expanding. There is no doubt about the job creation spin-off there. Also recommended was special incentives for the Atlantic region which has very high unemployment. This government has seen fit to drop those special incentives.

Also in the Crosbie budget were tax incentives for firms investing in depressed areas. That was an excellent piece of legislation. It would have been excellent for regions in the maritimes and other sections of Canada. Perhaps the minister will introduce something similar to that in the near future. There was also the mortgage and property tax credit plan which would have affected employment across Canada and helped many industries, but that was also dropped. It has been a tremendous setback.

I said I would speak on recommendations for alleviating the unemployment problem, particularly in Manitoba. I refer to the CP rail relocation. If we could ever get that program moving, it would create thousands of jobs in Manitoba. In a moment I will go into some detail of some of the studies which have been done with regard to rail relocation in Winnipeg and the economic benefits that would create.

For the past 14 months the minister has been trying hard to obtain funding for the CP rail relocation, but his success has been very minute. We are all behind him in this project as it is something that has been talked about in Winnipeg for 50 years. We have a very serious problem there with two bridges crossing over the CP tracks that will have to be closed down within two years. That is why I cannot understand the DREE formula presented to the House the other day whereby, over a five-year period, all we get is $25 million. I do not know how there can be a proper rail relocation program with $25 million which will be accumulating over five years.

The minister responsible for DREE gave absolutely no explanation as to allowing for inflation, which is running at about 10 per cent a year. Hon. members can see that in five years from now $25 million will just be a drop in the bucket. This is causing considerable concern, the delays and procrastination with regard to the CP rail relocation plan. There has been some suggestion that the province could have more studies and do more about it. However, rail relocation is a responsibility of the federal government under its rail relocation program on a 50-25-25 formula. There is no way a city or province can do more and more studies without a commitment from the federal government that it will pay 50 per cent of the cost.

There have been many refusals on the funding. Just this week we found out that the Minister of Finance (Mr. MacEachen) knows absolutely nothing about this program. He is not even aware of the studies that Otto Lang ordered in 1979, which were completed in January of this year. He is not aware of the studies that have been done and who has been responsible for them. He tries to blame it on some other government, but it has absolutely nothing to do with the previous government.

The President of the Treasury Board (Mr. Johnston) made it perfectly clear that he is not going to be providing any funds for rail relocation in—

An hon. Member: He didn't know what he was saying.

Mr. McKenzie: The hon. member points out that the President of the Treasury Board did not know what he was saying. If one looks at his answers in *Hansard*, they are certainly very strange. The sad part about this is that the minister seems to work in reverse with regard to his plans for obtaining funds for CP rail relocation in Winnipeg. He should have consulted with the Minister of Finance and the President of the Treasury Board and received some commitment from them first. Public meetings and press conferences are held. It is a serial in the newspapers. This business of CP rail relocation just goes on daily, and the Minister of Finance and the President of the Treasury Board have no intention of providing any moneys at all.

● (1530)

We received one statement from one minister. I think he was trapped. He came out with this five-year formula, this $5 million a year, which is absolutely ridiculous when we have to have a commitment right now of $80 million from the federal government before anybody can consider proceeding with the rail relocation. There still has been no explanation as to how Winnipeg traffic is to move in two years' time when the Arlington and Salter bridges are closed down.

We just simply cannot wait five years, so if the minister—considering the high unemployment we have in this country and the problems we have in Manitoba—could work on the Minister of Finance and the President of the Treasury Board to try to get a firm commitment, that would have tremendous economic benefits for the province of Manitoba, and particularly the Winnipeg area.

The study I have here was commissioned by a previous Liberal government and was just completed in January of this year. It goes into the costs of rail relocation which, at today's figures, is $168 million, so we need a commitment of approximately $84 million from the federal government. I found it very strange that the Minister of Finance knew absolutely nothing about this study at all. He thought it had something to do with the previous government, which it did not. It was commissioned by a former Liberal transport minister. That is another strange aspect of this. I would have thought that the

Minister of Employment and Immigration (Mr. Axworthy) would at least have informed his colleagues about this study and let me know that it had been completed, including cost figures.

With the CP rail relocation there would be great economic benefits, and they are referred to in a study which was completed in 1972. It is called the "Winnipeg Railway Study". It is quite an extensive study into the benefits of rail relocation. The federal, provincial and municipal governments were involved in this study. Quite a number of officials of the Ministry of Transport were involved in this "Winnipeg Railway Study". We have the Dillon study which was just tabled in January of this year. We have the "Winnipeg Railway Study" which points out all the economic benefits. We have enough studies for the time being. We cannot be trying to con the province or the city into doing more studies until we have a firm commitment of $80 million. Then they can assess their positions and come up with more funding if more studies are needed at that time. However, the initiative lies with the federal government right now, not the city of Winnipeg or the province of Manitoba. It is ludicrous to suggest that.

I will just read out a few of the guidelines in the "Winnipeg Railway Study". It says:

> The technical report on the Winnipeg Railway Study has been received by the executive committee from the study team of consultants. We submit this summary of the technical report to you for your information and consideration.
>
> In preparing the technical report the executive committee has been assisted by a Technical Co-ordinating Committee of representatives from the Ministry of Transport, the Province of Manitoba, the city of Winnipeg, CN Railways and CP Rail. In the course of the study, a spirit of co-operation has developed between the participants in this study.
>
> Without your initiatives at the start of the study and encouragement throughout our work, we would not be able to report to you on the substantial progress which has been made toward the objectives of developing a railway network in Winnipeg which would improve the social, environmental and economic conditions for the urban community.

All the details are contained in this study, so we do not need any more studies for the time being. It was Damas and Smith Limited which conducted this study and completed it in 1972. The economic benefits would create many thousands of jobs in Winnipeg, and the study points out the following:

> Programs 3 and 4—

These are contained in the study.

> —create maximum opportunities to attain social and environmental objectives for Winnipeg. These objectives represent a higher quality of urban living in Winnipeg.

This has been one of the concerns of the Minister of Employment and Immigration. He wants to revitalize the downtown area. Nobody has any objection to that. We all support that.

Damas and Smith also point out the following:

> We are of the opinion that the social and environmental goals and objectives can best be attained by a variant of railway relocation program 3 embodying the urban development concepts in both programs 3 and 4. Further, we believe that it could be demonstrated that the social and environmental gains would warrant the investment in the railway relocation program 3.

Just to give an idea of what we could do with this $80 million, they point out in the Damas and Smith report that, and I quote:

> The development of the main corridor is proposed to be staged, starting at the Assiniboine River with the development of park and residential uses south of the Provencher-St. Mary-York river crossing. Development would extend north into the corridor to include those lands served by CP industrial service tracks, after 1980. The residential uses could be fully marketed in the period to 1986, but the commercial development would be only 35 per cent complete.

So we can see that this study went into quite a bit of detail with regard to the different benefits we would receive. The study claims it would take at least ten years to absorb the remaining commercial land use created by this concept. There is no way the province or the city can do any further study ten years off into the future until we get a firm commitment for this $80 million which is the federal government's share in a proper rail relocation program.

In the Damas and Smith report there is a paragraph on real property, which is as follows:

> There are potential economic gains in real property values which would accrue to the owners participating in the Urban Redevelopment Program. If these programs are planned for private enterprise exclusively, then the gain in property value will flow to the private sector. If on the other hand, the corridors are redeveloped as a joint private and public enterprise, then the gains which will be derived as an effect of the investment of public funds in the two transportation systems—rail and road—would flow back to the public directly.

These are the types of meaningful programs we need to put in place, not these short-term tax credit programs. This would create employment and industrial benefits for years to come in the province of Manitoba.

The Damas and Smith report goes on to say the following:

> The urban development concepts explored under programs 3 and 4 are to a large extent interchangeable. In both programs railways are removed from the downtown. Program 3 indicates the magnitude of costs of almost complete removal of the CP tracks from the downtown.

That is what we are trying to accomplish.

> The CN facilities are removed in all programs.

I am not particularly asking to go into that aspect at the present time.

The Damas and Smith report goes on to say the following:

> In both programs 3 and 4, the objectives of the Urban Development and Transportation Concepts for the downtown were to seek a maximum total benefit—within the downtown and for Winnipeg as a whole. Program 3 approaches what might be a maximum in potential for the Nairn and Logan corridors. Program 4 indicates the potential maximum in the main corridor. Some amalgamation of the urban development and transportation concepts in Programs 3 and 4 for the downtown appears to be promising. Resident population could be increased over that proposed with the current development plan to between 25,000 and 35,000 people in this way. This would focus and integrate a wide range of urban activity; it would serve not only the increased local resident population, but also the recreational and leisure time activities which, at the present time, are dispersed throughout Winnipeg.

In another paragraph the Damas and Smith consultants state, and I quote:

> In CP programs 3 and 4, the main line would be constructed independently of existing operations and the new classification yard built at the appropriate location. On completion, operations would be transferred to the new main line and the yard tracks removed in the downtown. The CP Keewatin-Carberry subdivision main lines would still be retained to service industry in the downtown.

● (1540)

So you can see how extensive the study has been. We do not need any more studies, Mr. Speaker. All we need is $84 million in cash and we could get on with one of the greatest industrial plans you have ever seen going into effect in this country. That would create employment. As one member said, they would rather give it to Mexico. Well, let us give it to Winnipeg, Manitoba, Mr. Speaker!

Some hon. Members: Oh, oh!

Mr. McKenzie: I should like to quote again from the Winnipeg Railway Study which states:

> Program 4 results in the removal of approximately 400 dwellings but adds 4,500 new units, a net gain of approximately 4,000 units. This will mean a gain of about 4,000 people in the downtown related corridors. Because most of the housing under this program would be in the main corridor and would likely be priced for the high income sector, the benefits to socially handicapped people will be appreciably less than potentially created by program 3.

They go on to list the economic benefits, but this is where we get great industrial benefits and meaningful job creation. This study also points out the following:

> These programs would promote lively residential fringes and recreational areas circling the north and east parts of the downtown, and will promote the fullest range of urban activities that belong in the centre core. They would have no serious or harmful effects on the development of suburban areas, however, it will mean a lesser function for the suburban shopping centres.

So you can see how extensive this was.

If the Minister of Transport (Mr. Pepin) is not familiar with this study, he can check with the officials in his department because four were involved from the Department of Transport.

I hope that this will clear up the need for more studies, and I hope we will not be reading more newspaper articles such as this. There is a headline in this article referring to the Minister of Employment and Immigration which reads, "Minister Raids Ottawa for Relocation Funding". This is where he has gone wrong.

As I pointed out earlier, this whole approach has been in reverse. Now that we have gone this far—we have discussed it—it is a serial in the daily newspapers, I hope that he will now take some time to meet with the President of the Treasury board and the Minister of Finance to work on obtaining the $80 million. This ridiculous proposal from the Minister of DREE (Mr. De Bané) for $5 million a year for five years is the most idiotic proposal I have heard in this whole series since it started about 15 months ago.

An hon. Member: They lead with the hind end.

Mr. McKenzie: Yes, as the hon. member says, they lead with the hind end. So let us stop the nonsense. Let us not have any more press conferences and meetings until the minister can come to Winnipeg and say, "I have met with the Minister of Finance, I have met with the President of the Treasury board, and I have the support of the cabinet. They have finally agreed to supply us with $84 million because we will have a meaningful program which will create employment." If he does that, he will go down in history as a hero and he will make up for the blundering through which he has led us in the last 15 months.

I hope the minister is listening with interest to what I have said this afternoon because we are behind him on this. We all want rail relocation and we do not want to be talking about this two years from now and to find out that the Arlington and Salter Street bridges are closed and the only route remaining is Main Street—he knows how narrow it is—and all we have is McPhillips Street at the other end. People in Manitoba will be after him wanting to tar and feather him if he does not take some decisive action in the next two weeks.

Mr. Scott Fennell (Ontario): Mr. Speaker, I will address my remarks to you, sir. I hope you will remain in the chair.

An hon. Member: He has just left.

Mr. Fennell: I see that one of ours is in the chair for a change.

This legislation on the employment tax credit is, in my view, representative of Liberal programs over the last 12 years. It is another band-aid, another fix-up, a little piece here, another little piece there. Because of our defeat by members on the other side, we have not continued with construction. House construction has stopped. They would not have needed to worry about the tax credit if they had allowed construction to go on. We were thrown out for that.

The second thing the Liberals have done since they have been in power is in connection with the synthetic oil production which our government was going to act upon so as to make certain that this country became self-sufficient and so as to provide jobs, not only in Alberta but many more in Ontario and Quebec. Because of *force majeure* provisions that the government has put in, employment is down again in Ontario. This attitude amazes me, being from Ontario. They talk about money for Chrysler, money for Quebec for manufacturing vehicles, but they do not want any production in Alberta so as to make us oil self-sufficient and create labour in this country which is so desperately needed.

An hon. Member: Disgusting.

Mr. Fennell: Yes, it is disgusting, as an hon. member says. They boast about not re-introducing the 18-cent tax and killing the mortgage tax deductibility. The 18-cent tax would have allowed us to make this country not only oil self-sufficient but also manufacturing self-sufficient and create employment. We would not need these programs if we had a program that would overcome the unemployment problem before you start.

I congratulate the minister on the employment tax credit program. It is part of the total program, but it is only a little piece—it does not solve the problem. It does not help those big companies to expand and enlarge in a realistic way. It is a band-aid, a patch work. I urge the minister to work with the Minister of Industry, Trade and Commerce (Mr. Gray) and the Minister of State for Small Businesses (Mr. Lapointe), and come up with a solution.

This is only part of the total economic package. Our government put together a total economic package which would have made this country solve the employment problems. Let the minister look at it, copy some more of it, or take the whole thing and do it properly. I wish he would admit that we had a good program. We had an economic program which they could go on with. They took part of it. Let them finish the job and steal the rest of it. Let them do it properly. We had a good program. Let them give some incentive to the private sector, let them not always create government work. This is not working. During the election one party came up with the slogan "Control government, not people". I maintain that that is what we must do. By continuing to put in these patchwork programs, we will not be solving our over-all problems.

The Minister of Finance (Mr. MacEachen) stated that there must be a gradual reduction of inflation and interest rates and that this is the only viable solution to this problem. Why does he not practise this at home in Ottawa instead of spending more of our money? Let the people spend it, let the individual, the private sector spend it, not the government. We are compounding our deficits; our children are going to suffer. The government is not supporting any proper program, it is only creating a patchwork of problems. How will it get the 50 per cent equity in our oil industry? There is only one way to do it and that is to nationalize it, which will again mean bigger government. It is the same as they did with PetroCan. They owe $2 billion now for PetroCan. They can go and borrow another $2 billion. Then we will not stand at an 18 per cent average of world borrowing; we will stand at 50 per cent of world borrowing.

● (1550)

What happened to all the tax breaks? When will they bring in some tax breaks for working Canadians? We have seen the working people worried about unemployment and their retirement. When will we care about working Canadians? They are the persons who are the guts of this country. We must pay attention to them. My party provided for working Canadians. We provided mortgage interest and property tax deductibility to give them a break against punitive tax costs.

I should like to refer to a document which contains just general things that could be done by this government. They should reduce the burden on the economy by reducing government. They should reduce the size of the public service. They should disseminate Crown corporations and Crown agencies. They should get some initiative back into the private sector to generate growth and jobs for Canadians. They should do it through the private sector, not through government subsidy. They should help Canadians to get a stake in this country, not only through their own homes but through ownership of stocks of Canadian corporations. I plead with the government to do something about getting the private initiative back into this country. This is part of a program from which I am reading. They should help the regions of this country. There are regions which need more support than other regions. They should look at it realistically. They should not just pick the little pieces here and the little pieces there. It must be done on a total global basis.

An hon. Member: It is pornographic.

Mr. Fennell: It is not pornographic. That is what I would consider their program to be. I will not use the term, but they are that. They are doing nothing to solve the problems of the citizens and the entrepreneurs of this country.

What about oil self-sufficiency? I have heard the Minister of Energy, Mines and Resources (Mr. Lalonde) talk flim-flam, mish-mash or whatever it is about this subject. What will they do? If they direct their energy toward oil self-sufficiency and manufacturing self-sufficiency, they would not need employment tax credit programs. That would solve it.

The five points I mentioned happen to be statements from the Speech from the Throne of the Thirty-first Parliament. They should steal more of our ideas. They were good ideas. They were excellent ideas that were going to turn this country around. Dealing with the oil industry, every time a synthetic oil plant was built approximately $3 billion would remain in Ontario because of related services. I never worked out how much it would be in Quebec. Alberta does not have these services. The services flow back to the east, and it is the east that is so concerned. They should look at the total picture. They should not worry about who is getting what here and there.

An example is DREE programs. The money usually flows back to the industrial base of the country. We know that it does not all stay where the DREE grants are given. It flows back. I am just saying that they should look beyond what they have in their employment tax credit program. They should develop a total program. They should develop an over-all strategy, an employment strategy. They have the people who can do it. They have the ideas they can steal and they have a lot of ideas they can create themselves.

Mr. McGrath: They sure know how to steal ideas.

Mr. Fennell: Working Canadians—and I must say that we contributed toward this—have been left with two pleasures. I am talking about the unemployed man whom they are going to help to get back to work. They picked two things out of our budget, which I do not think was very good. The man has two pleasures left—one, his beer, and two, his cigarettes. Now they are trying to tax that away from him. At least we were including that as part of a total package. It was relative to the 5 per cent tax on corporations. It was relative to the mortgage interest and property tax deductibility which would have created jobs. It was relative to the realistic price of oil. If there was a realistic price of oil, they would not need employment tax credit. They would have this country running, operating and working, and they would be as proud to be a Canadian as I am. We could have been proud. We should get back on the track. Instead of bringing in partial legislation, they should bring in a total package.

Mr. Siddon: You have to know where you are going to do that.

Mr. Fennell: Where is the youth employment program? There is double the number of people in our youth corps, that is, under 25 years of age. There is double the number there. Where is the youth program? Where is an apprenticeship program? Last year in Oshawa they were crying for trained personnel. They had to go to Britain to bring these people in. There is a program to which the government should be able to address itself to get these young people working, involved and particularly to give them a skill. This cannot be done by $2.50 an hour for so many weeks, or whatever it is. I am talking about learning a trade that may take a year, two years or three years, but it must be done realistically. This is a major program which the minister could introduce. It could do great things to solve the unemployment levels of this country and to get the country working again.

The government seems to spend more time investigating successful Canadian corporations to see what it can get out of them. Ministers should be encouraging those companies to develop additional manufacturing facilities. Instead they put punitive taxes on them. They do not give Canadians the opportunity to invest in those companies. They do not give the employees of those companies an opportunity. I am saying that they should get on with it. They should give them a greater chance to get this country going and to get private initiative going. That is what is missing. That is where the employment problems will be solved. They would get the country working—oil would be produced and iron ingots would be converted to steel products. They would have the country moving. We are just hewers of wood and haulers of water. It is time to change that. That is where an employment program could be very worth while.

As I have mentioned before, I maintain that it must be part of a total economic package. The government working together with others could accomplish this, but I plead with them not to do patchwork solutions to major unemployment problems. They should do a total package or a total frame. They should do a whole program. They have the time. They have the experience. They have a lot of friends. They have a lot of friends in the public service who have many ideas. An example is right in the Department of Communications with which I was fortunate enough to be connected. They are not addressing the problems there. There is employment there, but there are employment problems there too. I acknowledge that we should be addressing those.

As we are moving into the electronic age very quickly, they must realize that there will be a change in the labour force. There will be a reduction of people in the service industry. They will be investing an amount similar to the $50,000 per working person that is being spent in the manufacturing sector, or even the $70,000 per working person in the farming sector, instead of the $3,000 per working person which they are spending in the service industry at the present time. If we do not move on that now, we will be dependent upon Japanese and United States products. We have high technology. The public service with which they are now working has some very fine people who have developed high technology. They should find out about Telidon. Find out about Annex C, D and E. Those are job-creating works. Get the money put in there and become numero uno in this country with high technology; we have it, we are not using it and we are not investing it. This is one of the greatest areas that can be developed in this country, and it is probably one of the most important places in this century.

• (1600)

Mr. Knowles: Four o'clock.

Mr. Fennell: Thank you, Mr. Minister. May I call it four o'clock?

The Acting Speaker (Mr. Blaker): Order, please. It being four o'clock p.m., the House will now proceed to the consideration of private members' business as listed on today's order paper, namely, public bills, notices of motions, private bills. Pursuant to an agreement made earlier this day the House will now proceed to notice of motion No. 13.

* * *

BUSINESS OF THE HOUSE

Mr. Collenette: Mr. Speaker, pursuant to the comments just made about an agreement made earlier this day, I should say, so it is legally tidied up, that we request that all private members' public bills and all notices of motions preceding number 13 be allowed to stand by unanimous consent.

The Acting Speaker (Mr. Blaker): I understand the hon. parliamentary secretary has sought and received unanimous consent that all private members' bills and notices of motions now on the order paper shall stand. Is that agreed?

Some hon. Members: Agreed.

The Acting Speaker (Mr. Blaker): It is agreed and so ordered.

Mr. Collenette: Mr. Speaker, there have been consultations among the parties about the speaking order on Monday during the seventh day of debate on the throne speech. I should point out that the hon. member for Joliette (Mr. La Salle) had the floor during the last consideration on the sixth day on the amendment to the main motion. While it is not obligatory that we allow the hon. member for Joliette to continue speaking on the seventh day on the main motion, it has been the custom and practice in recent years to allow the person speaking on the amendment to continue on the main motion. The hon. member for Joliette had five minutes on that particular amendment, and I understand that he will be the lead speaker for the Conservative party in the debate on Monday.

It has been agreed that the hon. member for Joliette will have an additional 30 minutes on Monday as the lead speaker in the debate after the question period, to be followed by a

speaker from the New Democratic Party, who will also speak for 30 minutes, to be followed by a member of the government, a minister of the Crown, who will also speak for 30 minutes. After that point in time it is agreed that other speakers will be limited to 20 minutes so we can accommodate as many people as possible in the House who wish to make their views known in the throne speech debate. This has particular reference to making it possible for many people to speak before the referendum is taken in Quebec on May 20.

Mr. Baker (Nepean-Carleton): Mr. Speaker, the parliamentary secretary is quite right in respect of the discussions that we have had. I hope that arrangement will commend itself to the House. If it does, I think it would be appropriate that a House order be made in the terms suggested by the parliamentary secretary. That certainly will give more individuals the opportunity to speak, a right that is sometimes difficult to acquire in the House. I think it is a first-rate suggestion. I commend it to the House and I hope the House is agreeable.

Mr. Knowles: Mr. Speaker, the Parliamentary Secretary to the President of the Privy Council (Mr. Collenette) has correctly reported the results of discussions we have had, and we agree to this proposition.

Since the hon. member for Joliette (Mr. La Salle) has been given advanced billing to the effect that he will be speaking on Monday, may I say that the first speaker for the New Democratic Party will be the distinguished and hon. member for Yorkton-Melville (Mr. Nystrom).

I believe there was one other understanding among the three of us, and that was that this arrangement will only work if no one seeks overtime. In other words, the 30 minutes applies to the first three, and after that no one asks for 21 minutes; 20 minutes is the limit.

The Acting Speaker (Mr. Blaker): The House has heard the proposal put forward by the Parliamentary Secretary to the President of the Privy Council (Mr. Collenette). The Chair does not have a copy of it. I will rely, therefore, on hon. members understanding as to what has been said. Is it agreed?

Some hon. Members: Agreed.

The Acting Speaker (Mr. Blaker): It is agreed and so ordered.

PRIVATE MEMBERS' MOTIONS

[*English*]

THE CONSTITUTION

SUGGESTED STEP TO PROVIDE FOR AMENDMENT IN CANADA

Mr. Bill Yurko (Edmonton East) moved:

That an humble address be presented to Her Majesty the Queen in the following words:

To the Queen's Most Excellent Majesty:

Most Gracious Sovereign:

We, Your Majesty's most dutiful and loyal subjects, the Commons of Canada in Parliament assembled, humbly approach Your Majesty, praying that you may graciously be pleased to cause a measure to be laid before the Parliament of the United Kingdom to be expressed as follows:

AN ACT TO PROVIDE FOR THE AMENDMENT IN CANADA OF THE CONSTITUTION OF CANADA

Whereas the Parliament of Canada and the legislatures of each and every province of Canada have requested, and consented to, the enactment of an act of the Parliament of the United Kingdom in the terms hereinafter set forth, and the Senate and House of Commons of Canada in Parliament assembled have submitted addresses to Her Majesty praying that Her Majesty may graciously be pleased to cause a bill to be laid before the Parliament of the United Kingdom for that purpose:

Be it therefore enacted by the Queen's most Excellent Majesty, by and with the advice and consent of the Lords Spiritual and Temporal, and Commons, in this present Parliament assembled, and by the authority of the same, as follows:

PART I
POWER TO AMEND THE CONSTITUTION OF CANADA

1. Subject to this part, the Parliament of Canada may make laws repealing, amending or re-enacting any provision of the Constitution of Canada.

2. No law made under the authority of this part affecting any provision of this act or section 51A of the British North America Act, 1867, or affecting any provision of the Constitution of Canada relating to

(*a*) the powers of the legislature of a province to make laws,

(*b*) the rights or privileges granted or secured by the Constitution of Canada to the legislature or the government of a province,

(*c*) the assets or property of a province, or

(*d*) the use of the English or French language,

shall come into force unless it is concurred in by the legislatures of all the provinces.

3. (1) No law made under the authority of this part affecting any provision of the Constitution of Canada that refers to one or more, but not all, of the provinces, shall come into force unless it is concurred in by the legislature of every province to which the provision refers.

(2) Section 2 of this act does not extend to any provision of the Constitution of Canada referred to in subsection (1) of this section.

4. (1) No law made under the authority of this part affecting any provision of the Constitution of Canada relating to education in any province other than Newfoundland shall come into force unless it is concurred in by the legislatures of all the provinces other than Newfoundland.

(2) No law made under the authority of this part affecting any provision of the Constitution of Canada relating to education in the province of Newfoundland shall come into force unless it is concurred in by the legislature of the province of Newfoundland.

(3) Sections 2 and 3 of this act do not extend to any provision of the Constitution of Canada referred to in subsection (1) or (2) of this section.

5. No law made under the authority of this part affecting any provision of the Constitution of Canada, not coming within sections 2, 3 or 4 of this act, shall come into force if such law is rejected by any combination of provincial Legislatures representative of not less than 20 per cent of the population of Canada (according to the latest census) within a period of 24 months after its passage by the Parliament of Canada.

6. Notwithstanding anything in the Constitution of Canada, the Parliament of Canada may exclusively make laws from time to time amending the Constitution of Canada in relation to the executive Government of Canada, and the Senate and House of Commons, except as regards

(*a*) the functions of the Queen and the Governor General in relation to the Parliament or Government of Canada;

(*b*) the requirements of the Constitution of Canada respecting a yearly session of Parliament;

(*c*) the maximum period fixed by the Constitution of Canada for the duration of the House of Commons, except that the Parliament of Canada may, in time of real or apprehended war, invasion or insurrection, continue a House of Commons beyond such maximum period, if such continuation is not opposed by the votes of more than one-third of the members of such House;

(*d*) the number of members by which a province is entitled to be represented in the Senate;

(*e*) the residence qualifications of senators and the requirements of the Constitution of Canada for the summoning of persons to the Senate by the Governor General in the Queen's name;

(*f*) the right of a province to a number of members in the House of Commons not less than the number of senators representing such province;

(*g*) the principles of proportionate representation of the provinces in the House of Commons prescribed by the constitution of Canada; and

(*h*) the use of the English or French language.

7. (1) Notwithstanding anything in the Constitution of Canada, in each province the legislature may exclusively make laws in relation to the amendment from time to time of the constitution of the province, except as regards the office of Lieutenant-Governor.

(2) Notwithstanding subsection (1) of this section, no province, through the passage of an act of its legislature, shall partially, or totally, secede from the federation of Canada unless such act of the province is approved by the Parliament of Canada and the legislatures of each and every province of Canada.

8. Any law to repeal, amend or re-enact any provision of the Constitution of Canada that is not authorized to be made either by the Parliament of Canada under the authority of section 6 of this act or by the legislature of a province under the authority of section 7 of this act is subject to the provisions of sections 1 to 5 of this act.

9. Nothing in this part diminishes any power of the Parliament of Canada or of the legislature of a province, existing at the coming into force of this act, to make laws in relation to any matter.

10. Notwithstanding any conditions contained within sections 1 to 9 inclusive, the people of Canada, acting in consort, can petition the Parliament of Canada to hold a national referendum on any constitutional matter. Such a petition must be signed by no less than 5 per cent of the voting population of Canada and be validated and accepted by the Federal Government.

On the receipt of such validated petition, the Parliament of Canada shall, before the lapsing of two full years from the date of receipt of the validated petition, hold a national referendum on the substance of the petition and shall enact into law the substance of the petition if such petition receives a 75 per cent plurality of all votes in Canada and no less than a 50 per cent plurality of all votes in each and every province of Canada.

11. No act of the Parliament of the United Kingdom passed after the coming into force of this act shall extend or be deemed to extend to Canada or to any province or territory of Canada as part of the law thereof.

12. Notwithstanding the substance, rights or prohibitions, stated or implied, of the Constitution of Canada as revised, this act recognizes that Canada is a multicultural nation composed primarily of two linguistic solitudes, namely English and French. Furthermore, this act acknowledges the inherent right of self determination of each of these solitudes respectively and that each shall have the inherent right through legal and peaceful means to secede each from the other if so desired and duly and legally expressed through a referendum supported in a near unanimous fashion by the people of the solitude seeking separation.

Furthermore, that such separation, if and when decided upon by the solitude seeking separation, shall occur not along established provincial territorial boundaries but along such contiguous territorial boundaries that are duly and legally negotiated between the two solitudes but which fully respect the rights of large minorities and their expressed option to remain with the solitude of their choice.

13. Without limiting the meaning of the expression "Constitution of Canada" in this part that expression includes the following enactments and any order, rule or regulation thereunder, namely,

(*a*) the British North America Acts, 1867 to 1964;

(*b*) the Manitoba Act, 1870;

(*c*) the Parliament of Canada Act, 1875;

(*d*) the Canadian Speaker (Appointment of Deputy) Act, 1895, Session 2;

(*e*) the Alberta Act;

(*f*) the Saskatchewan Act;

(*g*) the Statute of Westminster, 1931, in so far as it is part of the law of Canada; and

(*h*) this act.

PART II
BRITISH NORTH AMERICA ACT, 1867, AMENDED

14. Class 1 of section 91 of the British North America Act, 1967, as enacted by the British North America (No. 2) Act, 1949, and class 1 of section 92 of the British North America Act, 1867, are repealed.

PART III
FRENCH VERSION

15. The French version of this Act set forth in the Schedule shall form part of this act.

PART IV
CITATION AND COMMENCEMENT

16. This Act may be cited as the Constitution of Canada Amendment Act.

17. This Act shall come into force on....day of.....

He said: Mr. Speaker, every member in this House has been humbled today by the passage of a motion stating that the Parliament of Canada submit an address to Her Majesty, Queen Elizabeth, that Her Majesty may graciously be pleased to cause a bill to be laid before the Parliament of the United Kingdom to provide for the amendment in Canada of the Constitution of Canada.

Parliament must pursue this objective with haste. This is the beginning of a dream that so many of us have cherished for so long; a dream to make this nation whole, to give this nation a distinctiveness, a wholesomeness, a Canadianism that is our own, and sovereignty as a nation and as a people.

Let us hope and let us pray that this process which has begun here today will not falter and fail. Let us all be determined that we shall succeed in patriating our constitution with provincial unanimous agreements, but without, if necessary, for the Parliament of Canada can patriate the constitution with a built-in formula of unanimity for the subsequent amendment of the Constitution in Canada. The question is, has Parliament got the will to do it?

Let us also be determined that we shall succeed in adopting a less rigid formula for amendment so that we can preserve what is good in our constitution and yet change with some ease what needs changing to keep pace with the evolution of the Canadian identity and the Canadian reality.

Let us also be determined to stay united as a nation and as a people so that we can live in peace, in harmony, in prosperity, and in mutual respect of each other's cultures, each other's languages, and the rights and responsibilities of each and every one of us.

The history of our search as Canadians for identity, for distinctiveness and for fulfilment, has been long and sometimes filled with divisiveness, yet always there has been a common

bond between us, for we were and we still are the children of adventurers, the sons and daughters of pioneers who laboured fiercely to give us a future, a future of opportunity and freedom beyond comparison with any other country in the history of civilization.

● (1610)

I plead with the people of Quebec not to cast themselves adrift from this most magnificent of human organizations where opportunity can and should be on the basis of equality for all, where humanism can be respected as the highest order of human organization. This House must act to follow up this motion. A properly structured address to the Queen must evolve. A meeting of first ministers must be convened to get agreement from the premiers. As I have said before, the first ministers should not only attend that conference some time in the near future, but the leaders of the opposition parties in each and every province, and the Leader of the Opposition (Mr. Clark) in this House as well.

The reason I say that is because on this fundamental matter, the most basic law of this country, leaders of the opposition in some of the provinces indeed represent a greater percentage of the people in their province than the premiers. Indeed, in this House it is perfectly obvious that the one national force we have from coast to coast is the Progressive Conservative Party. The Leader of the Opposition in this House should be a full participant in that constitutional conference which will be convened in the next several months.

If agreement is not unanimous among the provinces after the conference of the first ministers and the leaders of the opposition, then the Parliament of Canada can act as it is obligated to act and should act to patriate the constitution with the built-in formula in the BNA Act, that is, unanimous agreement between the provinces and the federal government for any subsequent change to the constitution, the only change being that it will now be done in Canada.

It is well-known, and has been stated on several occasions by the Parliament of the United Kingdom, that if the Parliament of Canada approached the Parliament of the United Kingdom and the Queen, the Parliament of the United Kingdom would follow the dictates and the request or the submissions made by this Parliament to patriate the Canadian Constitution and make it an act of Canada.

There is a substantive history on the attempts to patriate the constitution and find an amending formula. It has been a history of failure, of smallness and of inadequacy on the part of politicians. It was during the federal-provincial conference of 1927 that questions concerning the constitution and its amendment were first debated. The search for an actual amending formula was reinitiated and addressed under the leadership of the late prime minister, the Hon. John Diefenbaker, in the 1960s. Debates emerging from that period centred on the search for a constitutional amending formula and resulted in the Fulton-Favreau formula of 1964.

At the conclusion of the federal-provincial conference held in Charlottetown on September 1 and 2, 1964, to commemorate the centennial of the conference of the Fathers of Confederation which took place in that city in 1864, the then prime minister, the late Hon. Lester B. Pearson, and the premiers issued a communiqué. In it the late prime minister and the premiers affirmed their unanimous decision to conclude the patriation of the BNA Act without delay.

The communiqué added that they decided to complete the procedure for amending the constitution of Canada based on the draft legislation proposed at the constitutional conference of 1961, which they accepted in principle. The attorneys general of Canada then met to complete the formula. At a conference of Canadian first ministers on October 14, 1964, the first ministers unanimously agreed on an amending formula. The communiqué issued by the late prime minister Pearson and the premiers from the conference states that when the amending procedures become law, all future amendments to Canada's constitution will be made in Canada instead of by the Parliament of the United Kingdom. The communiqué added the following:

> As a result our constitution will have become, for the first time in the history of Canada, truly and wholly Canadian.

This occurred back in 1964 under the guidance of the Prime Minister of Canada at that time, who was the Right Hon. Lester B. Pearson.

The bill contained within this motion contains an attempt to find an amending formula, a structured, multistaged amending formula. I had a similar resolution on an order paper of the Thirty-first Parliament which was well debated by myself, the now Secretary of State for External Affairs (Mr. MacGuigan), the NDP member for New Westminster-Coquitlam (Miss Jewett) and the hon. member for Mississauga South (Mr. Blenkarn). That debate is well documented in *Hansard* of October 22, 1979.

Again, I would like to summarize very quickly the basic principles of this motion which contains a bill to patriate the constitution with an amending formula. The principles are as follows: The BNA Act of 1867 served this nation well and renewal should be gradual and step-wise. The whole logistic approach of evolving a whole new constitution has proven to be unsuccessful. The package is so large that politicians and the Canadian people find it hard to swallow in one lump. It is a lump created in the throat and we choke on it and we fail.

I am suggesting in this motion that the step-wise approach is the more appropriate approach. The second principle in this motion is that this bill would effectively patriate the constitution of Canada and provide a formula for subsequent revision in Canada. The bill incorporates a constitutional-amending formula which has in it at least five very distinctive and important parts. First, it requires the unanimous agreement of the provinces to amend certain provincial powers including natural resource ownership and the use of the French language and the English language.

The second part is that it generally permits the provinces to amend their own provincial constitutions and, thirdly, it generally permits the federal government to amend the constitution on purely federal matters only. Fourth, it provides the people

of Canada with a mechanism for amending their own constitution. In my history, in government and in politics, which now spans over a decade, I have always been unimpressed with the fact that politicians seem to think that they have the only God-given right to change the basic laws of this country.

I want to suggest to you, Mr. Speaker, that when it comes to the very basic laws of this country, it is not only the politicians who have a right to change those basic laws, but like most other countries—for example, the United States—and federations, of which Canada is the third oldest, the people have the right to initiate a constitutional change. They have the right, for example, to tell their elected politicians that in certain instances they need a very basic change to human rights and to certain matters of the constitution which affect people in every walk of life.

Nevertheless, one must have the safeguards. If one looks at this bill one finds that it is full of safeguards to protect people's actions to change their own basic law. It says that it must start with a plebiscite or a petition, followed by a referendum, and that referendum must pass in each and every province to the extent of at least 50 per cent of the voting population; and furthermore, that the amendment should receive at least a 75 per cent plurality on a total basis. This amending formula provides a formula for amending the constitution generally in all other areas.

● (1620)

I want to speak on this matter for just a few minutes, Mr. Speaker. I know I can speak for at least an hour on this subject but I do not have too much time, and anyway you would not allow it.

What I want to speak about is the formula for changing the constitution in all other areas besides those I have indicated. We have had the Victoria Charter which said that Quebec shall have, in perpetuity, a veto; it said that Ontario shall have, in perpetuity, a veto; that two out of the four Atlantic provinces shall have a veto, and two out of the four western provinces, provided they have 50 per cent of the population of those four provinces shall have a veto—in perpetuity, all of them, until it is changed again.

This country is changing, Mr. Speaker. The population is shifting, and although one might set a constitution at any moment in time on a basis of population in Ontario, there is absolutely nothing to guarantee that that population and that percentage of the population in Ontario will exist 50 years hence. If a fixed formula in terms of veto power is provided for the province of Ontario, the province of Quebec or any province, in perpetuity, then how can it be changed? How can it be changed, regardless of what the population becomes 50 or 100 years hence? Constitutions are the basic law of the nation and this should apply equally to all parts of the nation. If the population of Newfoundland went up to 10 per cent, 15 per cent or 20 per cent of the population of Canada, would it not also then need a veto? Or British Columbia if the same thing happened there?

What I have suggested is that any combination of provinces across the nation, from the east to the west, from the centre to the outlying areas, any combination of provinces representing a minimum of 20 per cent of the population of Canada, should have a veto.

This type of formula is a futuristic one, Mr. Speaker, as well a formula for the present, so that if the population shifts, the formula shifts so that the little province can combine with the big province to get a veto; so that the Atlantic province which has an interest in offshore resources can combine with the province of British Columbia which has an interest in offshore resources, to say no—no way can central Canada take our resources from us for the good of central Canada, because the initial constitution provided those resources primarily for the growth and benefit of a region.

There is a certain degree of equalization in this nation and it is necessary, vitally necessary, but we can get into a process of over-equalization. Indeed, we are now in a process of over-equalization in this nation, such that the regions are stifled, such that the process of co-operation between the regions is increasingly under stress and strain. We have a country now that is moving toward falling apart because we do not respect the very basis of that constitution in the first place, and that is that the resources which come under section 109 of the British North America Act of each and every province should not be taxed by either one jurisdiction or by the Government of Canada.

But what does the government do? It taxes the resources of one province in interprovincial trade; it taxes the resources of one province in international trade. That is totally inappropriate under section 109 of the British North America Act, the existing constitution. It does not tax gold, it does not tax nickel, it does not tax asbestos, it does not tax hydropower and it does not tax all the other resources. I can tell you that 70 per cent of the world's nickel was sold by Ontario not so many years ago. The proceeds of the sale, in terms of total mineral wealth, was very high. I can also tell you, Mr. Speaker, that oil and gas now represent some $11 billion out of $22 billion annual mineral wealth in the nation and that the actual flow westward literally is only another $5 billion a year which, on the basis of the gross national product of this nation, is not high. It is just a few percentage points.

What is wrong with capital flowing west or east in such a way that the development of this nation is regional in scope and so that our young people can move from one end of the country to the other and find great opportunities everywhere? At the same time, that formula for the well-being and for opportunities for young Canadians from one end of the country to the other, can be maintained in such a way that our cultures and our languages can be preserved.

That is the future dream of this country—a future dream which says that people will not stay fixed in one area because they get handouts, when at the same time there are great opportunities in other areas of the country. That is the future dream of this country—a new constitution that will provide this entire nation with the dreams and aspirations and the

future well-being of young Canadians. Young Canadians should enjoy this nation from one end to the other; young Quebeckers should enjoy this nation from one end to the other without giving up their culture, their language, their history, their roots, their traditions and their emotions. This can be done, Mr. Speaker. We can make out of this nation the most magnificent nation in all of civilization if we put our minds to it.

One of the things that makes my blood boil is the narrow politician, the politician with the narrowest perspective that one can imagine. That is what I have seen across this nation as the president of the Canadian Council of Resource and Environment Ministers, for example, in all the meetings I have had with ministers from all over this nation and, indeed, in meetings outside this country. With some latitude and some depth of thinking we can, in fact, make this a great country, Mr. Speaker, and I hope we do.

Some hon. Members: Hear, hear!

Mr. W. Kenneth Robinson (Parliamentary Secretary to Minister of Justice and Minister of State for Social Development): First of all, Mr. Speaker, I want to congratulate the hon. member for Edmonton East (Mr. Yurko) for his very eloquent presentation. He is probably one of those in this House who is most knowledgeable on the subject. In fact he presented the same motion in October, 1979, at which time he spoke with great eloquence as well.

It is also timely that this morning the hon. member presented a motion under Standing Order 43 concerning the patriation of our constitution, and now he has presented a motion for the amendment in Canada of the Constitution of Canada.

It is important that all the provinces and the federal government agree on this, so the hon. member's motion is very timely. He knows how difficult it has been in the past to change our constitution or, in fact, to patriate it. Many attempts have been made to patriate the constitution and I want to put some of those on the record in order to show how difficult it is to partriate the constitution, or even to change it.

The publication of the Balfour report in 1926 opened the door for Canada to remove itself completely from the legislative authority of the British parliament. The principal problem to be resolved was that of finding an amending formula for the British North America Act when patriated. That, of course, is what we are talking about today—the whole question of finding a magic formula that is going to patriate the constitution and allow Canada to change its constitution in Canada.

The first attempt to solve the problem occurred in 1927 at a dominion-provincial conference. That conference examined an opinion submitted by the then minister of justice, Ernest Lapointe, which involved patriation with a special amending formula. The agreement of all participants was not forthcoming and the matter was kept under consideration.

A second attempt to resolve this matter of patriation was at the dominion-provincial conference held in April, 1931, which was convened in response to representations by Ontario. Once again they were unable to reach any conclusion and the matter was held over once again for subsequent consideration and approval.

The third attempt to deal with the matter occurred in January, 1935, when the House of Commons established a special committee to inquire into the need to amend the British North America Act and a procedure for amendment. Apparently the committee held some ten sessions but did not propose a procedure for amendment in that report. It is strange that a committee of the House of Commons itself could not come up with any formula acceptable at that time, and apparently we are still in the same situation today.

● (1630)

The fourth attempt originated in the dominion-provincial conference of 1935 which established a subconference on constitutional questions under the chairmanship of the minister of justice, Ernest Lapointe. Following a recommendation of the subconference, a continuing committee on constitutional questions was convened on January 28, 1936. The committee devised an amending formula incorporating elements of flexibility and entrenchment, but once again it was not adopted. And so it goes on and on.

The fifth attempt to deal with the matter was limited to the question of the power of the federal Parliament to amend the constitution of Canada, except for five protected categories, the current situation with respect to constitutional amendment that we have. The federal Parliament unilaterally requested that the British Parliament pass the British North America Act, 1949, which would grant this power to the Parliament of Canada under the new section. This in effect did happen. But that only happened with regard to Newfoundland entering into confederation with the rest of Canada.

Mr. Baker (Nepean-Carleton): And with the agreement of Newfoundland.

Mr. Robinson (Etobicoke-Lakeshore): Exactly, with the agreement of Newfoundland.

The sixth attempt occurred in 1950 when a constitutional conference was convened in Ottawa in January and continued its work in Quebec City in September. It was subsequently suspended because of the Korean crisis and the work was not resumed.

The seventh attempt was in July, 1960, at the dominion-provincial conference in Ottawa. The conference of attorneys general met four times during the succeeding 14 months and could reach no conclusion. At first the minister of justice, Mr. E. D. Fulton, suggested that the authority to amend the constitution of Canada in all respects, not known amendable in Canada, be transferred to the Parliament of Canada, subject to the consent of the legislatures of all the provinces. It was generally felt, however, that a less rigid formula could be found. A formula was devised in November, 1961, but some differences of view remained and the plan was not carried through. Of course, we are all aware of the Favreau formula which has not yet been adopted.

Mr. Baker (Nepean-Carleton): The Fulton-Favreau formula.

Mr. Robinson (Etobicoke-Lakeshore): An eighth attempt began at the suggestion of Prime Minister Pearson in 1964. This was mentioned by the hon. member for Edmonton East previously. At that time nothing further transpired. At a federal-provincial conference held in October of the same year, a modified version of the 1961 proposal was approved in principle, but subsequently it failed to get unanimous support, and consideration was postponed indefinitely. That is what usually happens every time there is a conference on the constitution.

The ninth attempt began with the federal-provincial conference of February, 1968, which became a continuing constitutional conference. The constitutional conference with its various committees of ministers and officials and its subcommittees and so on operated from 1968 until the Victoria charter, in Victoria, in June, 1971. The charter provided for a patriation procedure, an amending formula, to which all governments there represented agreed, and a number of changes in substantive areas, as well as for the modernization of the constitution. Quebec, however, has not prepared to proceed with the full charter, and once again action was suspended. I think the Victoria amending formula itself is very important to orchestrate at this time. The amending formula as approved, basically provided that the legislative assembly of a province or either the Senate or the House of Commons could initiate a resolution for amendment of the constitution. If the amendment applied to one or more, but not all of the provinces, it might be made when authorized by resolutions of the Senate and the House of Commons and the legislative assembly of each of the provinces concerned.

For other amendments, the amendment would have to be authorized by resolutions of the Senate and the House of Commons and by the legislative assemblies of a majority of the provinces including: first, any province that had, at any time prior to the proclamation according to any previous general census, a population of at least 25 per cent of the population of Canada—and that is where this differs somewhat from that proposed by the hon. member for Edmonton East, since he is talking about 20 per cent of the population; second, of at least two of the Atlantic provinces; third, of at least two of the western provinces that have, according to the then latest general census, combined populations of at least 50 per cent of the population of all the western provinces. I assume when we are talking about the western provinces that we are really talking about Manitoba, Saskatchewan and Alberta.

If the Senate, under either formula, did not pass a resolution within 90 days of a resolution being passed by the House of Commons, the House of Commons could pass the resolution again after the expiry of 90 days and thus authorize the Governor General on behalf of the Parliament of Canada to issue a proclamation.

The amending formula had been approved at the Victoria conference without the dissent of any province. It was because of that general agreement that the Prime Minister (Mr. Trudeau) hoped it could be reaffirmed and made the basis of early agreement on patriation.

On the occasion of the discussion in April, 1975, the Premier of Quebec indicated that his province could not agree to patriation on the basis proposed without cultural guarantees. In the course of subsequent discussions, other first ministers suggested further additions to patriation plus the amending formula. These included the parts of the Victoria charter concerning the Supreme Court and regional disparities. Some western first ministers queried the population qualification in the amending formula for western provinces. However, no such qualification applies to the Atlantic provinces.

If all provincial governments agree to the amending formula, with or without the population qualification for the western provinces, to appropriate cultural guarantees, to the provisions respecting the Supreme Court and to the provisions respecting regional disparities, one could proceed toward patriation according to the procedure outlined in February, 1971. This is the solution that is proposed by the federal government.

Now the matter has been of continuing concern to the previous Liberal governments from time to time over a period of years, as a matter of fact, for some ten years from 1968 to 1978. I recall that in 1975 the Prime Minister of Canada invited two provincial premiers to take part in a further attempt to bring control over the British North America Act from Great Britain to Canada and to agree on a new system for amending the act once it was brought home. At that time, once again, although the former leader of the opposition, the Hon. Robert Stanfield, agreed and felt, as he stated at that time, that he did not think it was too much to ask that there be agreement at least on an amendment formula during the life of the Parliament, of course, as we all know, nothing transpired further as a result of this attempt either.

However, in 1979, during the election campaign the hon. member for Mount Royal, on May 10 in Montreal stated:

> If you elect us, if you give us your support, if we form the government after the next election, we will have a Liberal government that will set in motion the patriation of the constitution.

That is all the more reason why it is so important today that this matter is before the House of Commons once again. I think it is fitting also that this matter was brought in by a member of the opposition to indicate that there is continued interest on both sides of the House to patriate our constitution. The Prime Minister went on to say:

> It will be a Liberal government that will do this. We will do it with the co-operation of the provinces, if possible. And if that co-operation is not forthcoming, we will do it with the co-operation of the Canadian people, by means of a referendum.

What he has really illustrated here is not too different from what was suggested by the hon. member for Edmonton East in that it may be necessary to have a referendum on this kind of matter in order to let the people of Canada decide for themselves if in fact they wish to patriate the constitution.

I would suggest that some form of referendum might also be considered when we are looking toward changes in the constitution as well in so far as it affects all of Canada and not just individual provinces.

As the Prime Minister said this morning, with regard to the motion under the provisions of Standing Order 43, that, if possible, we want to deal with the provinces. The House leader for the opposition orchestrated the same thing: we do want to work with the provinces. This is an important matter, particularly since the powers of the provinces and the federal government fall under sections 91 and 92 of the British North America Act. The provision is that there should be agreement if possible to reach any conclusions with regard to changes in our constitutional or patriation of the constitution itself.

If all this negotiation fails, it would seem to me that in due course some action would have to be taken, possibly through a referendum, and as I mentioned before, this has already been suggested by the hon. member for Edmonton East. When I look at this bill, and I do not want to go into it in detail, I see that it provides for amendments and not patriation. It is unfortunate the hon. member did not feel he should bring patriation into it at the same time. If we have an amendment to the British North America Act, we want to have the power to make it here and not through the British Parliament.

• (1640)

Clause 1 is very important as it states the power will be in the Parliament of Canada to make laws, repealing, amending, or re-enacting any provisions of the constitution of Canada. That is a very far-reaching and wide power. It would probably require a great deal of discussion and debate before we could reach a conclusion on it.

As far as clause 2 is concerned, all provinces must agree on changes affecting the provinces. There is no doubt that this is well taken. I am sure there would be agreement on all sides that the provinces should be able to have a veto vote if it affects them directly. By the same token, they should be able to effect changes in the constitution if they are affected themselves, even though other provinces may not agree. This could be controversial. I cannot think of any possible problem at the present time that would make it desirable for one province not to agree with another province. However, that remains to be seen.

Clause 5 speaks of 20 per cent of the population rejecting a vote. It seems that this is a very small percentage and it should not be too difficult to obtain.

An hon. Member: Don't talk it out.

Mr. Robinson (Etobicoke-Lakeshore): I really have not got much more to say. I want to say something with regard to clause 12 which talks about the right of self-determination. It is what you might call a selective right to determination only for people who are of either of the two linguistic groups, which he calls solitudes, French and English. This is something that might be considered unsupportable. It would have to be considered very carefully. Even if it were orchestrated by a referendum, I doubt whether it would carry.

When you look at clause 12, you must also look at clause 7(2) where the hon. member suggests that no province or even a part of a province could secede.

In summary, this is a very timely matter to be brought before the House of Commons. It is a matter we will be hearing much more of again. I am sorry there is not a longer debate so that more members could have the opportunity to say what they have to say about this very important matter. I again thank the hon. member for bringing it before the House of Commons.

Mr. Lorne Nystrom (Yorkton-Melville): Mr. Speaker, I begin by saying that today we are talking about something that is very important. It has been and will be with us for a long period of time. The first note I want to strike is one of caution which I do not think was really in the speech made by the hon. member for Edmonton East (Mr. Yurko). In my opinion, it is very important that we not bring back the constitution to this country without the unanimous consent of all the provinces. That is very important.

It is also important that Parliament not pass any resolution or bill outlining the details of what we want to see as a Parliament without there first being negotiations between all the provinces and the federal Parliament of this country. I see some Conservatives nodding their heads in agreement. I am pleased to see that. Before we do something that fundamental, we must first have negotiations between the provinces and the federal Parliament and come up with something on which we all agree. That is the reason why I cannot support the resolution before us today.

The hon. member for Edmonton East asks, does Parliament have the will? I am sure that Parliament has the will to see a reconstituted constitution in Canada. However, I again underline the important part, that we only want to do that if we bring all the provinces with us. One of the basic laws of a federation is that all parts of that federation are treated as equals and all parts of that federation must meet together, plan together and agree on things together as one family. If we do not do that, there will be very serious problems within that federation.

There is another point, minor, and perhaps I should not mention it. The hon. member for Edmonton East, and it is typical of some of the oversights, said that at constitutional conferences all the first ministers should be there and leaders of the opposition. I say to him in passing that that does not include representatives of all the people. If we have conferences of the Parliaments and the legislatures, it should not only be of the two parties. I remind him that in this House, for example, his party represents 33 per cent of the people. Our party represents nearly 20 per cent of the people. Therefore, if there is any conference of any kind that involves more than just first ministers, it should reflect the legislative will of all the peoples.

That is why it is important to think of the province of Quebec as well. I cannot predict whether the *Oui* or *Non* votes will win. Regardless of who wins in the province of Quebec, there will be a large bloc of people not on the winning side and they must be represented in any conference held on the constitution of this country.

There are a number of things in terms of specifics that really concern me about the resolution before the House. The hon. member kept referring to it as a bill.

An hon. Member: It is a bill within a resolution.

Mr. Nystrom: Perhaps that is what it is. It might be bootlegging. In clause 2 he talks about those things that cannot be done without agreement of all the provinces. He talks about the power the provinces have already, the assets of a province and so on. In subclause (d) he talks about the use of the English or French language. You go to clause 6(h) and he again talks about the use of the English and French language, that nothing can be done there without the agreement of all the provinces. I differ strongly with him on this. His leader, the former prime minister, differs strongly with him as well.

This Parliament and all parties in it passed an Official Languages Act which states that the federal government has the right to enact legislation on the official languages of this country. What the hon. member is trying to do here is render Parliament into what could be called a parliamentary unit where it would not have any power or authority over legislation when it comes to official languages in our institutions. Therefore I can never support a bill on that account.

All you have to do is go back to what has already been agreed upon by the premiers. I go back to the Victoria charter, article 18, page 88, where it says that the federal Parliament has the right to enact legislation regarding the French and English languages in our institutions. I can also look at the special joint committee on the constitution in 1972 which said that we have that right. At the premiers' conference in 1978 the premiers agreed unanimously that we have that power. The government's bill, brought in by the present Prime Minister (Mr. Trudeau) in 1978, two years ago, also said we have that right. In this resolution there is a suggestion that clearly goes against the expressed wishes of the provinces, the people's representatives and groups that have studied the issue.

As I said at the beginning, the fundamental matter of importance here is that there be co-operation, agreement and consultation between all the provinces of this country and the federal Parliament.

● (1650)

The second thing which concerns me is section 6 of the proposed act, and here the hon. member is talking about the resolution, or the bill, as he calls it. It says:

> Notwithstanding anything in the Constitution of Canada, the Parliament of Canada may exclusively make laws from time to time amending the Constitution of Canada in relation to the executive Government of Canada, and the Senate and House of Commons—

I disagree with this too. I think we can make laws pertaining to the House of Commons and perhaps the executive of the Government of Canada, but I disagree when it comes to the Senate. I am not referring here just to the position taken by the hon. member for Winnipeg North Centre (Mr. Knowles) that the Senate should be abolished. I think that is a correct position.

Mr. Knowles: Midnight tonight.

Mr. Nystrom: I refer also to Claude Ryan's paper and the Pepin-Robarts task force. I refer to positions now being talked about by various provinces, including my own, the province of Saskatchewan, whereby the Senate should be abolished and perhaps replaced by some other institution. Such an institution might perhaps be a council of the provinces. The provinces would appoint or elect people to represent directly the provinces here in the Senate. I am not sure exactly what this organization should be; all I am saying is that when it comes to the Senate and the future of the Senate, the provinces should have some say. We should not have the unilateral say when it comes to the Senate, and for that reason too I cannot support the resolution before the House today.

The hon. member lists all kinds of things which are exceptions, and amongst them is not the Supreme Court of Canada. When we get to the Supreme Court, we are getting to something which is very dear to the hearts of the hon. member for Regina West (Mr. Benjamin), myself and Quebeckers. I think now of the question of asbestos and so forth. I am talking about resources. The Supreme Court is appointed by the federal government, and we in Saskatchewan have some problems with rulings made by the Supreme Court when it comes to oil—the CIGOL case—and when it comes to potash. Now the Quebec government is having similar problems with the courts when it comes to asbestos.

We feel that the province has the right to tax resources or to nationalize potash, asbestos or what have you. Those matters are under provincial law. The Supreme Court has been taking differing positions on some of these issues, and I think perhaps one reason it does so is that the judges are appointed by the federal government. What we are saying, and what many provinces are saying, is that some of those judges should be appointed by the provinces because those judges have to adjudicate and make rulings on conflicts between the provinces and the federal government, and they should therefore be appointed, some by the federal government and some by the provinces. Otherwise there perhaps could be a bit of a conflict of interest. In his resolution the hon. member leaves this to the exclusive power of the federal government. I do not think the premier of Alberta would agree with that being in the resolution here today. I do not think he would agree at all.

Another thing the hon. member talks about here is the right of the provinces to secede from the union. He says that before any province can secede, an act of Parliament must be passed and acts in each of the legislatures must be passed. I will not try to speculate on what the solution should be, but again that is something which had to be negotiated amongst all the

people of this country. I think, for example, of Newfoundland. Newfoundland came into this country as a result of a vote in Newfoundland, an act of the Newfoundland assembly and by an act of this Parliament. An act did not have to go through the legislatures of Saskatchewan, New Brunswick and all the other provinces of this country.

As I keep going along here in this resolution I come to No. 10. The hon. member talks about referendums, and he says that if the people of Canada petition, they can have a referendum on any constitutional matter, and if 5 per cent or more of the people petition for such, there can be a referendum on any constitutional matter. What is a constitutional matter? Here we are getting into a very sensitive thing. We are getting into constitutional matters which pertain to the federal government, to the provinces and to the territories. In constitutional matters there are concurrent powers.

Then the hon. member goes on to say that if 75 per cent of the people agree in a national plebiscite and 50 per cent of the people in each of the provinces agree, the federal government must then enact the law or the wish expressed in the referendum. I think this too is very dangerous in a federation because, for example, it might be easy to get that vote across Canada when it comes to authority over oil. The rest of the country may say, by 80 per cent, that perhaps Alberta has a little bit too much power. It might be a very divisive issue in Alberta, but it may pass because of the wording of the referendum question by, say, 51 per cent to 49 per cent. There might be immense division, but the federal government would then have the obligation to make the intent of that resolution the law of this country. I just do not think that that is the type of thing we should have in a resolution or in a law of this Parliament. I think that again is an infringement on the rights of the provinces.

There is another thing which I find very interesting, and that is the proposed section 12. The way it is worded in English and French is contradictory. In English it says:

—the Constitution of Canada as revised, this act recognizes that Canada is a multicultural nation composed primarily of two linguistic solitudes, namely English and French.

In the French version it says:

Cette loi reconnaît que le Canada est une nation multiculturelle composée essentiellement de deux groupes linguistiques, à savoir l'anglais et le français.

The hon. member is talking about two different groups, but in English he is talking about two solitudes. I think that is getting rather dangerous. I looked up the definitions of "solitude" and "solitary" in the Oxford dictionary, and I found out that "solitary" means living alone, without companions, secluded, single, lonely, sole, by yourself, and I just maintain that that is not the situation in Canada today. We have in this country peoples in two linguistic groups, but there is a tremendous amount of interaction between those peoples.

[*Translation*]

We are all in the same Parliament. We can speak either French or English.

[*English*]

Francophone members can, Anglophone members can and other people can. We have a tremendous interaction amongst the peoples. If there were two solitudes, in the first place why talk about the separation of the solitudes, because they are already separated? How can a solitude seek separation? I just do not understand how we can spend time talking about the integrity of Canada if this country is already being divided, as the hon. member implies, in the two solitudes. I just cannot buy that type of philosophy which is in the resolution before us today.

[*Translation*]

Another very important thing in my opinion, Mr. Speaker, is that paragraph 12 totally contradicts the principle of self-determination for Quebeckers. The New Democratic Party has always recognized the rights of Quebeckers to choose freely and without coercion their political future.

It is the first time, Mr. Speaker, that such an argument is put in the House, and I refer specifically to this sentence in paragraph 12.

[*English*]

It says here:

Furthermore, that such separation, if and when decided upon by the solitude seeking separation—

This could be either the English or French solitude.

—shall occur not along established provincial territorial boundaries but along such contiguous territorial boundaries that are duly and legally negotiated between the two solitudes but which fully respect the rights of large minorities and their expressed option to remain with the solitude of their choice.

I wonder if anybody can explain to me what all this fuddly, muddly gobbledygook really means. It only says that either solitude can, and I quote:

—secede each from the other if so desired and duly and legally expressed through a referendum supported in a near unanimous fashion by the people of the solitude seeking separation.

That means you can secede by a near unanimous fashion. What is a near unanimous fashion? What is a near unanimous vote?

I put that question because again there is no elaboration in the resolution before us on what the hon. member sees as a near unanimous vote.

Those are only a few of the things one could refer to in the resolution which I think do not make much sense at all.

Mr. Speaker, I see that you are telling me to wind up, so I suggest that the best thing to do with the resolution before the House today is to send it down to the paper shredder so that it can be shredded and thrown into the garbage can. I think all the people of this country, including Premier Lougheed, would be very happy with that accomplishment.

● (1700)

The Acting Speaker (Mr. Blaker): Order, please. I have three things to bring to the attention of hon. members, first, that the hour provided for the consideration of private mem-

bers' business has now expired; second, that it being five o'clock, this House stands adjourned until Monday next at eleven o'clock a.m. pursuant to Standing Order 2(2); and the third is that the Chair wishes all hon. members a good weekend, *une bonne fin de semaine.*

At 5 p.m. the House adjourned, without question put, pursuant to Standing Order.

HOUSE OF COMMONS

Monday, May 12, 1980

The House met at 11 a.m.

● (1105)

ROUTINE PROCEEDINGS

[*English*]

DISASTERS

CALL FOR ESTABLISHMENT OF SPECIAL FUND TO ASSIST VICTIMS—MOTION UNDER S.O. 43

Mr. Girve Fretz (Erie): Madam Speaker, I rise on a matter of urgent and pressing necessity under the provisions of Standing Order 43.

Given the fact that disasters such as hurricanes, tornadoes, fires, floods and other acts of God frequently strike without warning, causing extensive damage to life, limb and property; that in most cases the victims of such disasters, as well as the municipality are totally unable to provide the necessary financial assistance to rehabilitate the area and to help the victims of such disasters; and that the source of funds available to municipalities is limited almost entirely to municipal taxation, which is now a tremendous burden to the citizens of that municipality, I move, seconded by the hon. member for Western Arctic (Mr. Nickerson):

That this House urge the federal and provincial governments to establish a special reserve fund and adopt uniform criteria to administer and disburse such funds should disaster strike.

Madam Speaker: Such a motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

FISHERIES

NOVA SCOTIA—ASSISTANCE FOR LOBSTER FISHERMEN—MOTION UNDER S.O. 43

Mr. J. M. Forrestall (Dartmouth-Halifax East): Under the provisions of Standing Order 43, I wonder if I might move a motion, seconded by the hon. member for South Shore (Mr. Crouse):

That this House calls upon the Minister of Fisheries and Oceans to rise on motions, either later today or at his earliest convenience, to make a brief statement outlining the extent of losses suffered by lobster fishermen along the eastern coast of Nova Scotia and to give some indication to the lobstermen and the House as to the assistance, if any, that may be required to assist fishermen in the successful completion of the lobster season this year.

Madam Speaker: Such a motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

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● (1110)

VETERANS AFFAIRS

NEED FOR IMPROVED PENSIONS FOR SURVIVING SPOUSES—MOTION UNDER S.O. 43

Mr. Donald W. Munro (Esquimalt-Saanich): Madam Speaker, I too, rise under the provisions of Standing Order 43, on a matter of urgent and pressing necessity. It has been urgent and pressing for a number of years, and it is still urgent and pressing.

In view of the withering effect of current high inflation rates on fixed incomes, and particularly on the incomes of veterans on disability pensions, and because under existing legislation the disabled veteran's surviving spouse is especially vulnerable, I move, seconded by the hon. member for Winnipeg-Assiniboine (Mr. McKenzie):

That this House recommends the immediate reintroduction of Bill C-28 from the Thirty-first Parliament, brought forward by the previous government, to alleviate this hardship, ensuring that the surviving spouse of a disabled veteran on a pension less than 47 per cent be afforded the relief that veterans, by their sacrifices, have earned for themselves and their families.

Madam Speaker: Such a motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

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NORTHERN AFFAIRS

FUNDS FOR DEVELOPING INUIT EXPERTISE IN HEALTH CARE—MOTION UNDER S.O. 43

Mr. Peter Ittinuar (Nunatsiaq): Madam Speaker, I rise, under the provisions of Standing Order 43, on a matter of urgent and pressing necessity.

In view of the fact that the report of the Advisory Commission on Indian-Inuit Health recommended that funds should

be made available to the Inuit for purposes of developing Inuit awareness and expertise in the field of health care, and that these tasks should be entrusted to the Inuit Tapirisats of Canada and the Committee for Original Peoples Entitlement, I move, seconded by the hon. member for Saskatoon East (Mr. Ogle):

That the minister responsible for National Health and Welfare contact ITC and COPE and make arrangements for the disbursement of funds for the purposes just stated.

Madam Speaker: Such a motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

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AGRICULTURE

SUBSIDIZATION OF FARMERS TO MEET HIGH INTEREST RATES—MOTION UNDER S.O. 43

Hon. George Hees (Northumberland): Madam Speaker, I rise, under the provisions of Standing Order 43, to move a motion of urgent and pressing necessity.

In view of the urgent need of our farmers for assistance in meeting the excessively high cost of interest rates today, and as the government of Ontario has just announced a $25-million program to help farmers through the current high interest rate period and will subsidize interest rates above 12 per cent by up to 3 per cent, I move, seconded by the hon. member for Nepean-Carleton (Mr. Baker):

That this House instruct the government to introduce a similar program without delay, so that farmers across Canada may benefit from the same kind of positive and imaginative program which has just been introduced by the government of Ontario.

Madam Speaker: Such a motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

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FREEDOM OF INFORMATION

PETER TREU CASE—REQUEST APOLOGY SENT TO EDITOR OF "TORONTO SUN"—MOTION UNDER S.O. 43

Mr. Ron Stewart (Simcoe South): Madam Speaker, I too rise, pursuant to Standing Order 43, on a matter of urgent and pressing necessity. The government proposed in the Speech from the Throne that a freedom of information act would be introduced in this Parliament.

In view of the fact that the trial of Dr. Treu was the first secret political trial in English common law, setting a dangerous precedent for relations between the judiciary and the Canadian government, and was also an assault on the freedom of the press with the persecution under the Official Secrets Act of Peter Worthington, editor of *The Toronto Sun*, I move, seconded by the hon. member for Bow River (Mr. Taylor):

That this government send a formal letter of apology to Mr. Worthington.

Madam Speaker: Such a motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

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CONSUMER AFFAIRS

EXPLODING POP BOTTLES—MOTION UNDER S.O. 43

Mr. Geoff Scott (Hamilton-Wentworth): Madam Speaker, under the provisions of Standing Order 43 I rise on a somewhat explosive issue of urgent and compressing necessity. I refer to the continuing dangerous matter of exploding pop bottles and the government's apparent lack of policy on the same.

In view of reports that the government had decided to rescind the ban instituted by the previous Conservative administration on the 1.5 litre soft drink bottles, and since the government reportedly faces a dilemma in getting the bottle manufacturers to agree on a test that will be politically viable, I move, seconded by the hon. member for Richmond-South Delta (Mr. Siddon):

● (1115)

That the Minister of Consumer and Corporate Affairs make a statement in the House at the earliest opportunity on the safety standards being considered by his department to protect consumers from the explosive force of all carbonated beverages in bottles of any size when they are tipped over, punctured or dropped.

Madam Speaker: Such a motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

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SMALL BUSINESS

REVIEW OF FINANCIAL PROBLEMS—MOTION UNDER S.O. 43

Mr. Nelson A. Riis (Kamloops-Shuswap): Madam Speaker, I rise, under the provisions of Standing Order 43, on a matter of urgent and pressing necessity.

In light of the fact that the Minister of State for Small Businesses (Mr. Lapointe) has undertaken a review of financial problems experienced by small businesses, I move, seconded by the hon. member for Broadview-Greenwood (Mr. Rae):

That the Minister of State (Small Businesses) ensure that this major comprehensive study include meaningful and extensive input from the branch level of Canada's chartered banks and from small business borrowers themselves.

Madam Speaker: Such a motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

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NATIONAL UNITY

NATIONAL UNITY CARDS ISSUED BY ROYAL BANK OF CANADA—MOTION UNDER S.O. 43

Mr. Tom Cossitt (Leeds-Grenville): Madam Speaker, I rise on a matter of pressing necessity, under the provisions of Standing Order 43, pertaining to the making available by the Royal Bank of Canada through its branches to clients in all provinces except Quebec, what are termed "national unity cards", which speak out for the desirability of Quebec to stay within Canada, and also the fact that other companies—reportedly, among others, Bell Canada—will make available the same cards.

I would move, seconded by the hon. member for Hamilton-Wentworth (Mr. Scott):

That this House praises the efforts of Mr. Paul Paré, who is the apparent initiator of this program, but expresses at the same time its regrets that such cards are not available within the province of Quebec, and asks that companies such as the Royal Bank give immediate consideration to allowing its customers in that province to have the same opportunity as other Canadians in expressing their loyalty to Canada at this time.

Madam Speaker: Such a motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

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FISHERIES

IMPOSITION OF CATCH ROYALTY ON WEST COAST FISHERMEN—MOTION UNDER S.O. 43

Mr. Thomas Siddon (Richmond-South Delta): Madam Speaker, I rise, under the provisions of Standing Order 43, to move a motion of urgent and pressing necessity.

In view of recent statements by the Minister of Fisheries and Oceans (Mr. LeBlanc) that he is, indeed, contemplating a catch royalty or landings tax against west coast fishermen, as confirmed in the throne speech by references to a program of partial cost recovery and reinvestment of enhanced earnings, and whereas the Minister of Fisheries has failed to deny that he is considering a surtax in the order of 10 per cent of the landed value of the catch—part of which would go to meet

general budgetary costs of his department—I move, seconded by the hon. member for Esquimalt-Saanich (Mr. Munro):

That the Minister of Fisheries and Oceans be directed to clear up the confusion immediately with regard to his plans to impose a catch royalty upon west coast fishermen and, further, that he meet promptly with fishermen groups in British Columbia to hear their views as to the fairness of this form of supplementary income tax.

Madam Speaker: Such a motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

ORAL QUESTION PERIOD

[*English*]

INDUSTRY

CHRYSLER CANADA—EMPLOYMENT GUARANTEES IN AGREEMENT

Mr. Bill Kempling (Burlington): Madam Speaker, I have a question for the Minister of Industry, Trade and Commerce regarding the Chrysler agreement which was signed on Saturday.

It is noted that the employment guarantees are proportional to the level of Chrysler, U.S., employment. Bearing in mind the move to the world car market which is going on with other automobile manufacturers and Chrysler's desire to move into that field, and noting that components for those world cars are drawn from numerous sources, what discussions were held regarding the sourcing of components?

In other words, did the minister agree to a North American content for the Chrysler fuel-efficient cars which they will produce, bearing in mind that the aid package is almost totally North American?

Hon. Herb Gray (Minister of Industry, Trade and Commerce): Madam Speaker, in our discussions with Chrysler we obtained from them a commitment for greater sourcing activities of parts and components in Canada than has previously been the case. We did not attempt to have discussions of the nature indicated by the hon. member.

• (1120)

I think that is a matter more for our intentions with respect to consultations on improving the operations of the auto pact from the Canadian point of view and is a matter of interest with respect to the entire industry not simply to Chrysler.

I think it is important to note that in return for our loan guarantees which will not have to be in place until 1982 we received from Chrysler commitments to an operating, financing and facilities' plan involving a $1 billion investment for

Canada, aimed at restoring employment in Canada to historical levels; levels indicated in the plan of some 16,000 by 1984.

Mr. Kempling: A supplementary question, Madam Speaker. We note that Chrysler has not met its commitment under the Canada-U.S. auto agreement to maintain a specified ratio between sales and production. Have the penalties been weighed and, if so, can the minister tell us the amount of money involved in this?

Mr. Gray: Madam Speaker, I have received as yet no formal report on the extent to which Chrysler has met its responsibilities under the auto pact for the preceding model year. We certainly have not waived any penalties, and as far as I am concerned, I will be insisting that Chrysler operate in a way which is in the best interest of Canada and Canadian workers.

Mr. Kempling: A further supplementary question, Madam Speaker. We note that on page 8 of the statement of the minister, he said:

> We have also required, in the agreement, that Chrysler Corporation transfer pricing practices will not work to the detriment of Chrysler Canada.

That implies that the practices in the past may have worked to the detriment of Chrysler Canada and, whether the minister is aware of it or not, they have not met their sales-to-production ratio. I wonder if this transfer pricing policy is part of the problem.

Mr. Gray: Madam Speaker, that very important clause in our agreement with Chrysler was not intended to relate to whether or not Chrysler met its production-to-sales ratio under the auto pact but, rather, that Chrysler Canada's financial position and its equity base would not be impaired by any decisions of the parent company. We want to maintain a strong and more autonomous Chrysler Canada in the interests of the Canadian economy and Canadian workers.

* * *

FINANCE

ASSISTANCE TO SYDNEY STEEL PLANT

Mr. J. P. Nowlan (Annapolis Valley-Hants): Madam Speaker, my question is directed to the Minister of Finance. In view of the fact that we apparently have now concluded an agreement for financial assistance to the troubled Chrysler operation, can the Minister of Finance tell the House when we may expect an announcement about the troubled Sysco corporation?

Hon. Allan J. MacEachen (Deputy Prime Minister and Minister of Finance): No, Madam Speaker, it is not possible to say when we may be able to respond to the most recent interest of the government of Nova Scotia.

I would point out to the hon. member, however, that a loan guarantee has already been made available by the Government of Canada in support of Sysco which, in its dimensions, is much larger in terms of relative productivity and investment than that made available to Chrysler.

Mr. Nowlan: A supplementary question, Madam Speaker. Without trying to go through the balance sheet on the number of dollars involved between Chrysler and Sysco, I should like to put a question to the Minister of Finance.

In view of his very interesting and professional answer of obfuscation last Thursday, as reported at page 831 of *Hansard*, in answer to a question by the hon. member for Hamilton Mountain, do we understand that the position of the government and the minister is that the government is waiting for a concrete proposal from the government of Nova Scotia in the Sysco situation, or is the reality what has appeared in the press, that that proposal has gone to the government but was misfiled some time ago?

Mr. MacEachen: Madam Speaker, what has happened is that the government of Nova Scotia forwarded a draft subsidiary agreement that had been submitted to the former Conservative government and which had not been acted upon. In our view, that subsidiary agreement does not constitute, in all its elements, sufficient information to make a response.

The Minister of Regional Economic Expansion will be advising Premier Buchanan at an early date that the material made available in that draft subsidiary agreement is not complete, and that it would not be possible for the Government of Canada to act upon it.

I should add, Madam Speaker, that it is our intention at this stage to try to discuss with the government of Nova Scotia a proposal that would have the effect of making a significant contribution to the future of the Sydney Steel plant, and not, as has too often been the case in the past, making ad hoc responses which are subsequently proved to be fruitless and which lead to additional requests for funds. We would like to make sure this time that we are proceeding in the most responsible way possible that would provide the workers of that plant some assurance that there is a future there.

* * *

● (1125)

INDUSTRY

ASSISTANCE TO INCO PLANT

Mr. Rod Murphy (Churchill): Madam Speaker, my question is to the Minister of Industry, Trade and Commerce. Last week, Inco Limited announced that it has closed the doors on its Sudbury iron-pellet operation, and gave lack of orders as a reason for the shut-down.

Will the minister explain what he is doing to help this Canadian operation, especially in light of the fact that 45 per cent of the iron ore used in Canadian steel companies comes from the United States?

Hon. Herb Gray (Minister of Industry, Trade and Commerce): Madam Speaker, I will be happy to review this

situation with the company to see what further steps we can take to help correct it. I certainly appreciate the seriousness of the situation. It is one that concerns not only me but government members from the Sudbury area.

Mr. Murphy: Madam Speaker, I might point out to the minister that in *Business Week* of last month it was reported that the steel industry is riding high, and I quote from the publication:

—is riding high on a wave of expansion.

Will the minister agree that, since four large iron ore mines and pellet operations have closed down in Canada, that Canadian ore must be used in this expansion of operations?

Mr. Gray: Madam Speaker, I am glad that the hon. member referred to the article in an American business publication confirming that the Canadian steel industry, which is 100 per cent Canadian-owned, is the most productive, efficient and technologically advanced in the world. It is for that reason that one of our policy commitments is to have greater processing of Canadian resources in our own country. I will be working further on this very matter because of its importance.

Mr. Murphy: Madam Speaker, it is nice to hear the minister say that the industry is so healthy. But if it is our industry and it is so healthy, why is it not using our resources? Will the minister call a meeting of the heads of the various steel companies in Canada and ask them, either by voluntary action or by compulsory action, if they will use only Canadian ore?

Mr. Gray: Madam Speaker, I think it makes good sense for our Canadian industry to use our Canadian resources. I will certainly be exploring this matter further with the heads of the Canadian steel industry.

FINANCING OF CONVENTION CENTRE IN TORONTO

Mr. Gordon Gilchrist (Scarborough East): Madam Speaker, my question is to the Minister of Industry, Trade and Commerce, who we have been reminding for quite some time now about the Conservative government's deal in the financing of a convention centre in Toronto. This is the deal we had with the municipal and provincial governments.

There are 4,000 construction jobs at stake here and there are 10,000 new jobs to be created in an industry where there is 30 per cent unemployment right now. Will the minister, now that he is free from his preoccupation of saving jobs in his area by aiding an American corporation, give some attention to the equally great need of job creation in the all-Canadian construction industry, and state clearly, now, to this House that he will confirm the Conservative government's deal. Will he answer "Yes" or "No"?

Hon. Herb Gray (Minister of Industry, Trade and Commerce): Madam Speaker, my hon. friend has, tragically, forgotten that there are 2,000 jobs in Toronto right now in Chrysler plants there.

Some hon. Members: Hear, hear!

Mr. Gray: Madam Speaker, there are also 16,000 jobs in Canadian Chrysler dealerships across the country, Canadian small business, as well as some 10,000 jobs in suppliers to Chrysler in all parts of the country; not only in Ontario and Quebec, but all over, who are dependent upon the survival of Chrysler in Canada. So in the announcement that I made on Saturday, which we have confirmed today, our objective was to help the Canadian economy, help Canadian small business and help Canadian workers. I am sorry that my hon. friend seems to have overlooked this necessity and this reality.

Some hon. Members: Hear, hear!

Mr. Gray: The policy review with respect to the convention centre program I expect to have completed very shortly. This is a matter that we have been working on actively with our Toronto members and ministers, and I hope that either myself or one of my colleagues will have a positive announcement about this matter before too much longer.

Mr. Gilchrist: Madam Speaker, my supplementary question is to the same minister. Even the resident Liberal in the Ontario legislature has recognized the need for this project. Stuart Smith said:

It is absolutely necessary to start construction of a convention centre in Toronto because there is a lack of growth in Toronto and the city's economy has become stagnant.

● (1130)

That is more than I have heard from any of the federal Liberal members, I might say. How can the minister continue to ignore this major Canadian construction business and ignore these jobs?

Mr. Gray: Madam Speaker, we are, simply, not ignoring them. We had a responsibility, on becoming the government, to make sure that financial commitments of the previous Clark government were sensible and in good order.

We are going to complete this review very soon. We certainly have not been ignoring this vital project. Our Liberal members in Toronto and Liberal ministers have been very active in seeking an early resolution of the matter. I am optimistic there will be one that is satisfactory to all concerned before too much time goes by.

CONVENTION CENTRE FOR OTTAWA-CARLETON

Hon. Walter Baker (Nepean-Carleton): Madam Speaker, I have a supplementary question for the Minister of Industry, Trade and Commerce. I heard him speak, quite properly, of the importance of employment with respect to the development and use of convention centres. As he knows, the Liberal and Conservative members in the national capital area have been involved in that.

Can I have an assurance from the minister that in terms of the ongoing review with respect to a convention centre policy, the convention centre for Ottawa-Carleton is not being ignored, and that he is consulting with his seatmate, the

Minister of Transport—who is the member for Ottawa-Carleton—with respect to the importance of that particular installation?

Hon. Herb Gray (Minister of Industry, Trade and Commerce): Madam Speaker, I am very glad that the hon. member has confirmed the non-partisan, all-party support for the Ottawa project. In fact, my colleague, the Minister of State (Small Businesses), met with the Ottawa regional chairman just a few days ago to discuss the progress and consideration, so the project is certainly not forgotten: far from it. It is my hope that we will be making an announcement on the matter of convention centres. It will not simply be with respect to one project, but several. The Toronto and Ottawa projects will be part of that announcement.

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HAZARDOUS SUBSTANCES

REPORTED SPRAYING OF AEROSOL CLOUD OVER WINNIPEG

Mr. Terry Sargeant (Selkirk-Interlake): Madam Speaker, my question is for the Prime Minister. This past weekend, a previously secret report entitled "The Behaviour of Aerosol Clouds within Cities" was released under the provisions of American freedom of information legislation. That report detailed how, in 1953, Canadian authorities collaborated with U.S. defence officials in testing the most effective ways of distributing chemical and biological warfare agents by spraying an aerosol cloud over parts of Winnipeg.

My question to the Prime Minister is, when did he first become aware of this project and its astonishing implications, and does he sanction such projects continuing?

Mrs. Ursula Appolloni (Parliamentary Secretary to Minister of National Defence): Madam Speaker, the Department of National Defence is looking into this alleged report very seriously indeed. However, I think it is important to point out that the department feels very strongly that if such an experiment did, in fact, take place, it was not harmful to human life. I think it is important to point that out.

Mr. Sargeant: In light of the fact that the information regarding this testing was made public only as a result of freedom of information legislation in the U.S., will the Prime Minister undertake to investigate and report to this House all other like instances in which Canadians have been unwitting guinea pigs in such hideous experiments?

Mrs. Appolloni: Here again, Madam Speaker, I would point out that we are speaking about a hypothetical case. Nothing has yet been proven by the United States government or by our department. I wish to point out that in speaking as he is doing, the hon. member is doing no justice whatsoever to the very high sense of integrity of our national defence.

TESTS TO ASCERTAIN HARMFUL EFFECTS

Mr. Dan McKenzie (Winnipeg-Assiniboine): I have a supplementary question for the parliamentary secretary who is answering with regard to chemical warfare testing in Winnipeg.

Since aerosol spraying has now been banned because of its harmful effects, is the department conducting any tests in Winnipeg to see whether there have been harmful effects? Are there any more tests similar to this being conducted in Canada today?

Mrs. Ursula Appolloni (Parliamentary Secretary to Minister of National Defence): Madam Speaker, I thought I made it clear in my first answer that the department is looking very carefully into this whole subject. I would assure the hon. member—indeed, I am repeating myself—that there has been no confirmation from our department or from the government of the United States about this experiment. Our department is looking into it. No doubt when the minister returns, we will have a much more full report.

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PUBLIC WORKS

REASON FOR DELAY IN APPROVING HARBOURFRONT PROJECT IN TORONTO

Hon. David Crombie (Rosedale): Madam Speaker, my question is for the Minister of Public Works. The minister will know that the project in Toronto known as Harbourfront, a project which is before him for approval, has received the approval of all responsible authorities in metropolitan Toronto and Ontario.

It is a project which involves the employment of 3,800 person-years over the next six or seven years, and one which calls for a commitment from the federal government of $20 million and therefore holds in the balance $200 million of private investment. Why has the minister not yet given his approval of the project?

Hon. Paul J. Cosgrove (Minister of Public Works): Madam Speaker, I had the opportunity yesterday with members from Toronto who are newly elected, as I am, to actually visit the site and to have a presentation—one that confirms many of the positive qualities that the hon. member opposite has indicated. It is my hope that within a very few short weeks an announcement will be forthcoming and, I am hopeful, approval of the project.

Mr. Crombie: Madam Speaker, I am sure the minister is aware that the project has already received the support of the city of Toronto council, the metropolitan council, the labour council and the Toronto Construction Association which represents construction companies. It has received all those approvals and has been opposed only by the two railroads and six Liberal MPs. Would the minister care to comment on that?

Mr. Cosgrove: Madam Speaker, I am aware of the widespread support for Harbourfront. As a matter of fact, I understand the city of Toronto council voted 22 to 1 in favour of the project. However, a late development has been an introduction or intervention by the metropolitan Toronto board of trade who have indicated that they have some misgivings about the density of the project. However, I think in discussion with them, possibly their information was not up to date. As I say, after this review which was concluded on the weekend, I hope to have an announcement shortly.

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CONSUMER AFFAIRS

EXPLODING POP BOTTLES—SAFETY STANDARDS

Mr. Geoff Scott (Hamilton-Wentworth): Madam Speaker, my question is for the Minister of Consumer and Corporate Affairs. It has to do with the meeting the minister held last Friday afternoon with the bottling manufacturers on the exploding pop bottle question.

In view of reports that the bottling industry is getting impatient for the government to get its act together, is the minister prepared to announce now to the bottlers and to Canadian consumers a decent safety standard to apply to all sizes of carbonated beverages, not just the 1.5 litre bottles but all carbonated beverages in bottles?

[*Translation*]

Hon. André Ouellet (Minister of Consumer and Corporate Affairs and Postmaster General): Madam Speaker, I am surprised by the question of the hon. member. The decision of my predecessor, the former minister of consumer and corporate affairs, is the cause of the present problem. I am surprised that the hon. member is asking that regulations be issued to cover the entire area of bottling. I am surprised that my predecessor did not consider the matter. However, I can tell the hon. member that I met with the representatives of carbonated beverage companies and I will be in a position to announce later this week the new government policy in that regard.

[*English*]

Mr. Scott (Hamilton-Wentworth): Madam Speaker, the minister should know there was a ban put on the 1.5 litre bottles by the previous government. I understand the ban is being rescinded by the present government. We did not have a chance to move on the 750 millilitre and other sized bottles.

I now ask if the department is having problems coming up with any sort of uniform standard because some bottles are not as good quality as others and there is a dispute within the bottling industry as to the kind of uniform standards that should be developed. Can the minister clear up the confusion before any more accidents happen?

• (1140)

Mr. Ouellet: I am very surprised by those remarks, Madam Speaker, coming as they do from a party which has advocated less and less government intervention.

I can assure the House, though, that later this week we shall announce clear specifications which will reassure consumers and remedy the unjust situation which has been imposed by my predecessor on the bottlers.

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ENVIRONMENTAL AFFAIRS

TOXIC CHEMICALS SPILL ON WEST COAST—LEGISLATION TO PREVENT REPETITION

Mr. Jim Fulton (Skeena): Madam Speaker, my question is to the Minister of the Environment. Is the minister aware that in the past few days a number of dangerous toxic chemicals with a flash point of only 83 degrees Fahrenheit have been washing up on the west coast of this country?

Would the minister confirm that the United States did not inform Canada of this spill and tell the House exactly what he intends to do about it and about future spills of this nature?

Hon. John Roberts (Minister of State for Science and Technology and Minister of the Environment): Madam Speaker, I was away most of last week at the meeting of the Council of Resource and Environment Ministers, in Halifax. I was not aware of the situation the hon. member has described. I thank the hon. member for having brought it to my attention. I will examine it and report back as soon as possible.

Mr. Fulton: In view of the minister's answer, and having regard to the fact that 85 per cent of the one million tons of toxic, hazardous wastes in Canada last year were improperly disposed of, and in view of the fact that the United States this month closed its border to acceptance of some toxic wastes, will the minister immediately introduce a west coast marine pollution act and a transportation and disposal of harzardous products act? If he cannot give the House such an undertaking now, can he tell us whether he will introduce such legislation this year?

Mr. Roberts: The question of toxic chemicals and their transportation was one of the major subjects which we discussed last week at the conference. What I am looking at is a way of finding some means of meeting these concerns at the committee stage of the transportation of hazardous goods legislation.

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ENERGY

DISCUSSIONS ON PURCHASE OF SUNCOR

Mr. Jack Shields (Athabasca): Mr. Speaker, my question is for the Prime Minister. Has the Prime Minister or the govern-

ment, or any department, initiated or taken part in, through a Crown corporation, discussions with Suncor regarding its purchase and, if so, what stage has been reached in such talks?

Right Hon. P. E. Trudeau (Prime Minister): I will inquire, Madam Speaker.

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INDUSTRY

SYDNEY STEEL PLANT—GOVERNMENT ASSISTANCE

Mr. J. M. Forrestall (Dartmouth-Halifax East): Mr. Speaker, I should like to pose a question supplementary to that addressed earlier to the Minister of Finance by the hon. member for Annapolis Valley-Hants. Are we clearly to understand from the response given by the minister that the government has rejected the proposals of Sysco and the government of Nova Scotia with respect to aid—that they have now rejected that proposal out of hand?

Hon. Allan J. MacEachen (Deputy Prime Minister and Minister of Finance): No, Madam Speaker, we have not rejected the approach of the government of Nova Scotia. What we have said is that the material made available up to the present time is insufficient to allow a judgment to be reached on the question of a viable future for Sysco, and that we would wish to have further information and to hold discussions with the government of Nova Scotia.

Mr. Forrestall: The minister, who has been responsible for this matter over the last ten years, cannot be quite as glib as that. Bearing in mind the seriousness of the problem in his own native island of Cape Breton, would he clarify the situation by indicating to the House, to the people of Nova Scotia and to those directly involved, the respect in which he considers the proposals of Sysco and the government of Nova Scotia to be deficient, so that those concerned might address themselves to that question?

Mr. MacEachen: I would be glad to tell the hon. member that a couple of years ago, I believe, the government of Nova Scotia and the Government of Canada entered into an agreement under which extensive studies were to be made into the question of the future of the Sydney Steel plant. These studies have been completed. They are very extensive, they cover a wide range of problems and I am advised they have hardly been used in drafting the proposal for the future of the Sydney Steel plant. This is one matter we would like addressed in adding to the breadth of the proposal.

Furthermore, as I understand it, hardly any attention has been paid in the subsidiary agreement which was submitted to the former government—and which was not acted upon—to a sales and marketing program and I gather this may have been the reason no action was taken by the former government even though the proposal was submitted in January; that it, too, found the agreement inadequate in detail and in content.

An hon. Member: That is false.

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NUCLEAR ENERGY

UNDERGROUND WASTE DISPOSAL RESEARCH PROJECT IN MANITOBA

Mr. Bill Blaikie (Winnipeg-Birds Hill): Madam Speaker, my question is for the Prime Minister. The Committee of Concerned Citizens of Lac du Bonnet, Manitoba, has requested that further work on the underground waste disposal research project in the vicinity of Lac du Bonnet be suspended and that public hearings be held to provide a forum for the discussion of all the attendant scientific, economic, social and ethical issues.

Will the Prime Minister instruct the Minister of Energy to respect the tarnished but still viable idea of participatory democracy and grant this request for public hearings into this project?

Mr. Roy MacLaren (Parliamentary Secretary to Minister of Energy, Mines and Resources): The question of waste disposal procedures is under active consideration with provincial governments, particularly the governments of Ontario and Manitoba, and I shall be glad to report to the House any further developments in this area.

Mr. Blaikie: It is unfortunate, Madam Speaker, that the Prime Minister does not choose to speak for his government. Perhaps he will be able to answer the supplementary question.

The issue of nuclear power is one of the most serious practical, moral and, indeed, symbolic issues ever to be faced by the Canadian people. The former government recognized this to an extent in its intention to establish a parliamentary inquiry into the subject. Instead of just "business as usual", now that the Prime Minister is back in power, will the right hon. gentleman tell the House and the Canadian people whether he is prepared to acknowledge the legitimate concerns of a growing number of Canadians, and declare a moratorium on the development of nuclear power until such time as a proper public inquiry can be held and a conscious decision reached on this issue?

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, I will be happy to discuss the question with the Premier of Saskatchewan, the province from which most of the uranium comes.

EXTERNAL AFFAIRS AND NATIONAL DEFENCE

NORAD AGREEMENT—REFERENCE TO STANDING COMMITTEE

Hon. Allan B. McKinnon (Victoria): Madam Speaker, I will direct my question to the Prime Minister, in the absence of the Minister of National Defence and the Secretary of State for External Affairs. It is my understanding that the NORAD agreement either expired last night or is due to expire today.

Could the Prime Minister tell us whether there has been an extension and, if so, how it was arrived at, bearing in mind that five years ago his government accepted a report from the Standing Committee on External Affairs and National Defence that this matter should be referred to the committee well before the expiry date?

Mrs. Ursula Appolloni (Parliamentary Secretary to Minister of National Defence): Madam Speaker, I am happy to announce that this particular agreement with NORAD will be tabled today. I am also happy to announce that a reference is being made to the standing committee, of which we will hear more today.

Mr. McKinnon: I thank the parliamentary secretary for answering on behalf of the Prime Minister. I wonder if I might ask a supplementary. Does the agreement which is to be tabled today affect the subsidiary agreements and memoranda, particularly as to the continued employment of Canadian servicemen on American soil and, perhaps even more important, the continued custody of the nuclear weapons which are American-owned but are deployed on Canadian soil?

Mrs. Appolloni: Madam Speaker, if I may, I would like to thank our Prime Minister for allowing backbenchers and parliamentary secretaries to have a chance to speak in this House.

Some hon. Members: Hear, hear!

Mrs. Appolloni: In reply to the supplementary question, our department is, as usual, very grateful to the hon. member for his sincere interest in national defence. May I invite the hon. member to see the agreement today, once it is tabled, and then he will have full details. I repeat, he will have the opportunity to discuss the whole agreement later in committee.

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● (1150)

AIRPORTS

VICTORIA INTERNATIONAL—ABSENCE OF RADAR EQUIPMENT

Mr. Donald W. Munro (Esquimalt-Saanich): Madam Speaker, my question is directed to the Minister of Transport, who on a variety of occasions in the House within the last two or three weeks has demonstrated that he has been unaware of a number of things such as the location of Mount Hope airport, and the weather ship situation on the west coast.

I am wondering whether he was aware, during his visit to Victoria international airport, of the non-existence of radar at that airport, or whether his officials made him aware of it before he landed there?

Hon. Jean-Luc Pepin (Minister of Transport): Yes, Madam Speaker, I am aware of the existence of Victoria airport—thank you very much—and I will send my friend a detailed analysis of improvements that will be brought about to that airport in the coming year or so.

Mr. Munro (Esquimalt-Saanich): I think we all know that there are physical improvements to the building. I am talking about radar at Victoria international airport. I think the minister is still unaware of the fact that there is no radar at the airport.

I should like to find out from the minister—if he has been aware of it, or since he has been made aware of it by me, if by no one else—if he would assign to the installation of radar at Victoria international airport the same high priority as was accorded it by the previous government.

Mr. Pepin: Madam Speaker, I do not want to emphasize the point, but it is quite apparent that my hon. friend has a personal reason for asking why there is not an adequate radar system at that particular airport. I am quite sure that if I were to question him on the existence of system radar at other airports in Canada, he would not know either. But this being said, let me assure the hon. member that in my answer to the question regarding improvements being made at Victoria airport, information on radar will be included.

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NATIONAL DEFENCE

U.S. FIGHTER AIRCRAFT CRASHES ON CANADIAN SOIL

Mr. Doug Anguish (The Battlefords-Meadow Lake): Madam Speaker, I wanted to direct my question to the Minister of National Defence, but since the minister is not here I had hoped to direct it to the Secretary of State for External Affairs, but he is not here either so I guess I would have to direct it to the minister for intergovernmental affairs, but the Prime Minister failed to appoint him so I will in fact put my question to the Prime Minister.

Some hon. Members: Oh, oh!

Mr. Anguish: In light of the fact that during the last two weeks, two U.S. fighter aircraft crashed in northern Alberta and northern Saskatchewan while on manoeuvres from the Canadian Forces Base at Cold Lake, and since the province of Saskatchewan has been assured that the manoeuvres will cease until the problems have been identified—and such action has not been taken on that and the manoeuvres are still taking place—will the Prime Minister assure the province of Saskatchewan that no further U.S. military manoeuvres will take

place until an investigation is carried out and remedial action taken?

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, I should report to the hon. member something that I believe most hon. members know, namely, that the Minister of National Defence and the Secretary of State for External Affairs are in Brussels attending the NATO meeting. I can understand that the hon. member, belonging to the party that he does, is not quite sure and should be informed of these things.

Some hon. Members: Hear, hear!

Mr. Trudeau: But I will make sure that the ministers, on their return, investigate the matter raised by the hon. member.

Mr. Anguish: I have a supplementary question which the Prime Minister might also wish to direct somewhere. Since the fighter aircraft crash in Saskatchewan has been identified as causing an extensive forest fire, which is still burning out of control, will the Prime Minister assure the province of Saskatchewan that full recovery costs for firefighting will be reimbursed to the provinces as a result of the U.S. plane crashing?

Mr. Trudeau: I am not sure, Madam Speaker, if there is an agreement covering this kind of damage, but if it is damage caused by a U.S. plane I would suppose that the hon. member would want the damage covered by the Americans.

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INDIAN AFFAIRS

FUNDING OF BAND HOUSING

Mr. Maurice Foster (Algoma): Madam Speaker, my question is for the Minister of Indian Affairs and Northern Development. In view of the continuing representations being made by Indian bands that the financial assistance available under the department's capital housing program be raised from the present totally inadequate level of $12,000, can the minister say when these changes will be made to a more realistic level, so that the bands can get on to the more urgent housing needs?

Hon. John C. Munro (Minister of Indian Affairs and Northern Development): Yes, Madam Speaker, I would advise the hon. member that the whole matter to which he is referring is now under active consideration by the government. I hope that a decision will be made fairly shortly.

GRAIN

MONEYS OWED FARMERS FOR DELIVERIES TO CANADIAN WHEAT BOARD

Mr. Bill McKnight (Kindersley-Lloydminster): Madam Speaker, I should like to direct my question to the Minister of Transport who answers for the Canadian Wheat Board. Would the minister inform the House and the farmers of western Canada why they have not received, since the crop year 1972-73, the $28 million owed to them for the delivery of grain to the Canadian Wheat Board?

Hon. Jean-Luc Pepin (Minister of Transport): I will have to take the question as notice, Madam Speaker.

Mr. McKnight: I wonder why that minister is called responsible and the other one is not. Would the minister explain, when he takes notice of this question, who received the payments for the net bushels acquired from overages and shortages and the adjustment since 1973-74, and why it was not the producer? Was this done with the consent of the advisory committee to the Canadian Wheat Board?

Mr. Pepin: I will do so, Madam Speaker.

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NORTHERN PIPELINES

NORMAN WELLS-ZAMA PIPELINE—POSITION OF MINISTER

Mr. Dave Nickerson (Western Arctic): Madam Speaker, I have a question for the Minister of Indian Affairs and Northern Development. A week or so ago, a motion was introduced in the House by the former minister of Indian affairs and northern development, the hon. member for Notre-Dame-de-Grâce, opposing the construction of the proposed Norman Wells-Zama Lake pipeline.

In view of the need to encourage energy self-sufficiency in Canada, and in view of the need for an economic stimulus in the sadly-depressed Mackenzie district, can the minister tell the House whether he shares the same negative view as the former minister, or whether that hon. member was just expressing his own misguided ideas?

Hon. John C. Munro (Minister of Indian Affairs and Northern Development): Madam Speaker, as the hon. member knows, this matter is subject to the environmental assessment panel right now, and also the applications before the National Energy Board, both of which will probably come to culmination some time during the course of the summer. We will wait to see the decisions of those two bodies before any development takes place, in any event.

I hope that during that interval of time matters can be worked out to the satisfaction of all parties concerned. I do not believe it is advisable at this time, on the part of the hon. member or of anyone else, to try to polarize the situation by indicating that development will not go ahead at this particular time.

EXTERNAL AFFAIRS

CANADIAN REPRESENTATION AT FUNERAL OF MARSHALL TITO

Mr. Tom Cossitt (Leeds-Grenville): Madam Speaker, I have a question which I should like to direct to the Prime Minister with reference to the funeral of Marshall Tito of Yugoslavia at which the government was represented by, among others, as head of our delegation, the Governor General.

I should like to ask the Prime Minister why he failed to accompany the Governor General to the funeral, not only to show respect for one of the last of the great Second World War leaders, but particularly to take the opportunity, as so many other national heads of governments did, to meet with one another and discuss important, world problems with each other?

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, I am sure the hon. member does not intend in any way to downgrade the monarchy by suggesting that the Governor General was not a good representative.

Some hon. Members: Hear, hear!

Mr. Trudeau: As to future contacts with foreign heads of government and heads of state, I will have occasion, with the encouragement of the hon. member, to make trips during my term of office.

Mr. Cossitt: May I say, in prefacing my supplementary question, that there was no intention to downgrade the Governor General. If the Prime Minister heard my question, he would have heard me ask why he did not accompany the Governor General who, by virtue of his position, is not empowered to talk to national leaders on the political level.

My supplementary question is as follows: If the Prime Minister could not go himself, why did he not assign to the delegation the Secretary of State for External Affairs? I see he is being prompted by his deskmate several times; I hope it works. Why did he not send the Secretary of State for External Affairs or—and I ask this in all seriousness—is it still government policy to keep the foreign policy of this country in the Prime Minister's office?

Mr. Trudeau: Madam Speaker, it was my view that the funeral of such an eminent statesman as Marshall Tito was not a place to do business.

Some hon. Members: Hear, hear!

Mr. Cossitt: That is an insult to Margaret Thatcher and the Premier of Japan.

Mr. Trudeau: What business did they do?

• (1200)

AGRICULTURE

CONTINGENCY PLANS FOR POSSIBLE DROUGHT ON PRAIRIES

Mr. Jack Murta (Lisgar): Madam Speaker, I should like to direct a question to the Minister of Agriculture. Can he inform the House what his department is doing, in conjunction with the provincial governments of the three prairie provinces, in order to put in place contingency plans for what appears to be a very serious drought situation this coming year?

In fact, if there is not substantial rain on a good part of the prairies within the next ten days, we could be into a crisis situation in which there would be some small towns really without water, and also a situation in which the livestock industry could be affected very seriously as well as the grain industry.

Hon. E. F. Whelan (Minister of Agriculture): Madam Speaker, I am sure the hon. member is as well aware as I am that we probably have in Canada one of the most unique systems of all where they know the moisture conditions, they know what water exists, both the sweet and sour waters and the alkali waters, and this type of thing. That committee is active and is meeting. Right at this present time the deputy ministers from all across Canada are in Ottawa.

I am told that there will be a special session, if time permits, with the deputy ministers from the three western provinces concerned about the dry conditions. But I can only repeat what I said before—some people scoffed in this House, including the right hon. Leader of the Opposition—when I asked the people to pray for rain, and it worked that time.

Mr. Baker (Nepean-Carleton): We did not scoff.

Mr. Murta: Madam Speaker, assuming the committee that is meeting will be doing more than just praying for rain, can the minister give some clear indication to the House as to just what this committee will be doing? Other than meeting in Ottawa, there must be more to what they intend to do. What are some of the specific steps they are putting in place, because it is a very, very serious matter?

Mr. Whelan: Madam Speaker, as far as making water available, etc., they do have contingency plans. They are available, and I will make them available again to the member to make sure he understands clearly what they can and cannot do. There are limitations on what they can do and I am sure he is aware of that.

* * *

PRIVILEGE

MR. YURKO—REACTION TO MOTION ON AMENDMENT OF CONSTITUTION

Mr. Bill Yurko (Edmonton East): Madam Speaker, I rise on a question of privilege arising from statements made by members of this assembly outside the House, but pertaining directly

to events which have taken place in this House and which reflect directly on the privileges of the members of this assembly. The motion adopted by this assembly last Friday was as follows:

> That the Parliament of Canada submit an address to Her Majesty the Queen, that Her Majesty may graciously be pleased to cause a bill to be laid before the Parliament of the United Kingdom to provide for the amendment in Canada of the Constitution of Canada.

One such statement made was made by the Prime Minister (Mr. Trudeau) in which he publicly stated at a news conference that he took the motion under Standing Order 43, adopted by this assembly, as a sign of a "generosity of spirit" and did not feel particularly bound by it. I would suggest that such a statement implies a breach of the privileges of this House, and would invite the Prime Minister to explain his statement to the House.

Second, the Prime Minister, at the same news conference, was purported to have suggested that it was naive to regard the motion as "a new strategic approach" from the opposition benches, inasmuch as it was clearly placed without the knowledge and approval of opposition party leaders. May I simply state that in proposing and putting the motion last Friday, the internal procedure established within the official opposition caucus was followed by the mover of the motion.

Furthermore, I would bring to the attention of the House that on speaking to the motion prior to the putting of the question by Madam Speaker, the Prime Minister was essentially unconditional in his acceptance, with the following statement:

> Perhaps the House leaders of the other parties, our own House leader and myself could discuss the appropriate time to proceed with that. For my part, I think it would be appropriate if we consulted the provinces before acting unilaterally on that motion.

The implication is very clear, that consultation can be undertaken but unilateral action will be taken by Parliament on the motion whether or not the agreement of any or all the provinces is obtained. The same implication is definitely left by the hon. member for Nepean-Carleton (Mr. Baker) in his statement, when he said:

> I also commend him for indicating the necessity and, indeed, if not the necessity certainly the propriety in our system, of consulting the provinces in respect of that matter before we act unilaterally.

Our hon. House leader then went on to state that the motion is worthy of the support of the House. The hon. member for Winnipeg North Centre (Mr. Knowles), in responding, commended the introduction of the motion and went on to state that he was prepared to consult with the other House leaders on a suitable time for further debate on the issue.

Outside the House, the news reports suggested that the Prime Minister seemed to question the intent of the motion passed last Friday in my name. The intent is exactly what the motion said and what was unanimously adopted by this House, that Parliament shall submit—let me repeat, that the Thirty-second Parliament of Canada submit an address to the Queen for patriation of the constitution. The motion is not conditional; there is no "maybe" about it.

Therefore, what can Parliament submit, without the unanimous agreement of the provinces? However, as I have repeatedly stated, I strongly submit—as I said last Friday from four o'clock to 4.30 p.m. in speaking to motion No. 13—that a final effort must be made in terms of getting the approval of the provinces for patriation of the constitution.

I think it is important that I state on this question of privilege what my intentions were with the motion. As a result of that motion, I suggest the address should take the following form:

> Whereas the Parliament of Canada has requested and consented to the enactment of an act of the Parliament of the United Kingdom in the terms hereinafter set forth, and the Senate and the House of Commons of Canada in Parliament assembled have submitted addresses to Her Majesty praying that Her Majesty may graciously be pleased to cause a bill to be laid before the Parliament of the United Kingdom for that purpose:
>
> Be it therefore enacted by the Queen's Most Excellent Majesty, by and with the advice and consent of the Lords Spiritual and Temporal, and Commons, in this present Parliament assembled and by the authority of the same as follows:
>
> That hereinafter the following laws of the Parliament of the United Kingdom shall henceforth become laws of the Parliament of Canada amendable by the Parliament of Canada and the unanimous agreement of the provinces of Canada:
>
> (a) the British North America Acts, 1867 to 1979 inclusive;
>
> (b) the Manitoba Act, 1870;
>
> (c) the Parliament of Canada Act, 1875;
>
> (d) the Canadian Speaker (Appointment of Deputy) Act, 1895, Session 2;
>
> (e) the Alberta Act;
>
> (f) the Saskatchewan Act;
>
> (g) the Statute of Westminster, 1931, in so far as it is part of the law of Canada and;
>
> (h) any such other act or regulation pertaining to Canada.
>
> And henceforth no act of the Parliament of the United Kingdom passed after the coming into force of this act shall extend or be deemed to extend to Canada or to any province or territory of Canada.

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, if I may at this point, I should like to draw two matters to your attention. If I followed the hon. member correctly, it is that he is stating on behalf of his party that, regardless of what the provinces say, after the consultation that both his House leader and I have mentioned—

Mr. Nielsen: That is not right.

Mr. Baker (Nepean-Carleton): I do not think he said that.

Mr. Trudeau: I have not finished my phrase. I do not know how the hon. member for Yukon (Mr. Nielsen) can know what I was going to say.

Mr. Nielsen: You are saying that he is speaking for our party, and that is not true.

Mr. Trudeau: I am sorry. The hon. member for Yukon tells me that the hon. member for Athabasca, is it—

Mr. Shields: I am the hon. member for Athabasca.

Mr. Trudeau: —that the hon. member for Edmonton East (Mr. Yurko) is not speaking on behalf of his party. Therefore, I do not think I will enter into any debate on this matter with

him. I wish the party opposite would get its act together, and then we would know what we are dealing with.

[*Translation*]

But it seems, Madam Speaker, that when the hon. member presented this motion at the end of last week he did indicate that at least a few members of his party agreed with him. I am now told that it is not the case, that the party does not share the view of the hon. member or, at the very least, that the hon. member is not authorized by the Progressive Conservative Party to speak as he did.

As for me, I should like to bring up the statement of Quebec Premier Lévesque dealing with the motion presented by the hon. member and seconded, as hon. members know, by the House of Commons conditional upon prior consultations with the provinces. The Quebec premier stated over the weekend that, under the present constitution, the rights of Quebec are at the mercy of the federal Parliament which can alter them without the consent of Quebec. I should like to say, Madam Speaker, that this constitutional opinion is not shared by most constitutionalists, including myself. But even if it were the case, that is to say, if under the present constitution the federal Parliament could amend the laws of the provinces, I would remind the House and the Quebec premier that the amending formula we suggested in Victoria and submitted repeatedly to Premier Lévesque specifically gave the province of Quebec and other provinces the right to veto those changes. There is therefore that much more reason for the Quebec premier to consider those proposals for changing the status quo which the federal government put to him in the past, proposals that would require specifically the consent of Quebec before fundamental changes could be made to the constitution.

So, after the intervention of the Quebec premier last weekend, it appears that he is the one who wants the Parliament of Canada and the Canadian Constitution to remain the same, since we are making a specific proposal to change it, to give the right of veto to the province of Quebec.

• (1210)

[*English*]

Hon. Walter Baker (Nepean-Carleton): Madam Speaker, I do not want to prolong this debate in any way, but I do not think it is lost upon the Prime Minister (Mr. Trudeau), and I am sure it is not lost upon members of the House of Commons, that in the suggestion made by the hon. member for Edmonton East (Mr. Yurko) in respect of the kinds of things that could be included within it, he did say it would be amendable by Parliament with the unanimous consent of the provinces of Canada.

In what I gathered was the spirit of the House on Friday, and I think it was a rather good spirit, the Prime Minister indicated the importance in the constitutional sense of the consultation that must take place in the federal system between the provinces and the federal government. As I recollect, I commended him for that. I think that generosity of spirit is exceedingly important.

I believe too, Madam Speaker, that there is another, almost message—if I may put it in that way—in the motion made by the hon. member for Edmonton East, and that is that in respect of the constitution of this country there is a willingness, now expressed by Parliament for the first time, to engage in a renewal of federalism in this country. If the hon. member for Edmonton East has advanced that cause one inch or one foot, then the hon. member for Edmonton East has done a great service to Parliament and to this country, and I commended him for that before, as I do now.

Some hon. Members: Hear, hear!

Mr. Baker (Nepean-Carleton): I want to say to the Prime Minister, on behalf of my party—and I speak as House leader of that party, as I did on Friday—that we are prepared, as a political party, to enter into consultations with the government House leader, as we said we would, in respect of this matter. I do not think there is any one of us in this House of Commons who wants to take any step in any partisan way to in any way fail to advance the cause of togetherness, understanding, compromise and agreement which is the essence of our federalism.

I believe that is the generosity of spirit that was displayed in this House by the fact that Standing Order 43 was the vehicle for an unusual agreement in the House regarding something that is important to Canadians, and that is the ability of Canadians to amend their own constitution.

Hon. Stanley Knowles (Winnipeg North Centre): Madam Speaker, because of citation 19(3) of Beauchesne's fifth edition, I question whether this matter is a question of privilege. That paragraph reads:

> Statements made outside the House by a member may not be used as the base for a question of privilege.

There are also rules about reflecting on a vote, which in effect is what we are doing. We took the vote on Friday, and that is it. However, I should like to express the view that it is unfortunate that there has been some misunderstanding of that motion. I believe what the hon. member for Nepean-Carleton (Mr. Baker) said just now is correct, that there was a generous expression of spirit on Friday to the effect that the members of this House would like to see our constitution in this country. Surely that was the essence of that motion.

Having regard to the positions that were expressed by the three parties, by the Prime Minister (Mr. Trudeau), by the hon. member for Neapean-Carleton, and by myself, we all supported the proposition that there would have to be consultation with the provinces before any such action could be taken.

As I say, Madam Speaker, I question whether this is a matter of privilege, but it is unfortunate that there was misunderstanding of a generous expression of spirit on the part of the members of this House.

Mr. Trudeau: Misunderstanding by whom?

[*Translation*]

Madam Speaker: The question of privilege raised by the hon. member for Edmonton East (Mr. Yurko) led to a discussion which no doubt will prove useful to all those concerned and I had to listen to it completely in order to ascertain whether or not this was indeed a matter of privilege.

However, I must rule on the question of privilege raised by the hon. member for Edmonton East. It was based on statements made outside the House and over which the Chair has no authority.

* * *

[*English*]

POINT OF ORDER

MR. NIELSEN—TABLING OF AGREEMENT REACHED WITH CHRYSLER

Hon. Erik Nielsen (Yukon): Madam Speaker, I rise on a point of order. May I ask the Minister of Industry, Trade and Commerce (Mr. Gray) whether he can undertake to table a copy of the agreement that was reached with Chrysler and, presumably, with Ontario?

Hon. Herb Gray (Minister of Industry, Trade and Commerce): Madam Speaker, when I made my announcement of the agreement reached between the federal government, Chrysler Canada and Chrysler Corporation on Saturday, I said I proposed to table the formal document setting out that agreement when the preparation of the documents is completed, and that I would also be tabling the Chrysler Canada financial and operating plan referred to in my statement and to be referred to in those documents at that time. I am happy to give my hon. friend, and the House as a whole, that undertaking.

* * *

PRIVILEGE

MR. DEANS—MINISTER'S STATEMENT ON AGREEMENT REACHED WITH CHRYSLER

Mr. Ian Deans (Hamilton Mountain): Madam Speaker, I rise on a question of privilege. On May 7, in response to questions by myself to the hon. Minister of Industry, Trade and Commerce (Mr. Gray), the minister said:

> What we are prepared to make available for Chrysler Canada will depend on what is agreed to by them on the matter of job guarantees and the other elements we consider necessary.

The important part of what he said is as follows:

> I do not intend that members of the House will learn through other sources of any arrangement that is worked out but, rather, through an announcement by myself through this House.

You can imagine my surprise and shock to hear, on Saturday and on Sunday, and to watch the minister speaking on television about the agreement that had been worked out prior to his having made any announcement in the House. In addition to that, the minister has now indicated to my House leader that he does not intend to make a statement in the House today with regard to the Chrysler matter. I do not know whether he intends to make a statement on some other day.

● (1220)

I do suggest that the minister misled me, at least, in this House on May 7 by saying that it was his intention to make a statement in the House and thereby to allow an opportunity for comment by hon. members. Would the minister reconsider, in light of what he said on May 7, and make such a statement in order that we can adequately deal with the proposals which he apparently has agreed to; and would he make that statement today?

Hon. Herb Gray (Minister of Industry, Trade and Commerce): Madam Speaker, obviously, at the time I made that comment I intended to make a statement in the House on this very important matter. However, things became so urgent that I thought it would not be in the public interest or in the interest of the thousands of workers involved to delay the matter but, instead, to seize the opportunity to wrap up the decision and communicate it to the public during the weekend.

I regret the situation, but events moved so quickly that my original intention could not be carried out. I did instruct my staff to make every possible effort to reach the hon. member and other spokesmen of opposition parties so that they would have the material and be in a position to comment on my announcement as soon as it would be possible during the weekend to do so. If the House would like me to make a statement, I would be very happy to do so. I leave that matter to discussions between the House leaders. I would be prepared to make a statement today or at some other time.

There are certainly many opportunities during question period to give out the kind of information sought by my hon. friend. As I have said, I regret that events moved so quickly. I decided that it was in the over-all public interest that I not hold back the information on the agreement which was reached. I would be happy to seek other opportunities to make a formal statement in the House.

Mr. Deans: Madam Speaker, further to the statements just made by the minister, he indicated that his ministry made every effort to contact myself and members of the Conservative party. I can assure the minister that my telephone is on an answering service, I checked it every hour, on the hour, and up to this point in time I can find no evidence of any call—

Madam Speaker: Order. The House has heard the explanation given by the minister. I suggest that the government House leaders get together and decide on whether or not they would like the minister to make a statement in the House.

I feel that there is no question of privilege. It is a difference of opinion between the hon. member and the minister on a question which was raised during question period.

* * *

POINT OF ORDER

MR. COSSITT—CANADIAN REPRESENTATION AT FUNERAL OF MARSHALL TITO

Mr. Tom Cossitt (Leeds-Grenville): Madam Speaker, I rise on a point of order of very few words. I had hoped to raise my point of order in the presence of the Prime Minister (Mr. Trudeau). It concerns something which he said earlier in this House. If there is to be any response to my point of order, perhaps it could be made by the Deputy Prime Minister (Mr. MacEachen).

In all respect to our allies, I would think the government would want to withdraw the inference made by the Prime Minister that leaders such as Margaret Thatcher, the Prime Minister of Japan and including his Russian friends, took advantage of discussing world affairs while attending the funeral of Marshall Tito and that a funeral was not the place for a discussion of this kind. Some 80 or 90 other leaders had discussions at this time.

I think that we have insulted all these leaders and I am sure that was not the Prime Minister's intention. Nor would it be the intention of this House to insult such people as the Prime Minister of Japan, who spoke to us here in this House on May 5. I would like to hear the Deputy Prime Minister make it clear, on behalf of the government, that no such aspersions were meant against other governments.

Madam Speaker: The House has noted that the hon. member has expressed a grievance. It is a grievance, rather than a point of order.

* * *

PRIVILEGE

MR. McKNIGHT—EXTRACTING ANSWERS ON CANADIAN WHEAT BOARD

Mr. Bill McKnight (Kindersley-Lloydminster): Madam Speaker, being a new member of this House I have difficulty in seeking and acquiring information at the best of times on behalf of my constituents. Considering the fact that in the throne speech, hon. members from the west were requested by the Prime Minister (Mr. Trudeau) to put a little more energy into representing their constituencies than members from other areas, I am finding it very difficult, because when I asked a question of the Minister of Transport (Mr. Pepin)—who is also the minister responsible to the House for the Canadian Wheat Board—I was told something to the effect that he could not supply the information. This is information which I requested so that I could better serve my constituents and fulfil my responsibility to them.

I have found it very difficult, also, when I have attempted to go through other channels for other pieces of information because the senator in the other House who is responsible for the Canadian Wheat Board never seems to be there. Because of the importance of the Canadian Wheat Board to the people of my constituency, I want to keep them informed; but I am finding it very difficult. All members on this side have the responsibility to keep their constituents informed so that we may represent their concerns and their feelings.

I am not criticizing the hon. minister. As much as he has travelled in the west, he must still find it very difficult to become familiar with the problems of the west. Perhaps he is facing the same difficulty we are in reaching the senator in the other place in order to get information. If you do find, Madam Speaker, that I have a question of privilege, I would move, seconded by the hon. member for Saskatoon West (Mr. Hnatyshyn):

> That if the inability to gain information about the Canadian Wheat Board from the minister responsible continues, my concerns be referred to the Standing Committee on Privileges and Elections.

Hon. Allan J. MacEachen (Deputy Prime Minister and Minister of Finance): Madam Speaker, I would like to respond to the concern of the hon. member, which I take to be a serious concern soundly based on his desire to serve his constituents. I heard the question which the hon. member addressed to the Minister of Transport (Mr. Pepin) which involved failure to make a payment that extended back to 1972-73. The matter occurred some seven or eight years ago.

It may not be possible for every minister to have at his fingertips every piece of information that is current, let alone a matter that extends back some seven or eight years. There was a very simple way for the hon. member to receive a full answer today—which is what he wanted—and that was by giving the minister notice of his question. If the hon. member had given the minister notice, the minister would have had the information available and supplied it immediately.

Obviously, there are some questions for which notice will not be given. Members wish to score political points during the question period, and they do not give notice. The hon. member was not intending to score political points; he merely wanted some information. The quickest way to have received that information would have been to give notice to the Minister of Transport, who would have answered immediately. I suggest that if the hon. member follows that practice on future occasions, he will not have any reason to rise on a question of privilege as he has today.

Hon. Ray Hnatyshyn (Saskatoon West): Madam Speaker, I would like to make a brief contribution to this very important question of privilege raised by the hon. member for Kinders-

ley-Lloydminster (Mr. McKnight). I listened with great interest to the comments of the Deputy Prime Minister (Mr. MacEachen) with regard to the lack of response by the Minister of Transport (Mr. Pepin). The minister was designated to answer, on behalf of the government, in the House of Commons on matters relating to the Canadian Wheat Board.

The Deputy Prime Minister has tried to slough off the matter by suggesting that it would be appropriate to give notice and that an answer would then be received. I do not wish to introduce a partisan element into this debate, because that was not my purpose in rising.

Some hon. Members: Oh, oh!

Mr. Hnatyshyn: During the period when I was a minister of the government, I did not at any time receive notice of any questions from members of the Liberal party.

Mr. Evans: Oh, oh!

Mr. Hnatyshyn: Having said that, I must apologize to the hon. member for Ottawa Centre (Mr. Evans) who gave me notice of a question he intended to ask, but that was just a matter of minutes before the question period was to begin. I received no other such notice. This is a matter of great concern to western Canadians: the minister should not be unaware of that if he is to report on behalf of the Canadian Wheat Board.

● (1230)

As my colleague has pointed out, this is not the first time this particular question has arisen. It is not merely the difficulty of getting an answer from the minister who reports on behalf of the Canadian Wheat Board that is the problem; it is that we have never been able to get an answer to questions about the Canadian Wheat Board from any minister in this House.

My colleague also pointed out that, as the Minister of State responsible for the Canadian Wheat Board sits in the other place, this makes it more than difficult: it makes it almost impossible for the member of our party who has responsibility as critic of the Canadian Wheat Board to get information from the responsible minister. I realize there is a tradition in this House that it is not obligatory for a minister to respond to any question in the House, but I suggest to you, Madam Speaker, that this particular instance transcends that rule.

There is a minister who ostensibly is designated to report to the House on behalf of the Canadian Wheat Board, but what happens is that the minister who purports to have responsibility in the House takes every question as notice. This shows a lack of sensitivity to questions which are of great importance to western Canadians.

The Deputy Prime Minister does us a disservice by trying to suggest that this is an isolated instance and that giving notice would improve the situation. The cabinet is so insensitive to this matter that it has not appointed anyone to answer in this House. The rule of the House is, of course, that a minister need not reply, but this type of treatment of questions of importance to western Canadians offends the underlying principle that a minister, even if he is not going to answer, should at least be truthful and straightforward and indicate to the House that he knows nothing about the portfolio and that is the reason he takes the question as notice.

Some hon. Members: Oh, oh!

Mr. Len Gustafson (Assiniboia): On the same question of privilege, Madam Speaker, I think there is some urgency about the matter raised by the two hon. members from Saskatchewan. The minister should realize that the people of Saskatchewan are facing a crisis situation. Costs have never risen the way they are doing now; farmers are facing a 40 per cent increase in costs. We think it is very relevant to the work of this House that consideration be given to these questions of concern to members from western Canada.

Madam Speaker: Order, please. I have a few comments on this question of privilege raised by the hon. member for Kindersley-Lloydminster (Mr. McKnight). Quite obviously, the hon. member is not satisfied with the answer he received from the minister. The Chair, of course, cannot pronounce itself on the quality of an answer which a minister has given in the House.

On the second point made by the hon. member, there are many precedents, as he no doubt knows, for ministers responsible for certain sectors of government activity who sit in the Senate to answer questions in the Senate. The Senate is also a place where information can be elicited by questions.

The hon. member is free to pursue his questions to ministers in this House who may answer them, but in no way can the Chair force a minister to give a member an answer he would like to receive. This type of exchange takes place freely between the two sides of the House, and the Chair does not intervene with regard to either the rigour or quality of the exchange.

Whether the grievances of hon. members are founded or not, the Chair can do no more than allow members to ask questions and permit ministers to answer them. If hon. members are not satisfied, they can pursue their preoccupations in subsequent question periods.

I have to find that there is no question of privilege.

ROUTINE PROCEEDINGS

[*English*]

NATIONAL DEFENCE

TABLING OF DIPLOMATIC NOTES ON CANADA-U.S. AGREEMENT ON AIR DEFENCE

Hon. Allan J. MacEachen (Deputy Prime Minister and Minister of Finance): Madam Speaker, in accordance with the provisions of Standing Order 41(2), I wish to table, in both official languages, an exchange of diplomatic notes between Canada and the United States which constitutes an agreement between our two governments to extend the current North America Air Defence Command Agreement for a year. The notes were exchanged this morning in Washington between the Canadian ambassador and the United States Department of State.

* * *

FARM IMPROVEMENT LOANS ACT

DEFINITION OF "MINISTER"—INCREASE IN PRINCIPAL AMOUNT OF LOANS

Hon. E. F. Whelan (Minister of Agriculture) moved for leave to introduce Bill C-27, to amend the Farm Improvement Loans Act.

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

* * *

FISHERIES IMPROVEMENT LOANS ACT

EXTENSION OF AND INCREASE IN GUARANTEED LOANS

Hon. E. F. Whelan (for the Minister of Fisheries and Oceans) moved for leave to introduce Bill C-28, to amend the Fisheries Improvement Loans Act.

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

[*Translation*]

Madam Speaker: Before recognizing the hon. member who is supposed to speak in the throne speech debate—

Mr. Evans: Madam Speaker—

Madam Speaker: Would the hon. member please sit down. Before recognizing him I simply want to mention the fact that during the throne speech debate questions on the order paper are generally not answered since the throne speech debate has priority over all other business of the House except for routine proceedings. However, with the consent of the House, I will allow the hon. parliamentary secretary to answer some questions. Is there unanimous consent to allow the parliamentary secretary to answer questions?

Some hon. Members: Agreed.

* * *

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. John Evans (Parliamentary Secretary to Deputy Prime Minister and Minister of Finance): Madam Speaker, the following questions will be answered today: Nos. 90, 95, 275 and 279.

[*Text*]

ORDERS IN COUNCIL—NATIONAL SECURITY

Question No. 90—**Mr. Cossitt:**

1. Of all the orders in council passed between April 20, 1968, and the date the former prime minister took office, how many in any way concerned national security and on what dates were they passed?

2. In each case (a) how many are available for public scrutiny (b) how many are in any way classified (c) what was the general subject-matter?

Mr. D. M. Collenette (Parliamentary Secretary to President of Privy Council): 1. One. Order in council PC 1970-1808 of October 16, 1970.—SOR-70/444.

2. (a) It is available for public scrutiny.

(b) It was published in *The Canada Gazette* on October 28, 1970.

(c) Public order regulations, 1970. This order was superseded by the Public Order (Temporary Measures) Act, 1970 which remained in force from December 3, 1970, to April 3, 1971.

HOSPITALITY—USE OF CANADIAN WINES

Question No. 95—**Mr. Cossitt:**

1. To the knowledge of the government, was it planned to serve, at the cancelled dinner for President Carter at Government House, in the latter part of 1979, a 1973 Puligny Montrachet and a 1971 Chambole Mussingy rather than Canadian wines?

2. Are Canadian wines served at receptions held at Canadian consulates or embassies abroad and (a) if not, for what reason (b) if so, what was the total value of Canadian wines served at such locations in the last fiscal year and what percentage did they form of the total wines served?

3. Is the government prepared to take steps to increase its purchase of Canadian wines in any foreign country and, if so, what are the details in this regard?

Hon. Mark MacGuigan (Secretary of State for External Affairs): 1. Yes. However it was also planned to serve a Canadian champagne during the dessert course.

2. In so far as the Department of External Affairs is concerned, the reply is as follows:

Yes. (a) not applicable.

(b) Statistics are not available as employees who host receptions identified in the question are not required to maintain records of the origin of commodities served at receptions.

3. The government does not purchase Canadian wines in any foreign country.

DEPARTMENT OF TRANSPORT—STORES ACCOUNT

Question No. 275—**Mr. Herbert:**

In each of the past five years, what amount was transferred to the Department of Transport stores account?

Mr. Robert Bockstael (Parliamentary Secretary to Minister of Transport):

1975-76—(a) Between October, 1975, and April, 1976, the aviation fuel at Baker Lake, Coral Harbour and Hall Beach in the Northwest Territories valued at $500,000 was transferred from the Air Transportation Program.

(b) Vote L3b, Appropriation Act No. 1, 1976, authorized the increase of the limit of the stores account from $13,000,000 to $27,000,000.

1976-77—On April 1, 1976, the telecom and aircraft parts peculiar inventories valued at $7,838,791 were transferred from the Air Transportation Program.

1977-78—Nil.

1978-79—Nil.

1979-80—Nil.

DEPARTMENT OF TRANSPORT—STORES ACCOUNT

Question No. 279—**Mr. Herbert:**

As at March 31 in each of the past five years, what amount was outstanding in the accounts of Canada in respect of the Department of Transport stores account?

Mr. Robert Bockstael (Parliamentary Secretary to Minister of Transport):

March 31, 1976	$13,030,904
March 31, 1977	$22,069,330
March 31, 1978	$22,679,473
March 31, 1979	$24,628,302
March 31, 1980	$25,950,000 Est.

Notes: During 1976-77 the telecom and aircraft parts peculiar inventories valued at $7,838,791, were added to the stores account.

QUESTION PASSED AS ORDER FOR RETURN

[*Translation*]

Mr. John Evans (Parliamentary Secretary to Deputy Prime Minister and Minister of Finance): Madam Speaker, if question No. 346 could be made an order for return, that return would be tabled immediately.

Madam Speaker: The questions enumerated by the hon. parliamentary secretary have been answered. Is it the pleasure of the House that question No. 346 be deemed to have been made an order for return?

Some hon. Members: Agreed.

NATIONAL ENERGY BOARD—EXPORT OF ELECTRICAL POWER TO THE UNITED STATES

Question No. 346—**Mr. Herbert:**

Did the National Energy Board approve an agreement between Hydro-Quebec and the power authority of the State of New York to export electrical power to the United States and, if so, what were the terms of the agreement?

Return tabled.

[*Translation*]

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

Madam Speaker: Shall the remaining questions be allowed to stand?

Some hon. Members: Agreed.

* * *

[*English*]

BUSINESS OF THE HOUSE

Mr. Baker (Nepean-Carleton): Madam Speaker, you and I may be rising for the same purpose with respect to the House order for today which envisaged that the hon. member for Joliette would speak, followed by an hon. member for the New Democratic Party and then a member from the government side of the House, I suppose in that order, for 30 minutes each. Unfortunately, the hon. member for Joliette cannot be here because of the change in time. He is involved in his province, but he expects to be here later in the day.

● (1240)

There have been discussions between the chief government whip and the chief opposition whip which led to the note that you have in your hands, Madam Speaker, the essence of which would permit the hon. member for Joliette to speak for his thirty minutes some time later in the day. Therefore, our first speaker would be bound by the rules that we have established in the House order.

If that would be agreeable—and I believe it is agreeable and I see the chief government whip is here—and if the House

order could be amended accordingly, we could then proceed for the balance of the day on that basis. I hope that is agreeable to all members.

Mr. Knowles: Madam Speaker, although the exchange was between those two whips, I believe I suggested that they have the exchange.

Mr. Baker (Nepean-Carleton): Yes.

Mr. Knowles: Therefore, we agree to the proposition that the hon. member for Joliette speak later, but that otherwise the terms of Friday's order shall stand: that the thirty-minute limit will apply to the hon. member for Joliette, the hon. member for Yorkton-Melville, and to a government speaker. Everyone else is limited to 20 minutes.

Mr. Baker (Nepean-Carleton): With no extensions.

Madam Speaker: The Chair was aware of the arrangement which had been reached between the two House leaders. I now have the agreement of the hon. member for Winnipeg North Centre that it is agreeable that three speakers respectively will have 30 minutes and others will be restricted to the usual 20 minutes.

* * *

[*Translation*]

SPEECH FROM THE THRONE

CONTINUATION OF DEBATE ON ADDRESS IN REPLY

The House resumed from Tuesday, April 22, 1980, consideration of the motion of Mrs. Côté for an address to His Excellency the Governor General in reply to his speech at the opening of the session.

Mr. Donald W. Munro (Esquimalt-Saanich): Madam Speaker, I thank you for giving me 18 minutes to deliver a 20-minute speech. I shall do my best.

Since this is the first time I rise in this debate, I want to take this opportunity to extend my congratulations to the occupants of the chair and my offer of co-operation at all times of impartiality and even-handedness.

If I may, Mr. Speaker, I will take the liberty of speaking and appealing directly to my fellow countrymen from the province of Quebec, all those who sit in this House as well as those whom these members represent. I appeal to all those who live in the province of Quebec, Canadians who in a few days will be confronted with a decision which is extremely important for the future of this country.

Fellow countrymen from Quebec! You should not imagine that your problems with the federal government and with the other provinces are unique, or that difficulties, whether of an economic or constitutional nature, do not also afflict the people who live in other areas of this vast country of ours. I emphasize "ours". Do not be so megalomaniac, try to see further than your nose from time to time. You are not the only ones who complain and try to better their situation in our country to which I belong together with you and which belongs to me as well as to you. You do not have the right, and neither do I, to threaten the integrity of our country. You must consult me before even suggesting to tear the country apart. Since you and I belong to this great country and since I served it for 40 years or so, first in uniform, then as a diplomat and finally as a member of Parliament, I claim the right—it is rather an obligation—to speak frankly to you, my French-speaking fellow citizens of the province of Quebec, who will be faced on May 20 with a most crucial question concerning the future of my country; I repeat, the future of my country. In the circumstances, I have not only the right but the obligation to speak to you like a Dutch uncle, as we say, meaning frankly and without restraint.

Since my riding is not in Quebec, I feel I can express myself more freely than my Quebec colleagues because in this debate they must watch their steps carefully so as not to alienate their constituents who are still undecided whether to vote Yes or No. After all, their ridings are at stake. Separation would eliminate 75 seats from this Parliament. So, very frankly I would like to tell you how much, despite the " I couldn't care less" attitude that, we have to admit, exists in western Canada, where I come from, how much we in the west are against the Yes in the coming referendum. I shall say why.

First and foremost, as I just said, you have no right to dismember my country. I will not allow anyone to cut off one of my arms or legs. Is this arm or leg in a position to decide on its own what is to become of the whole body? I, for one, make no bones about replying No. For this reason, the reply on the referendum question must also be No. On the other hand, a majority of Yes votes would authorize the PQ government to avail itself of a "right" which it claims it has, a right which does not exist in my constitutional lexicon, to put forward concrete demands and start negotiating as an equal with the rest of Canada considered as a separate entity. I wonder if to "negotiate" is the proper word in this context. As far as an "equal" is concerned, when does one quarter equal half of the whole? No provincial government has the right to behave this way. That is my own point of view and I am strongly attached to it.

Secondly, your egotistic and introspective behaviour indicates to me that you do not pay any attention to the movements and activities of those here and there in Canada who want a new deal. For instance, are you aware that the western premiers met recently in Lethbridge, Alberta? First of all, they indicated their determination to work to improve federalism in Canada and then expressed their total and unrelenting opposition to a Yes vote on the referendum question. Were you fully

aware of these various trends of thoughts out west, or did the PQ authorities choose to distort or cover them up?

Thirdly, do you know that several reports on the need to restructure the federation have been prepared and distributed over the past two or three years, not only at the provincial level, but also within the private sector?

For example, did you read the brochures on the constitution, providing a full range of proposals on the constitution, put forward in Victoria by the province of British Columbia? Have they, too, been concealed from you? Here they are in nine parts, in nine brochures, each dedicated to a particular aspect of the Canadian constitution, such as reform of the Senate, the Supreme Court and the federal-provincial institutions. Those brochures deal also with the distribution of legislative powers and the amendment to the constitution, including linguistic rights. Have they, too, have been concealed from you, and the elaborate study of our problems and concerns, with some proposals flowing from it, prepared two years ago by the Canadian Bar Association.

● (1250)

I might quote a third example of that concern, as serious as yours, over the constitutional dead end our beloved country is now in. The Canada West Foundation, a non-profit organization, published some time ago a thorough examination of this sad situation. I am showing it to you because I feel that such things are concealed from you.

It is obvious that we are all looking for a new agreement, a new federalism which will allow and even force us to live in harmony with one another. You are not the only ones looking for a new formula. For our part, we reject the formula suggested by the PQ government, according to which you have to accept—whether you like it or not—an absurdity like sovereignty-association.

Think things over calmly. Use your head. A fraud is being perpetrated. Look hard at those two words and consider the effect of their juxtaposition. Don't be fooled. Don't be hypnotized by deceiving and demagogic eloquence. The real question of the referendum, the question which is being put now and which could determine the future of my country, but on which you alone are called upon to vote on on May 20, is purely and simply separation-association. Do not forget it when the time comes to mark your ballot. Separation-association is what it is all about, despite the promise of a second referendum.

In my opinion, a single province does not have the right to decide by itself an issue of such importance. The whole population, under certain circumstances, should decide whether or not such a referendum is necessary. Let us consider these two terms in some detail.

As for sovereignty, the fact is that every province already enjoys it to some extent. Not full sovereignty in all areas, indeed not, but for the generation of electricity, resource and forest development, in the field of municipal government, there is absolute and unquestionable sovereignty. After all, sovereignty must be defined in pluralistic terms, since some areas are already unquestionably under the sovereign jurisdiction of the provinces, while others come under the responsibility of Canada as a whole and all its citizens. There is even a third sector of mixed jurisdiction. Under the circumstances, how can you be fooled by this outlandish concept, this idiotic nonsense that is sovereignty within a federation? Sovereignty-association is utter rubbish. I will come back to this issue related to political science after putting forward some arguments pertaining to logic. Let us consider for a moment the expression "sovereignty-association."

In my opinion, it immediately shows an innate contradiction. Being sovereign, as the Parti Québécois supporters see it, is to be able to regulate the life of the community in all its aspects through your own efforts, with no external constraints, which means, according to the Parti Québécois supporters, the "right" to negotiate as between equals with other sovereign states, such as Canada, and separately with each province. I wonder what right they suggest! On the other hand, association means acceptance of the principles that you must share with your associates in the conduct of your affairs and, all the more so, submit to external constraints.

How can you put together two such contradictory notions? I am really surprised and even shocked to see how people who are so proud of their cartesian training can be blinded by such an obvious contradiction. But let us go back to the concept just stated which is to examine more closely what I would call, for lack of a simpler expression, "sectorial sovereignty", and which is for me the essential basis of any true federalism.

What is essential in such a federalism, and a federalism renewed in the spirit already revealed, is to grant the participant total sovereignty in certain specific sectors and to ensure that they have the taxation powers to fulfil their responsibilities in these designated areas. As I understand it, this is exactly what you are looking for, my friends in Quebec. It is also what we are looking for in the west, that is, the certainty that in some specific areas we shall be able to have total jurisdiction with all related constitutional and taxation powers.

Do not be so myopic. You are not the only province seeking this federative formula. Open your eyes. We are all looking for a renewed federalism, a redefinition and a consolidation of federalism. There is no question of other jurisdictions holding a referendum on an absurdity to achieve this formula. We are willing to use the existing institutions, and to change them if required, to meet the exceptional needs of this time and to seek this renewed federalism which will include all the territories and the provinces and establish between all participants such bonds as will meet the aspirations of each of them. I see that my time is going fast, and before closing or being forced to close, I would like to say—

[*English*]

The Acting Speaker (Mr. Ethier): Order, please. As the hon. member started at 18 minutes to one o'clock, is it agreed that we do not see the clock, and give the hon. member until two minutes after one?

Some hon. Members: Agreed.

[*Translation*]

Mr. Munro (Esquimalt-Saanich): We in the west are affected by an injustice, which I should like to explain and which we are trying to solve. This injustice is to be seen in the economic sector of transportation. Furthermore, it is only one of our complaints against the east-west lack of balance in Canada.

I am not the first one, I am sure, to note that the economic centre of gravity of Canada is shifting. An important sector is noticeably, gradually but surely moving west whereas the demographic gravity centre, and consequently the political centre of gravity remains in the east. This situation in itself creates an imbalance which is difficult to solve but if I am permitted, I shall say that we now witness discriminatory treatment toward the west which makes it far cheaper to send manufactured goods from east to west than the other way around. Suppose that we in the west have the manufacturing capacity to do the required processing. This capacity does exist in some areas, but under the circumstances it is extremely difficult to compete in our local markets with products from the east. Obviously, this discriminatory system interferes with the full development in the west of a processing industry in all sectors. We are fully aware of the historical explanation for that preferential system but we are not prepared to accept forever such an inequity.

We have the institutions needed to make the changes required by the situation. Let us use them. Reason always prevails for men of good will and rationality. Because of all this, I dearly hope that my fellow Canadians in Quebec will further study the referendum question and the effects of a majority Yes vote in Quebec and Canada as a whole, culturally and economically, not to mention the political consequences which are so serious and unacceptable that nobody can contemplate them without the greatest concern.

• (1300)

[*English*]

In terminating my remarks, I should like to place on record a version of a very famous speech which symbolizes for me the dilemma and even the solution to the problem which confronts us. It goes like this:

More than one century ago our forefathers brought forth on this continent a nation dedicated to the proposition that peoples of differing cultures and linguistic background could live together under one national roof and thrive. Today that proposition is being put to the test. I believe it can survive and that it can thrive.

Whether it does or not will depend upon the response of all Canadians to the preoccupations of their fellow Canadians and the willingness of all Canadians to work diligently toward the remoulding of the constitutional provision under which the people and institutions of this country are to be governed in the future.

The Acting Speaker (Mr. Ethier): It being after one o'clock p.m., I do now leave the chair until two o'clock this afternoon.

At 1.03 p.m. the House took recess.

• (1400)

AFTER RECESS

The House resumed at 2 p.m.

Mr. Lorne Nystrom (Yorkton-Melville): Mr. Speaker, I rise to speak today in what I think is a very important debate because it comes very close to an important vote in the province of Quebec. I want to say at the outset four things which I think are very important and that we all think about when we are contemplating the future of our country.

First of all, I strongly believe that Canada should stay together as one country—that is a basic premise that all of us have, I think—that we should be economically independent, that we should be a sovereign country, that we should have a country united on the basis of equality and freedom for all, one country that is built on the philosophy of co-operation.

[*Translation*]

We need a solid country, a solid Canada, with a restructured constitution, a renewed federation with the ten provinces so they will be treated more fairly than they are now in this country. We truly want a restructured Canadian federation. We say not only to the status quo in this country but also to a renewed status quo. We need a completely different country from a constitutional point of view.

Second, Mr. Speaker, it is most important to start the negotiations for a renewed constitution as soon as possible after May 20, whether the vote is Yes or No. The NDP will not accept sovereignty-association but we want a restructured, renewed country and constitution. We need to have negotiations for such a constitution.

[*English*]

The other thing that it is very important to say is that all Canadians—certainly Canadians in western Canada—want Quebec to stay in the Canadian confederation. We think there is a very important place for Quebec in our country and most people want Quebec to stay. I want to refer to one particular issue when it comes to an appeal to Quebec to stay in our country, and that is that from time to time there are people across this land who make statements to the contrary which, I believe, misrepresent horribly the feelings of Canadians. I want to refer to an article which appeared in—

[*Translation*]

The *Journal de Montréal* of April 17, 1980, had a headline which read as follows:

If the hostages in Tehran were Quebeckers, people would say "leave them there", says a western MLA.

This is an article from the Canadian Press, and I quote:

If 50 French Canadians were held hostage in Tehran, instead of 50 Americans, the majority of western Canadians would say, "leave them there."

[*English*]

That was a quotation from the remarks of a member of the Saskatchewan legislature, a Mr. Dennis Ham. I say that such articles and statements misrepresent totally the views in western Canada.

Some hon. Members: Hear, hear!

Mr. Nystrom: I will say more about him and his other colleague in a few minutes.

The other thing I wanted to say, the fourth thing that is very important, is that the debate we are having in this country now is really urgent; it is one of national urgency. It is not just the fact that many people in Quebec are very unhappy with confederation, for all kinds of social, historic and linguistic reasons; there are many other people in the country who are also unhappy with confederation. If Quebec decided to go, it would not necessarily follow that the rest of the country would fall into place and there would be harmony, because there are other problems as well.

Everybody knows there is a tremendous amount of unrest and dissatisfaction in Quebec. But I can look at western Canada and find some things there that are terrifying. A poll by the Canada West Foundation a short time ago showed that 4 per cent of westerners wanted to separate and join the United States and become the fifty-first to the fifty-fourth states. Also 13 per cent of westerners said that they wished western Canada would become an independent country, an independent nation. A CBC poll which was released about a week ago showed that in the riding of Swift Current, Saskatchewan, 19 per cent of the people who responded to the poll said that they hoped western Canada would become an independent nation. When one has statistics like this, it is evident that a lot of people in western Canada are very unhappy, as well as in the province of Quebec.

● (1410)

Also we have the unhappiness of the native Indian and Inuit people of this country. We saw the constitutional conference of the first nations of this country, the Indian people, about a week or so ago. They are now demanding that they have much more input into the affairs of Canada and a greater participation in the constitutional talks. Also we had the speeches made by Brian Peckford in Newfoundland that some journalists—such as Charles Lynch, for example—say sound more separatist than the speeches made by René Lévesque.

We can see that a lot of people are very unhappy—the Québécois, western Canadians, the people of Newfoundland and the native people of this country. It is a fact we will have to realize. Because of that, we will have to make a lot of changes in the structure of our constitution and in Canada as a whole. It is a bit like the movie "Network", where people were getting more and more angry all the time. They went out on to their balconies and they shouted that all-famous line: "I'm mad as hell and I'm not going to take it any longer". That is what a lot of people in Canada are saying today from one half of the country to the other.

I think we can move now before it is too late to hold this country together. We have a lot of differences. In many ways those differences make us a greater, richer and better people. Also there are a lot of similarities between my province and the province of Quebec, for example. Both of those provinces put a great deal of stress and emphasis on co-operatives and co-operative development. We have credit unions, wheat pools and co-operatives in Saskatchewan; they have the caisses populaires and co-operatives in the province of Quebec. Both provinces have a great tradition when it comes to Crown corporations. One only has to think of Hydro-Quebec. One can think of the moves made in asbestos in the province of Quebec, in comparison to things like the moves to take over potash and make the operation a public utility in Saskatchewan, the Saskatchewan Power Corporation, Saskatchewan Telephone and the like. So we have great similarities. I think we can put together a nation which will be very, very promising in the years ahead.

There are some things we must look at with the referendum coming up. One of the most important things we should be talking about now is that there should be a willingness and an openness to renegotiate confederation. I am a bit concerned sometimes at some of the closed-door attitudes that I witness in this country. I think this is a time when we have to build bridges and open doors. We must say clearly to the people of Quebec, whether it is a Yes or a No vote, that we will have to sit down and negotiate this country, redefine and renew the Constitution of Canada. It is very important that we say that at this time. Our party at a council meeting held over the weekend in Ottawa passed a resolution to that effect. I quote that resolution:

[*Translation*]

(1) That the NDP reaffim its commitment to restructuring the Canadian federation through major constitutional changes;

(2) That the NDP call for negotiations to take place immediately to renew Canadian federalism, regardless of the result of the referendum;

[*English*]

I think that is very important. The other thing we should be thinking about is the process of negotiation. How do we negotiate a new constitution and renewed federation in Canada? Again at our weekend conference in Ottawa, we passed a resolution which indicated that the government of this country should commence those negotiations, but as those negotiations go on, the people of this country should be involved in a direct way, particularly the Indian, Inuit and the native people.

The reason it is so important to have the people involved is that there are more people in the country than just what the government could represent. For example, I think it is very important that we have perhaps members of the legislatures involved, members of the opposition in the House of Commons, the people represented in this House by parties other than the Liberal party, which makes up about 57 per cent of the Canadian electorate. I think it is very important that we become involved in that constitutional process, that we start communicating the desire about that process in the days and weeks ahead.

[*Translation*]

I would also like to remind Quebeckers that we never underestimated the significance of the referendum in Quebec, and our attitude should not be relinquished a few days before May 20. Quite the opposite, the resolutions passed over the weekend by the New Democratic Party reflect our special awareness at this most important time in this country's history. I have no hesitation in saying to the men and women of Quebec and to their elected representatives here that I look forward to seeing them, whatever the result of May 20, at the negotiating table with Canadians of every province. What needs to be built is a new Canadian constitution, a federal constitution recognizing this country's linguistic duality, a constitution recognizing a partnership between English-speaking, French-speaking and native Canadians. This is a prerequisite to more social, cultural and economic justice and fairness in Canada.

[*English*]

One of the things we should be looking at is the reasons so many people are unhappy with confederation as it is presently constituted. There are various historical, cultural and linguistic reasons for that in Quebec, but also there are some economic reasons in Quebec as to why so many people are unhappy with confederation. Some of those economic reasons are the same for people in the Atlantic provinces.

I went back and looked at some of the statistics concerning what has happened in terms of investments, jobs and unemployment in the country over the last ten or 12 years since the present Prime Minister (Mr. Trudeau) was elected to office. For example, I looked at the Atlantic region and I found that 10 per cent of Canada's population lives in the Atlantic provinces, but only 6.6 per cent of the new jobs between 1968 and 1978 were created in that region. Also, 6.1 per cent of the investment occurred in the Atlantic provinces despite the fact that they have 10 per cent of our population. In the province of Quebec we find 27 per cent of the Canadian people, but only 18.1 per cent of the new jobs and 22 per cent of the new investments took place in that province.

It is very plain to see that in many ways opportunities are not becoming more equal in Canada between our regions, but are becoming more and more serious in terms of the inequalities between Quebec, the Atlantic provinces and the rest of the country. Between 1968 and 1979 unemployment in the Atlantic region went up by some 37.5 per cent, in Quebec by 34.4 per cent, in Canada as a whole by 33.3 per cent. Once again we see that the inequalities are growing rather than reducing in size in our country.

What about the west, the region where I come from? As I have always said to the House, there is a growing feeling of frustration in western Canada. When 13 per cent of the people say in a poll that they want to live in an independent country, then I think it is very serious. I remind hon. members that in all the polls taken in Quebec I have yet to see one where over 20 per cent of the Québécois want to be a totally separate and totally independent country. When the question is asked about sovereignty-association or about negotiating sovereignty-association, it is a bit different because a lot of federalists will be voting Oui. They will be voting Oui because they think it is the tactical thing to do and so on. But when one asks the Quebec question right to the core—whether or not they want to separate and become an independent country—one finds 15 per cent, 16 per cent or 18 per cent of the people saying Yes, while in western Canada 13 per cent are saying Yes. I wonder, if you were to fudge the question a bit, whether that figure would not be over 20 per cent, 25 per cent or 30 per cent. When you start getting statistics like this, that indicates a very serious problem and we will have to look at the reasons so many people are so unhappy.

• (1420)

I hear from behind me, for example, the hon. member for Regina West (Mr. Benjamin), who can tell many stories about inequities in the freight rate system, how it cost more to ship processed livestock from the prairies to central Canada than it cost to ship the livestock themselves. He can show that it costs more to ship a ton of steel from Hamilton to Calgary than it costs to ship a ton of steel from Hamilton to the city of Vancouver. We have those inequities, and they must be done away with if we want to make the people in the west feel a part of this country.

Some hon. Members: Hear, hear!

Mr. Nystrom: We also need a western Canada where we process more of our raw materials and food products closer to where those food products are produced. We also need a tariff structure that does not discriminate against people in western Canada. We need all kinds of other things to be done in the west. People talk about interest rates. There is no one that interest rates affect more than the farmers of western Canada, because farmers are the greatest borrowers of short-term money, which is where interest rates are the highest.

We also have to make sure the government keeps the commitment to build the port of Prince Rupert in order to move our grain, to build the port of Churchill, and a number of other things that would enhance the economy of western Canada.

One of the unfortunate things that has happened in western Canada very recently is that for the first time in our history—and I stress, the very first time in our history—we now have members who were elected by the people and are sitting in our legislature as western separatists. Here I refer to Mr. Dennis

Ham and Mr. Dick Colver in Saskatchewan who were elected in October, 1978, as Progressive Conservatives. Mr. Colver was the leader of the party and leader of the opposition. In March of this year they left that political party.

I am glad to say that since then they have been denounced by their party because the Conservative party wants nothing to do with them any longer. They are now sitting as people who are advocating the separation of western Canada and the unification of our part of Canada with the United States. They want us to be the fifty-first, fifty-second, fifty-third and fifty-fourth states of the United States. I totally disagree with that. I think all the problems of alienation and the feeling that we do not have any influence on what is happening in the country would be even more accentuated as an even tinier part of an even greater and more powerful country. We would then really be but a small drop in a great big puddle or a great big sea. We would be sending eight senators to Washington and maybe eight or ten congressmen to the congress of the United States, instead of sending 75 or more MPs to the House of Commons in Ottawa. We would have all kinds of other problems.

One of the problems we have is that Canada has been developed in a sort of hinterland metropolis type of fashion where some regions are suppliers of raw materials to the industrial areas. That philosophy is even more pronounced in the United States. One only has to look at Montana and the Dakotas. You cannot name any big cities in Montana or the Dakotas because they are suppliers of raw materials to the industrial parts of the United States. We would really be Montana north and we would have the same problems, perhaps even greater problems than we have now. We would not have a Wheat Board, and the Wheat Board is very important to western Canada. It is an orderly marketing system for our grain, and they do not believe in that in the United States. We would not have a medicare system because they do not have a medicare system in the United States, and medical care is very important in this country.

Those are some of the reasons that we in this party believe we cannot go the direction of the Dick Colvers and the Dennis Hams of this world who have now formed their own party called the Unionist party. I want to say in all seriousness that if we do not want movements like this to grow, if we do not want straight western separatism to grow, or if we do not want to feed the flames of narrow parochialism anywhere in the country, we will have to respond to some of the regional demands.

The west is now demanding more say in confederation. As the western premiers have said, they do not just want changes, they demand changes, and they demand those changes soon. They have said they deserve them. They have said the west is going to have to process more of its raw materials at home, that it will require more technology and technological industries at home. They have suggested that we will have to change the freight rate system, keeping the Crow rate, and that we will have to improve the grain handling system. We will have to do a lot of these things if we are going to make western Canada feel part of confederation.

In respect to the constitution, the western premiers have made it very clear that they are not just interested in some economic or structural changes, they want constitutional changes as well. They have said they want them in the area of resources. They want it clarified that resources come under the authority of the provinces.

[*Translation*]

The same goes in the province of Quebec, where the desire is that all resources—

[*English*]

They say the same thing about communications. The western premiers want more power when it comes to jurisdiction over communications in Canada.

In respect of federal institutions, the western premiers again want more input. Here they give you two examples. The Supreme Court, for example, is often deciding a case involving a dispute between a province and Ottawa, but all the judges in the Supreme Court are appointed by Ottawa. If you are going to adjudicate a case that involves the two, then perhaps the two should be appointing some of the adjudicators.

The other example is the Bank of Canada. The Bank of Canada determines monetary policy for the country. What the western premiers are saying is that if it should determine the monetary policy for the whole country, then there should be some input by the provinces and by the regions. It only makes sense that there should be, because if you ignore the regions you are ignoring the reality. When Hydro-Quebec, Saskatchewan Potash, Crown corporations or Ontario Hydro go to the market, this affects monetary policy. It seems to me it makes sense that there be some direct input to the Bank of Canada through an advisory council or a commission of some sort on the policy of the Bank of Canada.

These are some of the things that are very important in the debate that is before us today. In this country we need a new constitution, a restructured federalism, a new federalism where there will be significant changes to make all parts of Canada feel equally wanted and represented and that their problems are being responded to. Really a federation is a situation where there is co-operation between equals.

We also feel we must have urgent negotiations now, regardless whether the vote is Yes or No in the province of Quebec on May 20. We should have the provinces and the federal government sitting down to try to draft a new constitution. More than those governments should be involved in those negotiations; they should include input from members of legislatures, members of Parliament, including members of the opposition; I am glad to see that the Minister of Labour (Mr. Regan) agrees with that. They should also include other people in this country such as the indigenous people.

The last point I want to make is that even if we do equalize things more in this country in terms of development opportunities and more freedom in the regions, with a constitution that is more responsive, I think we are still lacking one very important ingredient in the development of a new Canada. If we are going to have a new Canada that is home for all of us

and that we can all proudly call home, we need a Canada that we own and control.

Some hon. Members: Hear, hear!

● (1430)

Mr. Nystrom: We now live in a country that is dominated and controlled, for the large part, by entrepreneurs and people outside our own borders whose main resource is manufacturing. Many of the things which are so important to this country are controlled and owned by others who live outside our nation. If we are to build a Canadian house, we must own that Canadian house. If we gain ownership of our house, I am sure that we can build one of the most progressive, forward and thoughtful nations in the world.

In closing, I would once again say that we need a new Canadian federation, that if we do not make the move now, then in a few years' time, in another generation or so, we might not have a united country to build. The feeling of disharmony is very strong in Quebec, in the west, Newfoundland and among our native people. If we do not put our house in order soon, there may not be a house to put in order.

Hon. Gerald Regan (Minister of Labour): Mr. Speaker, I would like to begin my remarks by passing through you, sir, my congratulations to Madam Speaker upon her elevation to the very high office which she has assumed, one that she has already discharged with distinction in the short amount of time that the House has been in session and an office which I know she will carry through with even greater distinction as the months and years pass.

For me it is a great honour to return to this House after an absence of nearly 15 years. I had the privilege of serving as a member of Parliament from the spring of 1963 until resigning in the early autumn of 1965 to enter provincial politics. In returning here and representing the great constituency of Halifax, which has had the honour of being represented until fairly recently by the Hon. R. L. Stanfield, I am not only fully aware of the honour of representing that constituency, but I am distinctly aware of the honour of sitting in this House. While I was away from the House for those 15 years, I was cognizant of the very substantial contribution that was made by the members of all three parties in those years, and also by members of the Social Credit Party who are no longer here.

I note in returning to the House of Commons that of those with whom I served between 1963 and 1965, I can count only 23 or 24 members who are still in the House. Notable amongst them, of course, is the Minister of Finance (Mr. MacEachen), the Minister of Transport (Mr. Pepin), the Minister of Industry, Trade and Commerce (Mr. Gray), the Minister of Justice (Mr. Chrétien) and the very able and distinguished member for Winnipeg North Centre (Mr. Knowles).

Some hon. Members: Hear, hear!

An hon. Member: He is going to outlive the whole works.

Mr. Regan: He may outlive the whole works and, indeed, if he does it will certainly be to the benefit of the Canadian people, because he has always made a great contribution.

Mr. Nowlan: That coalition is growing.

Mr. Regan: I might say to the hon. member for Annapolis Valley-Hants (Mr. Nowlan) that when I was last here I had the honour of serving with his father, who I always found to be amiable, co-operative and helpful to a junior member like myself, and it is an honour now to serve in this House with the hon. member who has replaced his late father.

I find that our problems are much the same now on many subjects as they were 17 years ago and, of course, others have changed. Certainly, our country has made great material progress. Yet today, despite the material progress made in those years, we face more challenges than ever. A continued, sincere effort is needed by all elected representatives if we are to meet those problems and achieve success to the maximum degree that is possible.

I would like to plead that it is important in this House—perhaps as a newcomer I sound brash to say so, but perhaps as one who is returning to this House I might be allowed to say it—that we avoid as much as possible our preoccupation with feeling that getting the best of every tiny clash on the floor of this House is an earth-shaking, important matter to the nation, because it is not. It is important that we achieve gains for the public rather than that we make points in debate here on the floor of the House.

Mr. MacEachen: Hear, hear!

An hon. Member: Notice who is laughing.

Mr. Nowlan: The Deputy Prime Minister is blushing.

Mr. Regan: I must say, though, that the normal display of animal exuberance that must occur from time to time in debate is understandable, but it is best that it does not become too personal.

An hon. Member: You are talking about the animals on your side.

Mr. Regan: I would like now to say a word about my departmental responsibilities. I am doubly honoured to have the responsibilities of the Department of Labour and the Department of Fitness and Amateur Sport. I am aware that the position of the Minister of Labour has been held by very, very many distinguished people across the years, people such as the present Minister of Finance, Mackenzie King, Michael Starr, and the present Minister of Indian Affairs and Northern Development (Mr. Munro). It is with some awe I assume those responsibilities. I see the responsibilities of that office as being heavy ones, and they are, firstly, to protect the interests of our working people and, secondly, in a very connected way, to promote industrial harmony.

I know that the efforts which have been made nationally in this country toward developing consultative mechanisms be-

tween management and labour, with or without the participation of government, have run into difficulties because of other outside problems and considerations of recent years. I believe that it is time we attempted again to find new ways in which more constant communication and, therefore, understanding can be maintained between management and labour, at times when there is not the immediate strife of a collective bargaining dispute. In the long run our country would be better served if we could make substantial progress in that regard.

May I say just a word about the Department of Fitness and Amateur Sport. This department is important to the welfare of our land and also important in a very different way. Our pursuit of excellence, which has been followed by a number of ministers, in amateur sport is not elitism as such. If we develop top performers nationally who are able to participate with success internationally, then they set examples which bring about the mass participation of our people to contribute to their fuller enjoyment of life and to their physical fitness.

Not only is it appropriate for government to be concerned about amateur sport, but it is appropriate for governement to be concerned with the rights of all Canadians to participate in sport, in the same way that it is our concern to protect the rights of all Canadians in other matters. I was distressed to see that the commissioner of the Canadian Football League, in reacting to statements which I had made here in the House, suggested that the government had more important things to deal with than the question of the right of quarterbacks who graduate from the universities of this country to have the same opportunity to participate in professional football as people who play in other positions. I think he misses the point in that regard; I will try to make the point to him when I meet with him next week. I think the commissioner should recognize that governments must try to do all they can to protect the rights of all citizens. I think it is an important responsibility of government, through such a department, to be concerned with the rights of a few Canadian quarterbacks in the same way as they are concerned with an injustice that affects any other citizen.

● (1440)

[*Translation*]

I want to take part in this debate in order to speak on the Quebec referendum issue. Like all my fellow Canadians, I think that this issue is the most important one of our time. I am happy to have the opportunity to speak on this issue because in my province of Nova Scotia, we love Canada and we love Quebec.

[*English*]

There is something that separation would do that has scarcely been mentioned in this entire debate on the referendum in Quebec and beyond. I think it is something that is worth noting as we move into the last days of the referendum campaign in Quebec.

Let me begin by saying that obviously a Yes vote is a big step on the path to separation. Separation would result in the loss of an opportunity, unique in history, for one small state of seven million people drastically to change the linguistic pattern of half a continent; for that is what is in the process of occurring in Canada. That is what has been happening in Canada for the last 15 years. Traditionally, only English was spoken in most of Canada outside of Quebec. English was the language of commerce, even in Quebec, and that, of course, is part of the legitimate grievance which the people of the province of Quebec have in relation to the first 100 years of confederation.

I do not want to talk today about the change that has occurred in Quebec; that is well known to all. That change has been dynamic since the coming of the so-called quiet revolution in 1960. It is a change that has affected education, a change that has affected commerce, a change that has affected attitudes in almost every way. Rather, today I want to speak of the change that has occurred, is occurring and will continue to occur throughout English Canada if our country stays together.

I say that the people of the province of Quebec have the opportunity to cause Canada, the northern half of this continent, to change its linguistic pattern. I say that this has never happened anywhere in a free country before; that most of this process has been a consequence of the voluntary recognition of the people of English Canada and the governments of Canada—Mr. Diefenbaker's government, Mr. Pearson's government, the present government and the former government—that it is right, it is fair, it is possible for Canada to develop as a two-language nation.

Let me give a few examples of what that development has consisted of. First of all, you will find today in darkest English Canada—if I may use that expression—that English families are competing hotly to try to get placements in French language schools. That is the position, I know, in Halifax and I know that to be the situation in Calgary and many other areas of the country. There is a line-up of people trying to get their children enrolled in schools where French is the first school language. That is one indication.

We see in this nation senior as well as junior bureaucrats in provincial and federal governments daily spending time to learn the French language. We find them willing to leave their work, to go away from home on immersion courses in order to improve their ability in the French language. We find a vast percentage of people who did not have a word of French a few years ago now able to function and work at their governmental duties in the French language. That is part of the willingness that has been exhibited in this change that is occurring. You find provincial legislatures giving French lessons to their members and staff. You find government offices and large businesses building a French language capacity in every city of magnitude in Canada.

What do you find today compared to a few years ago? You find French language radio and television in Vancouver, Halifax and everywhere in English Canada. You find a tremendous line-up of people who want to have their children participate in youth exchanges with youngsters from the province of Quebec. There are few members in this House who have not known of

such exchanges in their constituencies, or what a splendid success they were and how the bonds of friendship built by those exchanges have been maintained in succeeding years. You find parents seeking every opportunity to send their children to summer language courses in Quebec, in St. Pierre and Miquelon and, in my province, a line-up of people to take summer language courses for young people at Collège Ste. Anne. In Canada there is a vast increase in the number of people who are bilingual. The amount of French spoken in Calgary, Kentville, Chatham and Regina has greatly increased in the last 15 years.

In summary, Mr. Speaker, a tremendous effort has taken place across 4,000 miles to increase the usage of French and to make Canada a two-language country. If you consider the progress that has been made in this regard in the last 15 years, and if this progress continues for another 15 years, Canada will truly be a two-language country from coast to coast. That will not mean, nor will it ever mean, that every last person in our country will be able to speak both languages, but it will mean that enough will be able to do so that the languages will be interchangeable for all practical purposes throughout Canada.

What will it mean for the people of Quebec? It will mean that French-speaking families from Quebec will be able to accept transfers from their companies for periods in their careers to any part of Canada without risking the loss of the French language by their children or risking that their children will forget the French culture. It therefore means broadened career opportunities for the people of Quebec. That is what the process is bringing about and will bring about; it is what the process will bring about if Quebec remains part of Canada.

This will not happen, however, if Quebec separates. The desire and the main impetus to learn and to use French would be gone. A large part of the desire to learn the French language and to have one's children do so flows, in English Canada, from the recognition that the people of Quebec have been at a disadvantage elsewhere in Canada because of the lack of the use of French, and also because of the spirit of fairness by the vast percentage of people who feel that we can enrich ourselves and our country if we all speak two languages. Surely the bitterness of separation would reverse that process and we would go back to two linguistic solitudes.

I wonder if it is recognized in Quebec that the ignorant outburst of the bigot gains widespread notoriety while the widespread support for French Canada and the recognition of the French fact by the perhaps silent majority in English Canada can go unnoticed. Of course, the sensational remark always receives more attention than the quiet support for the growth and usage of two languages, the examples of which I have pointed out this afternoon.

● (1450)

In the course of this debate, I would like to remind the people of Quebec that elsewhere in Canada people have been showing this desire to have their children learn French, to have Canada become more of a two-language country than it has been in the past. I believe that the majority of English-speaking people are supportive of the constitutional changes within one united Canada that can make Quebec's destiny more secure within confederation.

English Canada, then, looks to the French Canadian people of Quebec for a No vote, not just in its self-interest of keeping the country together, but with a fervent desire to remain in a national affiliation with the French Canadian culture which they admire, and for whom they hold a deep brotherly love and respect.

What follows, then, if that No vote is achieved? A No vote is not the end of anything, it is the beginning of something. For the No vote must be followed by an urgent quest for constitutional reform, constitutional reform which, as the Leader of the Opposition (Mr. Clark) so aptly pointed out on the weekend, is not just needed by Quebec but needed and wanted by all of Canada.

We are a relatively young country, one hundred and a few years old; but what must be remembered is that while we are a relatively young country, we have a very old constitution. In the 113 years that Canada has existed as a country, we have stayed with that one constitution and very few constitutional changes. But remember that only Britain with its total common law constitution, which has its own way of achieving substantial change, has in that time stayed with the same constitution. France has had different constitutions in that period of time, as have most other European countries. Because a constitution that is divided between federal and provincial powers has a built-in rigidity that applies an aging process. That is why our constitution has aged rather substantially in that 113 years, and that is why I agree totally with the Leader of the Opposition and so many other people who said that Canada today at the federal and at the provincial level badly needs a new constitution. That is why the Prime Minister (Mr. Trudeau) of this country has said that with a No vote we get on urgently and immediately with the development of an up-to-date constitution.

Besides the question of language and of the opportunity to build a two-language country that I have discussed, there are obviously many other practical reasons why Canada should stay together. I just want to mention one or two of them that seem important to me.

First of all, I think that confederation is such a good idea that if it did not exist, if it had not occurred, if we had grown up as different provincial, independent states, five, six, or seven of them across the area occupied by Canada, do you know what we would be doing today? We would be sitting down trying to put the states together to make a confederation because confederation is such a good idea. There are very obvious reasons why we would be doing that. We would be told that this would enable us to meet our aspirations better, to develop better the standard of living in the country, and that would be correct.

We live in a world in which all the tendency is toward larger nation units, not smaller ones, and for a very good reason. In Europe there is the development of the common market to

overcome the disadvantage of the fact that over countless centuries that continent consisted of small nations and regions which meant that Europe was divided into too many units. But there are in the world many large countries today. Those large countries are not based upon one language or one culture. Nowhere have we seen the trend that one country should be based upon only one language or one culture. For instance, India, China, Russia and Yugoslavia all have either two or many more different languages as well as different cultures. Yet they remain together as countries. Indeed, as I said, the tendency today is toward larger units.

But of all the countries that have more than one language, Canada is the only one that has made a concentrated, purposeful movement toward establishing bilingualism, if you like, toward establishing an even, equal two language system. While that progress and the problems in achieving it have been frustrating sometimes, not only for French Canadians but also for English Canadians, nevertheless it has made the dramatic progress that I have outlined. So the question of size is yet another argument, why we should remain together.

The advantage of size provides not only a larger market in which a country is able, behind its own tariff barriers, to produce products and build a standard of living and therefore a better life for the citizens; it also provides a hedge against not having some ingredients essential to an economy. We have an example right here with the separatist party of Quebec talking about setting up a nation, a nation that would have no oil. The fact that Canada is so vast has provided us with oil in at least two regions. That is another argument in favour of countries of size, rather than a nation broken down into small parts based upon local interests or one particular language.

The proximity of the U.S. market also requires that we have as long a production line as possible even to begin making any products within this country that would be able to compete with those from the United States.

A Yes vote would bring uncertainty and a lack of investment. We have had uncertainty; we have had some people hesitant about investing in Quebec and some people hesitant about investing in Canada in the last several years because of what they perceive to be a threat of separation. A Yes vote would prolong and make that situation much worse regardless of what followed in the next two or three years. It would mean fewer jobs. It would mean harder times for the people because of that uncertainty—because uncertainty discourages investment at all times.

A No vote carries a message to all governments of this country to get on with developing a new constitution for Canada.

I believe we have a great country. Canada has one of the highest standards of living in the world. But working together we can make it a better and a fairer country. I believe that if Quebec separated eventually we might see the breakup of the entire country and the swallowing up of Canada by the United States, a country that has not shown much interest in protecting regional concerns or state governments.

Mr. Forrestall: Not Nova Scotia, not ever.

Mr. Regan: I believe that our destiny must be to work together. But I believe that if our destiny is to be achieved, we must approach the problems of this country, after a No vote is achieved, in a fair and broad manner, determined that we build as Canadians a richer and a fairer land.

• (1500)

[*Translation*]

Hon. Roch La Salle (Joliette): Mr. Speaker, having hardly had time two weeks ago to offer the customary congratulations to the deputy speakers, Madam Speaker as well as the mover and the seconder of the Address in Reply to the Speech from the Throne I would like also today to thank several Liberals who during the month of January came down to visit my riding and whom I have not had time to thank. They were like wolves, Mr. Speaker, they were everywhere. But still I am back here, and I am glad. I would also like to thank—

Mr. MacEachen: Like me.

Mr. La Salle: Mr. Speaker, the Minister of Finance did not come to visit my riding but I invite him to do so anytime.

I would like to thank the voters of my riding who for the fifth time put their faith in me and I will try the best I can to look after the interests of my riding as well as those of my province which I think are not incompatible with those of my country as a whole. I would like to say that during my short term as minister I was very happy to participate in a decision which will enable my riding to benefit under the Department of Regional Economic Expansion for the next four years. I believe that, considering the rate of unemployment which is as bad in my riding as elsewhere, such a measure will enable us to have some new industries which would reduce a rate of unemployment which is a plague in my riding as it is elsewhere.

I would also like to congratulate all my elected and non-elected colleagues for the frankness with which they put forth the proposals that were contained in our budget and the courage they showed through their solidarity vis-à-vis those measures that were absolutely essential. Of course, Canadians decided that these measures were rigorous, but they will have to face the facts in the short and the medium term. The proposals of the Minister of Finance have already shown that they did not invent that much on the other side since some of our measures have already been reintroduced. However, as concerns our most interesting proposals, whether they be for mortgage interests, the tax credit or the forthcoming oil price increases, you are probably as convinced as I am, Mr. Speaker, that nothing has been done so far. I believe that my colleagues deserve congratulations for having always allowed Canadians to face the facts about the economic situation, and of course, I hope we shall soon have the opportunity to go to the people once more.

I would also like to note that in view of the weakness of my caucus, my duties will be important and heavy, but that I shall try to fulfil them with as much success as possible. I want to say to all Quebeckers and to my constituents that I shall spare no effort to raise the necessary issues as a member of the opposition from Quebec. Mr. Speaker, this Speech from the Throne puts us back once again in the traditional specious comedy that the cabinet of the present Prime Minister has been staged since 1968. Once again, we hear the eternal promise of better days to come and a virtual denial of the ruins that this government of incompetents has not stopped accumulating in 12 years.

We are hearing the same old songs about the greatness of our natural resources and the need for brotherhood and sharing. We are once again shown castles in the air while thousands of hungry and unemployed Canadians are waiting for these empty speeches to stop and for this government to get down to serious work.

It is meagre consolation for thousands of home owners having to renew their mortgages during these weeks to know that the government is commiserating with them and feeling the interest rates have climbed to unacceptable levels. I think those are the terms used in the throne speech. As for practical solutions to help them, we are still waiting for them, and if we are to believe the rumour, the help to be granted will be limited to very few cases and will be remarkable for the meanness of the solutions proposed. What a contrast with the generosity of the project the Progressive Conservative government had proposed, and which the Liberal and New Democrat partisanship prevented from implementing.

In other words, it is true they are harking back to the same old piece on the just society while social injustices are spreading, job opportunities are becoming scarce and the Canadian dollar value keeps going down. All in the same breath, Mr. Speaker, the government urges Canadians to live within their means yet keeps coming up with projects which can only mean higher public expenses and a wider bureaucratic empire. It turns a deaf ear to the representations and the criticism of the Auditor General and refuses to see the facts, namely, that the public service is unduly inflated and that it is important to reduce its size without delay. The government is concerned, and rightly so, about senior citizens who see their income constantly eroded by inflation, but it refuses to take efficient steps to put an end to that plague with social and economic consequences which cause ruin and rebellion everywhere.

The government which won the election through deceit, I must say it, Mr. Speaker, by letting Canadians believe that it will be able to avoid a rise in energy prices, is heading for difficulties if it thinks it can both deprive producing provinces of a fair return on their oil and their natural gas and maintain a subsidy system which is ruining the public treasury. Instead of recognizing the temporary character of any assistance to eastern consumers and instead of gradually letting oil price get closer to the U.S. price, if not to the international price, the government continues to dupe Canadians on the disastrous energetic situation we are facing now. The billions of dollars which are now being spent in maintaining prices artificially at a low level would be put to better use if spent in developing new sources of energy and convincing Canadians they should conserve rapidly diminishing oil and gas resources.

At this stage of the present session, Mr. Speaker, I would not want to dwell extensively on the text of a speech as both vague and empty. When the bills are introduced and the estimates are discussed, I will have the opportunity to express my views and to defend the interests of the Quebec people which have been disregarded up to now. But I would be remiss in failing to join with my leader to ask for the tabling within a few weeks of a proper budget. I should say within a few days, so that the Canadian people may find out what fate their federal government has in store for them and so that businessmen may know on what course the Minister of Finance (Mr. MacEachen) intends to put our economy.

Since the Speech from the Throne dealt in depth with the issue of national unity, I must congratulate the previous speaker on his masterly speech. As the throne speech mentions the national unity problem, I should like to deal immediately with this issue which is of paramount importance for the very future of our country. As a Quebecker, Mr. Speaker, you will not be surprised to hear remarks which are entirely different from those which you have heard until now. I should like to comment briefly on the parts of the throne speech which deal with the national unity problem and the dangers resulting, in the government's mind, from regional isolationism, and on the perils of Quebec separatism I fully agree with hon. members on the government's side. I do not question the Prime Minister's sincerity or his serious desire to lead Canada back on the road to unity and brotherhood. I was profoundly moved the other day by the Leader of the Government when he insisted on the need for all Canadians to share their wealth and respect their cultural differences.

I should be remiss if I denied that, under his administration, the practical recognition of the French fact has made considerable progress, but I wish to remind him that on this issue he has always received the unqualified support of the leaders as well as rank and file of the Progressive Conservative Party. I should be ungrateful if I did not mention in particular the Hon. Robert Stanfield's extraordinary contribution to bridging the gap between the Canadians of our two great founding peoples.

Finally, I am happy to see that the Prime Minister (Mr. Trudeau) has recognized the invaluable contribution the present Leader of the Opposition (Mr. Clark) made to the unification of a strong and diversified Canadianism. However, eloquence and good will are not enough or shall I say no longer enough. There must also be concrete actions likely to draw Canadians closer together and to strengthen their feeling of belonging to a common entity. It has been the tragic error of

the present government since 1968 to have constantly and systematically refused to see in the burgeoning regionalisms some dynamic elements which promote the sense of belonging I mentioned. Its blindness and its obstinacy in fighting them led us to the present impasse which does not exist in Quebec only. In my province, the alienation has reached the point where a major part of the people are repudiating Canada as their country and want to restrict their loyalty to the birth place.

The Prime Minister cannot deny that the Quebec independence movement has made steady progress under his administration nor that his government constituted one of the most violent ferment of disintegration in the country. In Quebec the situation has become so alarming that the leader of the government party himself feels the need to speculate today on the consequences of a majority Yes vote in next Tuesday's referendum. The man who not so long ago, Mr. Speaker, proclaimed the death of separatism in Quebec now realizes how the abyss has deepened and how he has contributed to its deepening. He must be held responsible for its deterioration. Just remember how dead set he was against any demand for constitutional and administrative changes made by the team of Jean Lesage, the Johnson government and, the one led by Robert Bourassa. Nobody can deny that because of those repeated frustrations, Mr. Speaker, the lack of co-operation of the Liberal government, Mr. René Lévesque cut himself off and advocated the political independence of Quebec.

Today, the Yes side finds some new followers every day even among federalists, and if I am asked to name some, I will only mention the names of Mr. Jean-Paul L'Allier and Mr. Drummond, the former Quebec minister of agriculture. How can you explain the behaviour of those former members of a Liberal cabinet who came many times to make demands in Ottawa, begging for what are considered crumbs today. After repeated refusals by this government on apparently quite legitimate matters, after repeated frustrations, deceit after deceit, those people have decided to work on the Yes side like thousands of Quebeckers, not because they want a complete separation, but because they no longer have confidence that this government will seek a renewed federalism which is now essential. They no longer rely on that kind of separatism advocated by the leader of this government. The past intransigence of the Prime Minister does not augur well for his alleged openmindedness toward a renewed federalism at which he was sneering during the last election campaign.

● (1510)

How are we to believe that the Liberal government wants to alter relations between the federal authorities and the provinces when it will not consider them as associates or partners of Ottawa and treats them as enemies, if not as enemies of the common good? The throne speech itself made thinly-veiled threats not only to the Péquiste government but also to loyal and truly Canadian governments like those of Newfoundland and Alberta, specifically referred to in the government statement.

Instead of seeing the Canadian mosaic as an opportunity for growth and dynamism, instead of promoting the birth of a community of communities, of which the opposition leader has so eloquently spoken, the Prime Minister, since taking office, has done all he could to subdue the provinces, to consider them as nuisances, and even accuse them of undermining Canadian unity. To these dynamic communities that only want to assert themselves and take part in the social and economic progress of this country, he has shown only the cold disdain of a person who believes only he possesses the truth and the secret of ensuring the unity of this country. But we simply have to look around us to see how terribly wrong the leader of the government has been and how, instead of promoting unity, he has only contributed to further dividing this country.

The Prime Minister does not respect the letter nor the spirit of the constitution. As far as natural resources are concerned, he confuses sharing and robbery; as for constitutional reform, he does not even make a distinction between dialogue and bludgeoning. We all know where that has led us, Mr. Speaker. But the situation will only worsen if the Leader of the Government refuses to accept the obvious and continues to treat the provinces as colonies and their premiers as servants of the central government. As if inborn arrogance were not enough, the right hon. Prime Minister of Canada (Mr. Trudeau) was not afraid of provoking those he should consider as his partners by appointing true agents provocateurs to key positions in his administration. Mr. Speaker, I am talking about the Minister of Justice (Mr. Chrétien) and the Minister of Energy, Mines and Resources (Mr. Lalonde). The latter I might qualify as the author of scary bogeyman stories; as to the former one can only think of the arrogance he so often displayed during the election campaign by urging Quebeckers to have faith in their representatives within the federal government.

Again yesterday in Shawinigan, during a more or less serious discussion at a meeting, he quite simply promised, with the arrogance that is so characteristic of him, to give PQ supporters unemployment insurance even if the No vote wins. At what point does such arrogance become an insult to Quebeckers? I am convinced that the 74 Quebec members know full well that Quebec will not be satisfied with measures that make them social welfare recipients but this is the type of answer the Minister of Justice deems fit to give in answer to our current needs.

And, as if this type of provocation were not enough, Mr. Speaker, the same government tolerates shameful speeches against the Yes voters, such as the one made by the Minister of Consumer and Corporate Affairs and the Postmaster General (Mr. Ouellet) who sees PQ sympathizers everywhere. If this were true, Mr. Speaker, we should congratulate them; otherwise I cannot understand how a minister of the Crown could say these things, or make scurrilous insinuations such as

those voiced by the Minister of National Health and Welfare (Miss Bégin) with respect to Mr. Biron. She had to recant but this is the type of statement that was made. However, I would like to congratulate the Minister of State for Small Businesses and hon. member for Charlevoix (Mr. Lapointe) who, in my opinion, has made a very relevant statement and intelligent and interesting remarks for the whole of Quebec.

Instead of viewing regionalism and the love felt by Canadians for their local areas as obstacles to Canadian unity, the right hon. Prime Minister should see them as valuable tools in the forging of a strong and diversified Canadian identity, as the required cement in the building of a common motherland. Instead of reviling the remarks of the Leader of the Official Opposition, he should use them, he should apply them. This would help reduce the tensions flared up by his calls for a form of centralist federalism that is counterproductive to his avowed aims and that up until now only caused suspicion, division and alienation.

The right hon. Prime Minister may very artfully refer to the dilemma in which the Lévesque government entrapped itself with its question. He may very well nonsuit any discussions were the Yes choice to win the referendum on May 20. He may very well enjoy the applause drawn by the logic of his attacks at the monstrous duplicity of the Lévesque government. But if the Yes choice wins the vote, which the Prime Minister already recognized as possible, there will nevertheless have to be discussions with Quebec authorities, if only to prevent the political impasse from leading to oral and even physical violence.

Whatever the right hon. Prime Minister may think, it will not only be a matter of saying Yes or No and laugh it off. He will have not only to play a tight game but to raise himself to the level of higher politics to prevent ultimate disaster. I have no illusions either on this government's real intentions relative to constitutional reform. Because two weeks from Friday last, the right hon. Prime Minister still refused to show his true colours. The throne speech deals at length with the Quebec referendum. It says that a No answer to Mr. Lévesque's plea will be interpreted by his government as a Yes vote for a renewed federalism. However, the declaration gives very scant details on where the government's constitutional policy is going.

Bearing the past in mind, as well as the unspoken threats contained in the Speech from the Throne, we are entitled to believe that the Leader of the Government is not interested at all in revamping the constitution in order to make room for a greater decentralization of power and for a more effective participation of the provinces in the development and the implementation of national policies. It is extremely strange to note that the government—after having spent millions of dollars to finance the study by the Pepin-Robarts task force—has not said one word of congratulation for the work accomplished by that team which it had insisted on choosing scrupulously. We notice the same contemptuous silence relating to the beige paper published by the Quebec Liberal Federation. Quite the opposite, the Prime Minister and his colleagues are openly hostile toward the reforms advocated in either of these two documents.

In order to make sure that the hon. member for Ottawa-Carleton (Mr. Pepin) will not be the source of any trouble to him any more by holding him responsible for that malaise, the Prime Minister simply put a gag in his mouth by appointing him Minister of Transport. This is why the former co-chairman of the Task Force on National Unity remains so quiet in this debate triggered by the Quebec referendum. The minister simply decided to hide his report and to follow blindly a ministerial team whose goal is to maintain the status quo.

That is why I am positively skeptical about the will expressed by the Prime Minister to reform our constitution, Mr. Speaker. I am convinced that it is not from him that we can expect the constitutional changes which will likely bring back harmony and equilibrium between the various parts of our country. Of course, I will vote No in the referendum, but certainly not because I will have been mesmerized by the mermaid's song with which the government is trying to dull public opinion. I will vote No on May 20 because I believe in Canada and because I consider the federal system as most likely to help every Quebecker fulfil all his or her dynamic aspirations, something which the people of Quebec will not be able to do by endlessly sticking to the same old grievances, legitimate though they may be.

When voting No on May 20, I certainly will not do so to support the kind of federalism advocated and practiced by the present government. I will do so in spite of this kind of federalism, Mr. Speaker, and because I know that some day this ill-fated government will be gone and all Canadians will then have the opportunity to start over again building our country in the respect of local loyalties and by virtue of the partnership advocated by my party between provincial and federal governments.

Before casting my No ballot, I want to remind the Prime Minister that I have no confidence at all in him being able to unite this country, I do not trust the legal subtleties he uses in an effort to justify his control over the ressources and jurisdictions of the provinces. I will not believe that the man who has brought about so much division around him is now capable of achieving unity around policies that are acceptable for all. I refuse to put the reconstruction of this country into the hands of this demolition contractor. However, I still call upon Mr. Lévesque and urge him to use his huge talent—and I reckon Mr. Ryan is equally talented—to build, together with our fellow Canadians from other provinces, a federation which will measure up to the dream of equality and fraternity envisioned by the people of Quebec.

Mr. Speaker, we are given the opportunity during this pre-referendum period to study its implications and real meaning. It is a fundamental step we must take, as much for the sake of the survival of Canada as that of the fulfilment of

Quebec. That popular consultation will surely leave obvious scars. But in view of circumstances, we must take a stand. The Progressive Conservative Party has committed itself, with the No committee, to protect the interests of this country and fight against its division.

● (1520)

May I say here, incidentally, that it is important to distinguish between disagreements on the orientation of the federal government policies, on the application of the principle of federalism in Canada, and the agreement of all political parties sitting in this Canadian Parliament on federalism as the foundation of the governing system in Canada. It is in that perspective that we join in this debate. Canadian and Quebec political parties are constantly brought into opposition on what steps should be taken or measures adopted, but all agree in promoting and protecting the collective geographic entity called Canada, with federalism as its basis, while at times adopting different attitudes or advocating different methods according to their political bent. It is in that spirit that we are participating in this debate, Mr. Speaker.

We suppose that federalism is a government system that can let Quebeckers determine their own cultural future, while monitoring the areas where they have jurisdiction and allow them to contribute with other Canadians to the development of our country, of its political institutions guaranteeing our basic freedoms, of its natural resources which ensure our economic prosperity. We all want Quebec to develop. But there is disagreement as to procedure. Some people believe that all powers should be vested in the same authority; others like us try to distribute the risks and the benefits. We believe that the constitutional, legislative and administrative responsibilities should be managed by a public administration system divided between two democratically elected assemblies. We think that our basic liberties will be better preserved that way. In other words, a new evaluation of power-sharing is needed, and this is urgent, Mr. Speaker.

I must recognize that federalism has not only negative but also positive aspects. The first advantage might be that it forces us to compromise continuously. When you have to share with others, you must consider their views, and it prompts you to question your own views, which might ensure a more balanced development. This is a positive aspect of federalism that should be maintained. This debate will give us a chance to demonstrate and throw some light on other aspects of our government system. This referendum period should give each side the opportunity to show the advantages of its option rather than to systematically destroy the option of the other side. Let us use the coming days to seriously and thoughtfully consider our options. I recognize that it will be difficult and as discussions tend to become more heated, each of us must keep a cool head.

If the Progressive Conservative Party joins the federalist forces in Quebec in spite of its differences with the present Canadian administration, it is because we believe in the future of Canada. We understand the frustration of many Quebeckers and we share it to a large extent. The majority of provinces and their governments want an in-depth reform of the constitution. If we refer to the history of French Canada and its relationship with all Canadians, we see that justice and the interests of others have not always been respected. The legitimate demands which were disregarded are a point to be raised in the debate. However, this frustration does not justify the intention to yield our joint ownership of Canadian territory at a time when there is a consensus on the need for important reforms.

It must be admitted that demands do not always entail confrontation. We must not hesitate to shape levers for tomorrow through debate. In this way, we will serve Canada. Let us acknowledge that Francophones have a national conscience and let us guarantee them through future reform; the means to attain self-fulfilment. Let us believe in the future of Canada which allows, under its much criticized constitution, a fundamental debate on its existence. In voting No to the referendum question, I admit that at heart I still remain a provincialist who believes in a federalism much more flexible than the one devised up to now. In joining the federalists, I must insist that I do not endorse in any way the status quo. I think, and I hope, Mr. Speaker, that if Quebeckers give a No answer next Tuesday, the federalists sitting here will not interpret this answer as an approval of the present system. That is what I venture to believe. And it is for that reason, Mr. Speaker, that many Quebeckers hesitate to comply with the request made here by the federal members, because after the last 12 years, we necessarily have very strong reservations to make about the honesty of this government, because the situation in which we find ourselves could have been avoided in the last 12 years.

Thousands of Quebeckers will feel like the ex-colleague of the present Prime Minister, our ambassador to Paris, who said that thousands of Quebeckers will vote Yes because they want to force this government to make a long-awaited opening. For this reason, unlike our colleagues who gave a blank cheque to their Prime Minister and who, after brushing aside a proposal made by the Quebec government, were not able or did not have the courage to make any proposals on this renewed federalism, we are concerned on this side of the House, because we have witnessed the refusal of this government to sit down seriously with the provinces in order to propose the amendments that are necessary, and not only for Quebec.

I am happy to see that from time to time my colleagues from other provinces show their concern for their province, because I feel my first duty in the House is to look after the interests of the province I represent, which are not inconsistent with the national interests as a whole. Even those failures and refusals over so many years—and I conclude, Mr. Speaker—have brought us today to a situation where Quebec is asking fundamental questions about its future. Those who are mostly responsible are not in Quebec, they are here, because they did not have the courage perhaps or simply the respect of a population that would not have liked anything better than to get along with the rest of the country, but in mutual respect.

● (1530)

[*English*]

Hon. John Roberts (Minister of State for Science and Technology and Minister of the Environment): Mr. Speaker, this is the first time a minister has addressed the House holding the two responsibilities I do, that is to say, that of Minister of State for Science and Technology and Minister of

the Environment. This combination, which to some seems bizarre, in fact reflects a strong logic of considerable merit. The responsibilities of both of these departments are tied essentially to the construction over the longer term of an economic strategy for our country. The responsibilities are complementary and not contradictory.

Clearly I do not have time this afternoon, in the time that is available to me, to deal with all the aspects of importance in these two departments, but I believe the House would like from me some indication of the steps we plan to take in various important areas and to explain how I and the government intends to approach these responsibilities.

Members of the House will already be aware that the Speech from the Throne has reaffirmed the objective of moving in Canada, as quickly as we possibly can, to having 1.5 per cent of our gross national product directed to research and development. In my view, this is something we can accomplish by the mid-1980s. I should say that I see no conflict between this objective and the one which has so often been expressed by members opposite of 2.5 per cent by the end of the decade. Both of these figures are on the same critical path.

The previous Conservative government had committed an increase of roughly $155 million of federal expenditure in an attempt to put us on that path. It is my belief that that figure falls short of what is needed if we are to proceed as quickly as we can to that desirable objective. My belief is that something much closer to $185 million in increased expenditure will be required if we are to achieve this objective. It is my confident belief that those resources will be found by the government to assist us in these efforts.

The 1.5 per cent of the GNP, as useful as it may be as a handy yardstick for measuring our progress in this area, is not an end in itself. Rather it is a means, it is the resources which must be devoted to a properly based research and development policy. Beyond this adoption of a 1.5 per cent figure are a variety of difficult decisions and questions which must be resolved if we are to have a comprehensive and coherent policy—the question as to what degree our effort should be directed to basic research; to what degree they should be oriented to mission-oriented research; the question of how our variety of institutions—government, industry and university—should be specialized in the research functions which they undertake; the question of the establishment of the various sectors in which our research and development should concentrate if we are to meet our over-all economic needs; and the question of developing systems for the distribution of information which ensure that the fruits of research are carried more effectively than they have in the past to those who will be able to benefit from them.

While those objectives and decisions still must be worked out if we are to have the clear and comprehensive policy we require, a policy which will have to be developed with considerable consultation of industry, the universities and scientists, there are in any case two clear immediate priorities. If we are to meet the 1.5 per cent objective, we have to bring on stream as quickly as we can the highly qualified manpower which will be required to provide us with the researchers and experts to meet that objective. Second, there is an outstanding and urgent need for the renewal of capital plant, laboratories and equipment if again we are to achieve that objective.

Basically these priorities will be attained through the activities of the federal granting councils. I am speaking of the Natural Sciences and Engineering Research Council, the Medical Research Council and the Social Sciences and Humanities Research Council, which are the main sources of financing for university research and for the training of new researchers. The councils have prepared five-year plans and have projected the levels of post-graduate scholarships and training grants needed to meet the manpower demands of a 1.5 per cent target. The Ministry of Science and Technology manpower model indicates that to meet the target by the mid-1980s we will have to train 30,000 people.

I recently announced, and I reaffirm today, that the government has confirmed an increase in the 1980-81 budget of the Natural Sciences and Engineering Research Council of $41.8 million to a total of $162.6 million. That is an increase of 35 per cent over last year. The council will be allocating a substantial share of this increase to new training programs to attract the best of our students into post-graduate research. These new awards will be available in both university and industry and, therefore, will also promote an improved transfer of technology and highly trained people to industry.

Also the funds will support other important objectives, such as the base of research competence, the replacement of obsolete equipment, which I mentioned earlier as an important priority, and the expansion of the council's strategic research programs in areas of national concern. The council has identified five areas of research activity where advances in knowledge or understanding or full-fledged technological innovations will improve our economic well-being. These are energy, oceans, food and agriculture, communications and toxicology. The council has had considerable success in drawing many of Canada's brightest scientists and engineers into these strategic areas.

My responsibilities in relation to the Department of the Environment at first sight seem to be of a rather different kind. I think most people view the responsibilities of the Minister of the Environment to be to find out what industry is doing, to find out what polluters are doing, and to tell them to stop. I believe the emphasis in the past in the public's mind has been in the environmental protection aspects of the Department of the Environment which indeed is a very important area of our activities. But our over-all purpose is larger; it is more global than that. Our essential purpose is really to consider how Canada's renewable resources can be maximized for the benefit of our population over the long term by development which will bring these resources to the benefit of our society and our economy and yet maintain a healthy environment on which they ultimately depend.

The environmental protection aspects have been most in the public mind and in the public view over the past two years, and

I believe there is a need for a clarifying and strengthening of the federal government's role in that area.

We are developing a new federal environmental protection policy which will require new federal legislation. That legislation will, among other things, protect us and our environment against the hazards of toxic chemicals. The policy and the legislation which I hope to introduce into the House within the next 18 months must recognize the environment as an entirety and not as a collection of disparate parts. It must increase the effectiveness of the environmental protection service which has the mandate to ensure that the federal responsibilities in environmental protection achieve national objectives. The capacities of all governments must be used to the fullest in addressing serious environmental concerns. The new policy and legislation will clarify relative federal and provincial responsibilities. Some tasks are clearly more efficiently led at the national level, and we believe that the management of toxic chemicals is one of these.

There are three immediate, urgent problems on which I should touch in this area of environmental protection. The first is that of toxic chemicals, which I have just referred to. At the meeting of the council of environment and resource ministers in Halifax at the end of last week, all provincial governments expressed their strong concern that we must do much more than we are doing now to control the transportation of hazardous waste. All governments at the federal and provincial level believe that what we need is a much more effective ticketing or manifest system to ensure that there is a knowledge from the cradle to the grave of the development and transportation of those wastes. We are intent upon moving in the direction, which the provinces wish us to follow, of establishing such a manifest system. It is my hope—and I am carrying on discussions to explore this possibility—that we may be able to reach those objectives by amendments to the present legislation on the transportation of hazardous goods, which is at committee stage in the House.

The second area which is of great importance is that of the testing and experimentation and knowledge of the implications of chemicals as they are developed. Hundreds of chemicals are developed each year within the world. Very little is now done to provide a standard testing and assurance of what the possible consequences of those chemicals may be. Canada, through my deputy minister who is chairman of a committee at OECD on this matter, is leading in the fight to establish an international system of testing and ticketing to provide a passport for new chemicals on a standard basis so that the implications of their use can be well understood.

● (1540)

The third matter of urgent and pressing concern is one which I have discussed in the House in the past, and that is the matter of acid rain. Members will remember, perhaps, that I have already told the House that we are pressing the United States as hard as we can to move as quickly as we can to establish an international accord to regulate the control of emissions of sulphur dioxide and nitrogen composites which now pose an extremely serious threat to both our countries, the United States and Canada. We in Canada cannot resolve this problem alone. We must do it co-operatively with our neighbours to the south. But they equally have an interest with us in responding to that problem.

Many times I have been asked what are the costs of so doing. The costs are enormous. The costs in terms of Canada will be an expenditure of something like $400 million a year to the end of this century. The cost for the United States will be eight to ten times that figure. But the costs of not responding to the acid rain problem are even greater. It is difficult to earmark those costs, but we do know they are not hundreds and hundreds of millions, but are, indeed, into the billions of dollars each year. United States studies, for instance, have emphasized that the cost simply of the erosion and destruction of buildings in the United States attributable to acid rain problems is roughly $4 billion a year.

In Canada we have special concerns for tourism, for the fishing industry, the health of our forests and the hazards to life which acid rain involves. This is an urgent and pressing necessity and we must press the United States not only for an agreement internationally; we must ask them to give the same concern that we now do to the use of present regulations which are in place to diminish to the highest degree possible the emission of these dangerous contaminants to the air.

I said earlier that our concerns were not simply with environmental protection—though, as I have just described, those are extremely important—but that what we are really concerned with in the Department of the Environment is helping to establish for this country an economic strategy which exploits properly, prudently and sagely over the long term our natural and renewable resources. Canada's economic strategy for the eighties must increasingly recognize that resources represent our economic advantage. We must preserve and develop this advantage through intelligent resource management; through farming or renewing, not simply exploiting and mining, our forests, through preserving the best of our agricultural and forest land; through the wise use of our waters and through careful regulation and protection of our migratory wildlife. This wide use of resources has long been called conservation, and that must be the cornerstone of our approach to these departmental responsibilities.

The most important example of the use of that approach is the forestry sector, an extraordinarily important sector to this country. I recently announced the continuation and extension of the forestry policy which my two immediate predecessors had charted. We believe that the yield from our forests can be doubled by the end of this century if we do follow prudent practices of conservation, and it is our intention to push to ensure that, in co-operation with the provinces, we establish a situation in which reforestation and the renewal of our forest resources is placed on a much more satisfactory, long-term footing than is now the case.

All of these policies which I have described are policies which are designed to build the economy, but they will not be of much use if the building of our country, instead of continu-

ing as it has over the past 110 years, is destroyed by factions, dissension and disputes between the provinces and the federal government, and between our two major language groups.

I would like for the last few minutes of the time I have available to me to say two or three things about the present crisis in our country, which is symbolized by the vote that will take place on May 20 on the Quebec referendum. Undoubtedly these are testing times for our country. There is perhaps one advantage to that testing, and it is that it proves the soul and character of a country. The advantage of the referendum is that it may bring to a head concerns of Canadians, Francophones or Anglophones, to determine once and for all the question of what kind of Canada they wish to have and whether that Canada can survive.

I believe that we must bring those issues to a speedy resolution. The rest of the world will not stand by and wait for us to manage the re-making of our constitutional arrangements, and Canada cannot afford to be so obsessed with these issues that it neglects its longer-term, urgent, economic and social needs.

We cannot afford as a country, I believe, to continue the kind of navel gazing, the obsession with our constitutional arrangements, that we have had for the past 17 years. In that regard, another 17 years like the past 17 will, I think, kill the country.

It is time, I believe, for a decision. Changes I think there must be in our constitutional arrangement, and changes I believe will take place. Those will be changes not simply of providing more powers to provincial governments, but also changes which will involve strengthening federal responsibilities in many areas. Whatever those changes, the essential quality and condition of the country will not change, and it is perhaps time we should say to Canadians, "What you see is what you get"; and what they see is a country with opportunities unrivalled by that of any other country in the twentieth century.

We have a chance with these opportunities not only to preserve or to hold on to the past, historic and rich though that may be, but the opportunities to build, not as in most countries simply to retain a heritage, but to construct a new society and a new way of living together.

The result of the referendum will not in itself resolve these issues. It will be the end of a stage. The next stage will involve, I believe, much more than has this first stage, the views of Anglophones and Francophones outside Quebec as much as those within it.

Whatever happens in the referendum, I believe our message to the Francophones of Quebec must be that we believe passionately in this country; we believe in it with a Quebec and the contribution of the Quebec people to that country. We believe in that for selfish reasons, because for us that makes more rich the diversity of our society. We believe in it also because we believe it is in the interest of Quebeckers to live within a society of 23 million people which is concerned to protect their language and culture; not simply for its survival, but that it may grow and thrive. The interests of Quebeckers, their language and their culture are better protected in that kind of Canada than they will be in an isolated Quebec Francophone state of 5.5 million people surrounded by a sea of 250 million Anglophones on this continent.

[*Translation*]

Mr. Speaker, if there is one message I would like to convey to my Quebec and Francophone fellow citizens, this is it: we believe passionately in this country and we want to build it with them. This country has very important historical roots, that is recognized. But it is its future that is really appealing, what we can do together if we want to, because Canada offers more opportunities, more possibilities than any other country in the world.

We therefore want to see Quebec and the Francophones within our confederation, to make our society richer and more varied. But we feel as well that it is in the interest of the Francophones of Quebec to be part of that great country of 23 million inhabitants, a country that is willing to accept as its first objective, not only the survival of the French language, the French culture in Canada, but also the flourishing of the French culture and language in our country. That is our message. It is not only for our sake that we want to pursue the great adventure launched over two centuries ago, but also for the sake of Quebeckers, that their interests be better protected within a society like ours, within a large and strong Canada that offers better protection than an insular country, a small island of five and a half million lost in an Anglophone sea of 250 million people. History, the past, our roots, they are very important, true; what is more important for Canada is the future we can build together. The future is Canada.

● (1550)

[*English*]

Mr. Peter Ittinuar (Nunatsiaq): Mr. Speaker, on behalf of northerners, I welcome this opportunity to reply to the Speech from the Throne. There was very little in the Speech from the Throne about the north which one could agree with or disagree with, because in fact there was very little said about the north at all. The one reference to the Canadian Arctic region refers to the exploration and development of these promising frontier areas. The people who make their home up there are forewarned.

I mention this situation because it is an ongoing problem with which northerners are constantly faced. The national media have little interest in northern affairs, and consequently southern Canadians are afforded few opportunities to learn about and understand a large portion of their country. In the Speech from the Throne pains were taken to address the people of Quebec, western Canada, the Atlantic provinces and the industrialized Ontario core. We sympathize with these regions, but the federal government is the one institution which effectively controls northern affairs.

The federal government is a major employer in the north and retains control over mineral and fossil fuel resources and, this, over the nature and pace of any development which takes place. The federal government has a trust responsibility for native northerners as administered under the Department of Indian Affairs and Northern Development. Yet the north is not mentioned in the Speech from the Throne. No province in Canada is controlled federally in the way that the Yukon and particularly the Northwest Territories are controlled, and yet no province is ignored as the Territories are.

This could be because the federal government still retains its patriarchal mentality in relation of the Territories. I sincerely hope that more progressive attitudes prevail in the 1980s. The pace of northern political and economic development is accelerating and the decisions which will be made during the next few years will have long-standing and far-reaching effects. One hopes that the representatives of the Government of Canada will take the time to orient themselves to northern issues and thereby enter into future negotiations and processes which will effect change in the north with an informed and conciliatory attitude.

In the Speech from the Throne the Prime Minister (Mr. Trudeau) made a commitment to a renewed Canadian federalism, and he went on to say that Canada should remain "a country that regards diversity as an asset, not a liability". In the context of constitutional revisions, I hope that the Prime Minister will adhere to the spirit of that statement by including Canada's first inhabitants, the native people, as full participants in any process which will effect constitutional change.

At this point I will digress for a few moments, Mr. Speaker, to put things into their historical perspective. Three hundred and ten years ago, on May 2, 1670, King Charles II issued a royal charter which granted the area which we now call the Northwest Territories to his German cousin Rupert and Rupert's friends in the Hudson's Bay Company. The royal charter granted the Hudson's Bay Company the sole trade and commerce of Rupert's land, and the company was empowered to make "peace or war with any prince or people whatsoever that are not Christians".

Two hundred years later, in 1870, Rupert's land was sold to Canada. In the recent Baker Lake court decision, Justice Mahoney ruled that property rights in the Northwest Territories belonged to the federal government. His reasoning was based on the process just outlined—King Charles II granting Rupert's land to the Hudson's Bay Company, which in turn handed it over to the federal government of Canada. This judgment apparently eliminates all Inuit property rights, and I should say northern residents rather than Inuit because there are many permanent residents of all ethnic groups in the north.

From the point of view of the original inhabitants of the land who have occupied and used the land since time immemorial, it is absurd that someone in England could initiate a process by which all property rights to that land are lost. Mr. Speaker, to put this in the present context, Justice Mahoney ruled that the Baker Lake area is "subject to the aboriginal right and title of the Inuit to hunt and fish thereon", but that their aboriginal title does not make the Inuit "holders of surface rights". Under section 146 of the BNA Act, aboriginal rights are not protected by Canadian constitutional law and, other than the guarantee to freely move about and hunt and fish, they have never been defined in Canadian law.

The increased pace of development in the north will inevitably lead to a conflict between industrial interests and the permanent inhabitants of the land. Justice Mahoney recognized this contradiction when he said that "the co-existence of an aboriginal title with the estate of the ordinary private land holder is readily recognized as an absurdity".

I would like to turn now to the recently released report of the special representative for constitutional development in the Northwest Territories. As hon. members are aware, Mr. Drury was appointed special representative by the Prime Minister in August, 1977. He was given the task of explaining options for constitutional development in the Northwest Territories and reporting the results of his investigations back to the Prime Minister. Among the options that Mr. Drury was asked to address was the division of the Northwest Territories into two or more political units.

I would like to comment on the Drury report by posing three important questions which are important to northerners: Why was Mr. Drury appointed, what are the principal features of his report, and what should be done with his report?

I would like to look initially at the first question as to why Mr. Drury was appointed. He was appointed at a time when the future of the Northwest Territories and its peoples was causing considerable contention in Ottawa. The Berger inquiry had been revealing to southern Canadians what many people in the north had known for years, that in many ways the Northwest Territories more closely resemble a colony of the south than an integral part of the Canadian political framework.

The popular sentiments expressed before Judge Berger were being stated to the federal government at the time by leaders of the Dene nation and the Inuit of Nunatsiaq. Both the Dene and the Inuit peoples had rejected Ottawa's interpretation of land claims negotiations as a process by which the federal government assumed clear title over areas of traditional use by aboriginal peoples in exchange for small strips of land and money—in other words, beads and blankets indexed for inflation. The aboriginal peoples of the Northwest Territories had stated clearly that land claims and negotiations could not be pursued to successful completion if they started on the premise that negotiations constituted some kind of giant real estate transaction.

Northerners wanted to accomplish what had not been attempted up to that point—an accommodation between the needs and aspirations of northern peoples and the concerns of the federal government, a government mandated to speak for Canadian citizens as a whole. I should like to be quite honest and say that statements made by many native citizens before Justice Berger and the ideas articulated by the leaders elected

to head representative native associations scared many people in Yellowknife and Ottawa. The newly heard native leaders were perceived as a threat to the status quo, a status quo which may have satisfied Ottawa and the Yellowknife bureaucracy but which was less than satisfactory to the people whom it governed. Thus, late in 1977 the federal government faced the problem of what to do about land claims negotiations when the native peoples involved insisted on talking about political development as well as ownership of the land and resources.

● (1600)

The federal government tried to resolve this problem with the appointment of Mr. Drury as special representative for constitutional development in the Northwest Territories, thereby deferring questions of political development until completion of the report. At the same time, Dene and Inuit leaders were informed that matters of political structure brought up during land claims negotiations would, in the words of personnel employed at the office of native claims, be a "non-starter". This 1977 policy has resulted in a three-year impasse in negotiations between the federal government and the Inuit Tapirisat of Canada, commonly known as the Eskimo Brotherhood of Canada, and the federal government and the Dene nation.

It is apparent that land claims negotiations in the north have been delayed by the Drury process. With this in mind, I would like to review the major features of the Drury report.

The report contains a wide range of recommendations with respect to the discharge of government services in the Northwest Territories. Many of these recommendations, particularly ones regarding the transfer to local government of as many functions as can be effectively handled at that level, are commendable. The report's concentration on the nitty-gritty of government services, however, is at the same time its chief strength and chief weakness. While the report contains many comments and conclusions about the need to build an existing experience and success with local self-government, these comments and conclusions were equally germane to any outcome of the debate on division.

The tone and substance of the report is based on Mr. Drury's acknowledged premise that the manner in which government programs are administered is more important to the people of the north than the nature of the political structure. This premise is totally at odds with reality. It is at odds with the events which have taken place in the north during the last few years. It is at odds with the position of the Dene and Inuit organizations that speak for the majority of residents of the Northwest Territories. It is at odds with the position endorsed by the eighth legislative council of the Northwest Territories, and at odds with the statements made by members of the ninth legislative council in seeking to formulate a consensus position on political change. It is at odds with the pronouncements made by all candidates for the ridings of Nunatsiaq and Western Arctic during the last federal election campaign.

People in the north have disagreed, sometimes bitterly, about the proper direction of political change and the kind of political structures that should be set into place, but seldom has there been disagreement on the fact that the political questions framing the north go far beyond tinkering with the provision of government services.

In his report Mr. Drury recognizes that the question of division is a serious one; nevertheless, he recommends that wide-ranging powers, including full or partial control over Crown lands and resources, should be transferred to Yellowknife. Following this he suggests that a debate should be initiated in the north to determine whether powers should have been transferred to Yellowknife or whether the Northwest Territories should have been divided.

This is an obvious case, we believe, of putting the sled before the dog team. The report suggests that the people living north of the tree line should suspend their age-old commitment to a new political unit called Nunavut, watch impassively as the Yellowknife bureaucracy is strengthened, and then question the appropriateness of this bureaucracy. The implementation of this report would be totally unacceptable to the people of Nunavut.

The Government of Canada committed itself to the settlement of native claims through a process of negotiation with the office of native land claims of the Department of Indian Affairs and Northern Development. All aspects of claims—political, economic and cultural—must be considered in those negotiations. The federal government's appointment of the special representative for constitutional development, Mr. Drury, in 1977 bypassed this legitimate process by demanding that the political aspect of claims be channelled through his office and not through these legitimate negotiations.

This was and still is unacceptable to the Inuit and is somewhat discouraging. Any attempt at a just and honourable settlement of native claims is impossible while the process has been compromised in this way. I believe that the Minister of Indian Affairs and Northern Development (Mr. Munro), who unfortunately is not here, in his submission to cabinet on this report, will be aware of this shortcoming and act accordingly.

As Canadians, we are only too aware that regional disparity is not exclusive to the north. Canada is large, and regions have settled historically with their own character and their own perception of participation coming into play in the Canadian mosaic. Perhaps—and I speculate, Mr. Speaker—these diametrically opposed forces are directly attributable to the British North America Act, and these strains only point out the need for constitutional reform and development to meet the realistic needs of Canada's many groups. If this is true, and I believe it to be, then my people are not alone in their aspirations as Canadians.

In this context the people of the north are proposing a settlement with the government which will be negotiated fairly and justly. Although we applauded the Alaska and James Bay agreements, and more recently the Greenland home rule agreement with Denmark, we feel they were variations on what were fairly straightforward real estate transactions. That

is, in exchange for extinguishing their rights, they received cash and a more conventional, if not a bit firmer, legal title to a much reduced area of land.

The Nunavut proposal, as it is called, is not intended as a real estate transaction. It is a contract proposal, but one principally of a social and political rather than a commercial nature. The basic goal of this proposal is the formation of a new government—a new government which would find its place within the constitutional framework and would, of course, be subject to the ultimate sovereignty of the Parliament of Canada.

In the context of self-determination as the major principle of that proposal, I would like to refer to the international covenant on economic, cultural and social rights, as well as the international covenant on civil and political rights. These covenants were passed by the General Assembly of the United Nations in 1967 and were ratified by Canada in May 1976. Article I, subsection I, of both covenants proclaims:

> All people have the right to self-determination. By virtue of that right they freely determine their political status, and freely pursue their economic, social, and cultural development.

Article 2 of the international covenant on civil and political rights says:

> Where not already provided for by existing legislation or other measures, each state party to the present covenant undertakes to take the necessary steps in accordance with its constitutional processes, and with the provisions of the present covenant, to adopt such legislative or other measures as may be necessary to give effect to the rights recognized in the present covenant.

Through the land claim proposal of the Inuit Tapirisat of Canada, it is our feeling that we are providing the Government of Canada with an opportunity to give effect to the international commitments it has made.

It is understandable, given the present climate in Quebec, that the federal government shuns such terms as self-determination. The Minister of Energy, Mines and Resources (Mr. Lalonde) made it explicitly clear to the Indian chiefs who met in Ottawa a couple of weeks ago that in his mind they did not constitute a province. I suggest to the Prime Minister and his government that self-determination is not in the least threatening; in fact, it is enjoyed by the vast majority of Canada's people. Self-determination is indeed possible under confederation, for it exists for some; the renewed federalism which the Prime Minister promises could extend this right to all Canadians.

I should like to end my comments, Mr. Speaker, by saying that, while I do not always understand members of this House and I believe that they do not always understand me, if we agree to try and understand each other, then perhaps some of these goals of northern people can be realized.

Some hon. Members: Hear, hear!

• (1610)

[*Translation*]

Mr. Ray Chénier (Timmins-Chapleau): Mr. Speaker, the throne speech has spared nothing to set the priorities enabling our new government to take up now and not tomorrow or in the year 2000 the challenges which must be overcome with concrete steps. First, I would like to congratulate the previous government which soon realized that the Canadian people deserved another opportunity to decide—

[*English*]

The Acting Speaker (Mr. Blaker): Order, please. The hon. member for Bow River (Mr. Taylor) on a point of order.

Mr. Taylor: Mr. Speaker, is it not the Conservatives' turn to speak now?

The Acting Speaker (Mr. Blaker): Order, please. I will point out something that I am sure is fairly obvious to the hon. member for Bow River. If no member on his side of the House stands to be recognized, I have to look to those members who do stand.

Mr. Taylor: On that point of order, the hon. member was standing. There was an agreement made between the House leaders.

The Acting Speaker (Mr. Blaker): The Chair has an indication of who has sought the floor. I have twice looked to hon. members on my left to see whether they did, in fact, seek the floor. Certainly on the first occasion no member stood on my left. On the second occasion I gave enough time to recognize an hon. member who might speak on my left. There is no question but that it was the turn of a member of the Progressive Conservative Party to speak. But I saw no such member standing, and for the second time I have had to recognize someone other than a member from the Conservative party. However, I will certainly pay attention to the members on my left.

Mr. Taylor: Whether or not you saw him, he was standing.

[*Translation*]

Mr. Chénier: Mr. Speaker, I have nothing against the hon. member opposite speaking before I do. On the other hand, I would like you to recognize me when he has completed his comments.

[*English*]

The Acting Speaker (Mr. Blaker): Order, please. The hon. member for Timmins-Chapleau (Mr. Chénier) has offered to step down in favour of the hon. member for Simcoe South (Mr. Stewart) so that the proper sequence of speakers can continue. Is that agreeable?

Some hon. Members: Agreed.

Mr. Ron Stewart (Simcoe South): Mr. Speaker, first I wish to thank the hon. member for Timmins-Chapleau (Mr. Chenier) for his courtesy.

It is with a great deal of pleasure that I congratulate you on your appointment, and to Madam Speaker I offer my con-

gratulations on her election. I do not wish to place undue emphasis on the fact of her femininity because I am not a male chauvinist, but I would be remiss if I did not draw attention to the fact that she is the first woman to occupy the Speaker's chair. The fact that she is the first woman Speaker and a Quebecker I hope will be synonymous with the "Yvettes" and result in a resounding No vote in the coming Quebec referendum. This is a wish that I know is shared by Madam Speaker and by each of the members here assembled. Her record of accomplishment in the fourth estate and in government speaks for itself.

As this is my maiden speech in this chamber, I should like to take this opportunity to thank the electors of Simcoe South for the confidence they have placed in me by electing me to the House of Commons on two consecutive occasions. I pledge my devoted and undivided service to each and every constituent's needs as well as to the work of this House.

Last December I was to make my maiden speech during the budget debate but we all know what happened on that Thursday night. Now, instead of making my maiden speech during the throne speech debate, I find myself thrust back into a budget debate. For that is what this is as a result of a little back door end run by the Minister of Finance (Mr. MacEachen) just over two weeks ago.

There was no formal notice given by the minister to the opposition of this mini-budget. In it there was no real economic direction, and the direction, if you wish to call it that, was without the traditional parliamentary approval. No six-day debate was allowed. Arrogance again rears its ugly head. Sidestepping the system is an abrogation of the rights of the Canadian people.

The hon. member for St. John's West (Mr. Crosbie), the following evening, termed it not just a mini-budget but a Minnie Mouse budget. Well, I think it was a mini-skirt budget. It skirted economic reality, the home owners' dilemmas, high interest rates and the commuters' concerns for gasoline prices. A mini-skirt should be short enough to be interesting but long enough to cover the subject. The mini-budget was neither, as it was short on fiscal and social measures, other than those it emulated from the previous government, but very long on spending.

There was a $7.9 billion increase in expenditures, the greatest in Canadian history. Is that something of which we can be proud? And with no right of debate, this was the same situation as we had with the imposition of the metric system. There was no right of parliamentary questioning. The lack of debate on the metric system was eloquently outlined by the hon. member for Peterborough (Mr. Domm).

It is not just a question of metric being right or wrong but that we are seven to nine years ahead of our neighbour to the south and our major trading partner, the United States. Again, it is circumvention of the traditional parliamentary system to debate metric conversion and to debate this mini-budget. What it all adds up to, as the hon. member for Nepean-Carleton (Mr. Baker) so aptly stated, is a complete lack of responsibility from those across the floor of this House.

Years ago when Liberal arrogance and contempt for Parliament was first being test-marketed, Mackenzie King and his minions used to announce new tax measures on the radio. Being in the tobacco business, I waited with bated breath for the increase in tobacco tax. But I noted with great interest that the increase is again done in pounds in this budget by a supposedly metrified minister of finance. At least the Minister of Finance has enough respect for Parliament and enough personal courage to come into the House and outline some of his bold and brazen measures, some of them purloined, as I have stated before, from the Crosbie budget of the last Parliament.

I find the minister's new tax increases unacceptable. I find the minister's new forecasts of deficit spending unacceptable. I find the minister's methods of introducing a budget without actually calling it a budget unacceptable. I represent almost 100,000 people of Simcoe South and I believe that they, like the chamber of commerce and the manufacturers' association, find it unacceptable.

My constituency of Simcoe South is a microcosm of Canada. It is a melting pot of various ethnic backgrounds and origins. It is a cross-section of Canada. Yes, it is a melting pot, yet the quintessence of national unity. I represent six rich and beautiful townships, Flos, Vespra, Innisfil, Tecumseth and West Gwillimbury. I represent small businessmen, industry, tourism, agriculture with the black muck farmers of the famed Holland Marsh and Bradford area and the members of the armed forces with their dependants of Canadian Forces Base Borden.

My city is beautiful Barrie, Ontario's most progressive city situated on the shores of Kempenfeldt Bay. The CNR has wound its way all along that shore, for years despoiling it. But now our city has the opportunity of taking over much of that shoreline for municipal purposes if the CN will co-operate with the mayor and myself in trading industrial land, so that our lakeshore may be preserved in all its natural beauty.

My constituents like other Canadians are subject to the vagaries of patchwork quilt government. They are the innocent victims of high interest rates, near double-digit inflation, uncertain energy supplies and pricing and all the other major economic indicators which are out of whack because of the past 16 years of "true Grit" government. They are helpless to defend themselves against an unstable economic system. My constituents are powerless to plan for the future with any degree of optimism or certainty. They are caught on a treadmill trying to survive, trying to keep up with the hardships that fiscal and monetary measures inflict upon them.

Where in the minister's budget is there relief for the home owner? Where is the mortgage tax credit which would have cushioned the home owner against rising mortgage interest rates and property tax increases? The mortgage tax credit program proposed by the previous government would have lowered interest rates in many cases to 12 per cent. One might stand high interest rates but not the loss of one's home. In my riding there are 27,785 homes with 20,030 of them owned not by rich people but by people with mortgages who need help.

Where are the measures which would cushion the ordinary Canadian against rising gasoline and home heating oil prices? Yes, the Conservatives planned to raise gasoline prices by 18 cents a gallon, but the Liberals' new blending price will raise prices by two-thirds and by how much next year? Where is the fuel tax credit program that we had for families earning $21,380 or less who drive 20,000 miles and would have had $220 returned to them annually for a net saving of $40?

Where are the responsible measures we demand and need to reduce government spending? Where is the end to twisted economic thinking which believes that we can deficit-spend our way out of a period of economic slack? It is suicide. Our record of deficit spending is appalling. Our record of spending beyond our means is frightening.

It is a matter of public record that about 22 cents out of every dollar goes to pay the interest on the national debt. We are, in effect, running hard just to stand still and we will leave a legacy of debt to our children and grandchildren. The Minister of Finance is forecasting a budgetary deficit of $14 billion. The United States, the most powerful industrial nation in the world with ten times our population, is projecting a zero deficit. Who do we think we are, spending on such a grand scale and mortgaging future generations of Canadians with massive debt repayments?

If we are to provide the social and economic programs which this country needs, if we are to pay for these programs, we must put first things first. We must have the tax base with which to support government programs. We must have our house in order. Abraham Lincoln said that a house divided cannot stand, and this occurs on economic as well as geographic and political lines.

● (1620)

We must provide the economic climate under which free enterprise is able to cope with the growing demands of a growing population. Our manufacturing capability is declining. We are not providing jobs fast enough to keep pace with population growth. We lack industrial strategy. We lack an investment and a commitment in research and development.

Over the years, previous Liberal governments have promised and promised to provide more funds and incentives for much needed research and development. We heard that here today. They have done very little. In fact, during the years 1968 to 1979, the over-all level of research in Canada dropped by one third. The Lamontagne science commission recommended a target of 2.5 per cent of the gross national product be expended on research and development. That recommendation was ignored. I disagree with the minister opposite; we believe that anything less than 2.5 per cent of the gross national product is unacceptable.

Further to this, a few days ago the hon. member for Red Deer (Mr. Towers) stated that if we raised our percentage of research and development by one percentage point, from .94 per cent to 1.94 per cent, it would have meant one million new jobs in this country and $20 billion in new manufacturing sales, not to mention the whole new generation of personal and income taxes which would have resulted. I noted with interest the minister opposite pledging his government's support to research and development.

If we are to survive as a nation, if we are to be a viable world trading nation, if we are to build a solid industrial foundation, we must begin with the basics, and industrial strategy and a commitment to building a strong research and development component. I await with interest his complete research and development strategy.

If we are to remain competitive in world markets, our manufacturing sector must grow. For far too long we have been vendors of raw materials. For too long we have allowed our valuable raw resources to leave this country either in the raw state or semi-processed. The trade figures show the legacy of neglect and stagnation particularly over the past 11 years and now projected as being almost nil.

Our trading deficit has sharply increased. By 1978, Canadians had bought $12.2 billion more in manufactured products from other countries than those countries bought from us. This is equivalent to a loss of 400,000 jobs. There is no excuse for that especially since, in many cases, those same products we bought were made from Canadian raw resources.

We need to work to develop a positive industrial strategy to make use of our resource potential and to create more jobs for Canadians, a policy not to import skilled labour but a strong apprentice program for our own unemployed young Canadians. Then, and only then, will we have the tax base we require for government programs.

Canadian Forces Base Borden, the hub of activity in two world wars to preserve our freedom, is located in my riding. It is my opinion that the treatment of our military is a national disgrace. Our armed forces are undermanned, underequipped and overextended. Most of the equipment being used by our armed forces today more properly belongs in museums.

Let me compare our military record with those of the combined Scandinavian countries, Denmark, Norway, Sweden and Finland, with approximately the same population as Canada and one third-of our geographic sovereignty. The Scandinavian nations—hardly an aggressive, warlike people—have 178,600 men and women in uniform. Canada has approximately 80,000, down from over 100,000 when this Liberal government first came to power. Scandinavia spends 2.8 per cent of its gross national product on defence; we spend about 1.8 per cent. For every Canadian tank, Scandinavia has 7.4. For every fighter-reconnaissance aircraft they have 4.15. They have 202 fighter-bombers, we have none. Their ships of war outnumber ours two to one, and we with our hard won 200-mile limit. Let us not get into a cod war with Scandinavia or our Minister of National Defence (Mr. Lamontagne) will be known as the "late cod father". In order to achieve parity of spending with the Scandinavian nations, we would have to devote 1 per cent more of our gross national product annually.

Why is morale so low in our armed forces? Why are so many high-ranking senior officers taking early retirement? I would venture to guess that it is because they are tired of

butting their heads against stone walls. They are tired of being denied the men, money and equipment to permit Canada to live up to its basic commitments to NATO and NORAD. They are tired of the lack of identity and pride. The external affairs policy review initiated by the former secretary of state for external affairs is now for naught. I am appalled, after being a member of this committee preparing a new white paper, that so much hard work and substance has been rejected out of hand by the present government.

I find it mind boggling that the government refuses to examine our foreign and military policies so that we can wisely chart our course for the future. But then, someone once compared the Liberal government to Christopher Columbus. When he set out he did not know where he was going; when he got there he did not know where he was; and when he got home he did not know where he had been. And he did it all on borrowed money—and the mini-budget bears this out.

The constituency of Simcoe South is comprised of some of the most beautiful countryside in the world. It is a tremendous tourist area in all four seasons of the year. We are blessed with Lake Simcoe on our doorstep. However, Lake Simcoe ails and she may never get better. She suffers from one of the very serious problems which threaten our environment, particularly the problem of acid rain. We have known of this phenomenon for many years yet we have done very little to cope with it. Acid rain is a potential killer. It is perhaps a form of apocalypse which is being visited on our lakes, on our forests and our agricultural crops.

Hanging in the balance is the cold water fish industry and the $13.6 million it generates. In addition, the tourism industry has significant local economic and social implications and relies on good water quality. I am pleased that the government of Ontario has taken the first steps to restore the lake to its original state. I hope in his remarks the minister will bring things to a head with the U.S. government on the problem of acid rain.

I wish to discuss something that has been discussed by most members, something that touches all our hearts, national unity. The subject of national unity is very much in everyone's thoughts today. The New Democratic Party would lead us to believe that it has a united philosophy. It pretends to be the champions of the pensioner and those on low incomes, and this is also the philosophy of the Conservative party. But where is this united front as, in reality, it cannot agree upon which side the party is in the Quebec referendum? We are all aware of their divided opinion when it comes to the most critical question in Canada today.

I would like to discuss a subject which causes me great distress. It is the lack of an official national anthem for this country. How many countries in the world today have no official anthem? Very few. However, we in this great nation of Canada are in that unique position. "O Canada" is not officially ours and the song that our children proudly sing in school is not official.

In this august chamber, 282 members are dedicated, I hope, to the principle of national unity. Many moving speeches in this throne speech debate have been dedicated to that end. I ask, is it not sensible to begin a new spirit of unity, a spirit of confederation, by officially embracing the national anthem "O Canada"?

On June 6 the Post Office Department will issue a pair of commemorative stamps, the subjects of which will be the music and stylized portraits of the composers of "O Canada". On each miniature pane will be the message "Issued to celebrate Canada Day 1980". Yet that anthem is still not official.

Can you picture the United States without the official "Star Spangled Banner"? Can you imagine the stirring "La Marseillaise" as not officially French? We have "O Canada"—a moving anthem in both languages but never recognized by Parliament in statute. I believe this to be tantamount to sacrilege.

I have introduced a private member's bill as the only effective way to correct this intransigence. I appeal to the right hon. Prime Minister (Mr. Trudeau), the hon. Leader of the New Democratic Party and all hon. members of this House to support this action and make the music of Calixa Lavallée, the French language words of Justice A. B. Routhier and the English language words of Robert Stanley Weir, collectively known as "O Canada", our official national anthem vested in the right of Canada, and that we promote it most vigorously in the name of renewed federalism.

I have mentioned but a few of the problems which confront us but to which there are solutions. I want to see a strong and united Canada. I want to see a vibrant Canadian industrial economy. I want to see a society with equal opportunity and social justice for all. I want to see a strong nation with all the symbols of nationhood in place and intact. I want to see a true spirit of confederation pervade this great land. I want to see our people protected and our environment preserved.

In short, I want to see the "true north strong and free"; and "O Canada", I thank God for the opportunity to "stand on guard for thee".

• (1630)

[*Translation*]

Mr. Ray Chénier (Timmins-Chapleau): Mr. Speaker, the throne speech has spared nothing to set the priorities enabling our new government to take up now and not tomorrow or in the year 2000 the challenges which must be overcome with concrete steps. First, I would like to congratulate the previous government which soon realized that the Canadian people deserved another opportunity to decide what party could better face historical events in the eighties. Our constituents have democratically decided that the Liberal party alone led by the right hon. Pierre Trudeau had the necessary boldness and imagination to get us out of that constitutional dilemma and solve our financial problems.

My constituents who have constantly shown their loyalty and their confidence to the Prime Minister since 1968 were not

long in showing their gratitude to the man who had sacrificed his personal plans to serve the interests of his country. Those feelings are also mine, Mr. Speaker. Scarcely two months after the election, on February 18 last, the Prime Minister realized that it was urgent to call Parliament and we saw that the new government intends to discharge vigorously its mandate during the Thirty-second Parliament.

The Speech from the Throne clearly establishes that it is this government's priority to introduce legislation to meet the present needs of this country: energy supplies; the necessity of setting oil prices according to indicators of our economy and markets; the urgency of exploring today for new forms of renewable energy; employment and the need to make available to certain groups like women and the handicapped the same opportunities as to the rest of the labour force; interest rates and the urgency to protect those who feel the security of their very home is in jeopardy. Mr. Speaker, the Speech from the Throne also revealed the new government's determination to fight against the forces whose goal is the separation of our country. I would like to deal mostly with that problem, Mr. Speaker, by speaking to my brothers, sisters and cousins of Quebec.

I want at the outset to remind all my friends from Quebec that on February 18 last they elected a great friend who has never failed in his duty to defend their interests. I am talking, of course, about Pierre Trudeau whom 68.3 per cent of the Quebec electorate have chosen to lead them out of their current dire straits. One must not forget that only 41 per cent chose to elect Mr. René Lévesque on November 15, 1976, and that was because he had strategically decided to subtly modify the rules of the game of his grand project of independence. Since the advent of Mr. Trudeau, in 1968, Quebec has gained ground in Canada. Thanks to the aggressiveness and the hard work of this man, your province has gained the respect of her neighbours and an affluence never before achieved in her history, contrary to what the hon. member for Joliette (Mr. La Salle) had to say. To my mind, he stands much closer to the PQ forces than the federalist cause.

Moreover, I remind the people of Quebec not to forget their numerous relatives who have settled outside your province ever since the turn of the century. In my opinion, the act you are about to make on May 20 next will represent the most serious threat to the very existence of your relatives who live outside Quebec. I am very much concerned by this dramatic moment and it goes without saying that my constituents are also concerned, since at least 40 per cent of them have blood ties with you. You think you are a minority outside English Canada, yet my family, my relatives and I live outside Quebec in communities with high concentrations of French Canadians, in an Anglophone province, and we have ever less reason to complain. Imagine, today we can live, work, attend university, have fun, shop and pray in the very language our parents spoke when they left Quebec to settle in another area of the country.

In leaving Quebec, our parents did not abandon their customs, heritage or traditions. To the contrary, our marvellous country made it possible for the Quebec roots, the roots of our founders, to spread everywhere west of your province. Travel around the country, dear fellow citizens, and you will discover small Quebecs outside your province, at Chapleau, Foleyet, Gogama, Timmins, Iroquois Falls, Hearst where most people can live exclusively in French, Kapuskasing, Sudbury, North Bay. In short, if you are not already aware of it, northern Ontario and other areas of the province are full of communities where people live just like you.

We can live and breathe the way we want today because of negotiations and compromise with our province. By nature, French Canadians do not give up easily. On the other hand, it is not their habit to provoke confrontations leading to violence, but they do not give up. Their determination and their patience tell them that in time they will acquire rights. It is precisely those rights that we, as a minority in Ontario, enjoy. Despite what our provincial elected representatives might say, they are not bestowing privileges on us, rather we are regaining the rights that the Fathers of Confederation gave us. Those rights will have to be enshrined in a new constitution in order to avoid any future misunderstanding.

We also live and breathe the way we want today because of perseverance and because of such events as the election of Pierre Trudeau to the leadership of this country. His sense of justice, his vision and his efforts in such a short time, because 12 years is indeed a very short time, have speeded up the development of the country and changed its character. First, there was the recognition of the two official languages, then the promotion of economic development in the so-called frontier areas of the country such as northern Ontario, where there are abundant natural resources to be found, and the decentralization of government services which is so important for us.

Mr. Speaker, Canada has certainly not stopped growing. Right now it is going through a critical period where its identity is being questioned because of the many changes that have occurred in the last 12 years. Canadians have come to a point now where they must take in all these changes and decide whether or not they will make the accommodations required to live in this new life style. That is the plain truth that English Canada is faced with over the Quebec situation. That is also the hard truth that English Canada must swallow, namely that it cannot deny the French minority its historical right to live according to its customs and in its own language. The battle is not over in Ontario, nor is it in Quebec for that matter. Both factions will have to compromise a lot, but I suggest that now is not the time to rush things unduly.

If our Quebec friends truly believe that a Yes vote on May 20 will result in a final solution, I advise them to examine closely all the factors in Mr. Lévesque's project. This man's strategy is smart and crafty. He will waste no time negotiating, you know that. Every time the provinces have taken part

in a federal-provincial conference, he has refused to negotiate. He will hasten up the normal development of Canada and Quebec relations and lead us all quickly towards total separation. Moreover, he will abandon your relatives and friends who, after at least three generations, have succeeded in recovering to a large extent the rights they enjoyed when they left Quebec for another part of the country.

He who reads the history of Canada cannot fail to notice that Quebec over various periods experienced very difficult times. Your fathers may tell you about the difficult years of the depression and World War II when unemployment was endemic. It is thanks to confederation and the Canada we knew then and we know now that a great many families were able to retain their dignity and seek elsewhere in Canada a place to earn a living, a place where more jobs would be available.

They settled in flourishing areas of northern Ontario, for example. In those difficult times, Quebec was welcome everywhere in Canada thanks to that freedom of movement that was possible in a country as vast and rich as ours. By settling outside Quebec, those families grew up nearly as if they were living in their own native province. In fact, today they have gone beyond the boundaries of their province of origin. Your parents, like mine, showed a lot of courage in deciding first to leave their native land and to settle in an area that looked strange at the time.

They proved they had a lot of guts and it is thanks to their perseverance that they brought Canada to the point where it is today, as the Fathers of Confederation had envisaged. Those same families participated in the economic and social development of the cities and towns they chose, so that today they own industries or run businesses through which they contribute significantly to the economic health of our province and our Canada. Far from limiting themselves to their little corner of the country, they opened markets outside Canada and even returned to Quebec to open new branches. Is that not today the very success of those citizens of Quebec who have acquired unequalled confidence not only in terms of their identity but also with respect to industry and high finance? Every day new markets are being opened elsewhere in Canada from the province of Quebec. Beauce and Gaspe suppliers are driving on the roads of northern Ontario like never before. The time has come when Quebec can compete on the same level as all others. Would things be the same, Quebeckers, if you had been excluded from confederation without the protection of the federal government?

I think the Premier of Quebec is making a serious mistake in wanting to go back to a time in our history when parochialism prevailed. This feat of strength he is undertaking in wanting to turn Quebec into a ghetto within Canada and North America, in wanting to erect imaginary boundaries that will be more difficult to bring down than true boundaries and will jeopardize all progress made until now—if you look back a bit, Mr. Speaker, you will discover that northern Ontario and northern Quebec were linked by a rail line, by highways, by telephone, long before they were joined to the major centres of their own province.

I want to tell my brothers and cousins in Quebec that a Yes vote on next May 20 will put an end to the French Canadian heritage that their relatives were so proud to show when they settled outside their province only two or three generations ago. I believe that we forget too often that Canada as it now is has a short history. After all, Newfoundland joined the Canadian federation only 30 years ago and Alberta in 1905. One after the other, depending on their wealth, the poor provinces have benefited from the generosity of richer provinces, and this is why Canada has survived so well. Today's Alberta should not forget that it had its turn at benefiting from the wealth of Ontario.

Who could have predicted in 1867 that Canada today would be made up of ten provinces and two territories, that Alberta would discover a wealth of oil in its substratum, that Newfoundland would develop successfully it offshore resources, that Quebec would tame the energy of its majestic rivers and that northern Ontario, with its mineral wealth, would become an economically strong area? Who would have predicted at the birth of our country that there would be so many migrations of the Canadian people from east to west, from Moncton to Quebec, from Quebec to northern Ontario, to St. Boniface, to Gravelbourg? It is also because of all these events that we must all get along with each other and that all the provinces must agree on a new distribution of powers within a new constitution which would also guarantee the historic rights of both linguistic groups.

The provinces must continue to get along with each other, and it is only a strong central government which can ensure the Canadians of Prince Edward Island that they will be equal as Canadians to the people of Quebec or of Saskatchewan. It is also up to the Canadian government to undertake constitutional talks with all the provinces, as soon as possible after May 20, so that Canada can finally have a truly Canadian Constitution.

Canada's history is too short yet for anyone to conclude that it is too late to get along. Scientific and technological progress achieved in every area over a very short time have shaken Canada and in fact changed her lifestyle and direction. We recognize that, and it is time to consider some new arrangement with all the provinces rather than Quebec alone, in light of our evolution in those fields. A country is not known by its system of government or resources. The heart of a country beats to the way of life and the history of its people. Canadian identity traces its roots well beyond 1867.

At the time of colonization, Canada was called New France. We, the French Canadians of today, live according to the heritage transmitted by our ancestors since that time, from generation to generation, and therefore a major part of our

Canadian identity traces its roots to the way of life of French Canadians in Quebec, in Acadia, in northern Ontario, St. Boniface and other areas throughout Canada wherever French is spoken. A Yes vote on May 20 would endanger this country's very identity.

Mr. Lévesque complained some time ago of a declining French Canadian population in Quebec. Does he not realize that a Yes vote on Tuesday next will permanently isolate French-speaking Canadians, and annihilate the future of such Canadians outside Quebec? I have difficulty in understanding that kind of narrow mindedness that not only wishes to group Quebec citizens under a single umbrella but also makes it a point to ensure that our minority numbers in North America proceed without further ado on the road to extermination.

● (1640)

[*English*]

Our nation at this point in history is accosted by many voices of divisiveness, voices which advance points of view which, if carried into effect, would mean a very rapid end to the fragile, beautiful unity of Canada. The voices of sovereignty in Quebec are but one example of narrow-mindedness and isolationism in our Canada. In all corners of our country, embittered groups preach parochialism, advocate intolerance and ignore the great joy of brotherhood among varied people.

In Acadia and in the west we hear the same advocacy of cultural and political isolation as we hear in Quebec. In such situations it is difficult to separate the genuine need for cultural protection from the self-interest of power hungry groups exploiting the natural incidence of human differences.

Ironically, while we have a group in Quebec seeking to lead that province out of confederation because of a perceived threat to cultural and linguistic assimilation, other groups in Canada fear the drowning of the English language in a Francophone sea. The rationale for the existence of such bodies as the Alliance for the Preservation of English in Canada and the One Canada Movement frankly escapes me. What threat do these people perceive in the existence of another man's language? Are they physically or psychologically harmed in any way by the spoken word? The fact that such groups exist, although there are many groups in Canada espousing different points of view, indicates to me a profound misunderstanding of the nature of our confederation.

I know some of the members of APEC, for example, and some of these people hold very responsible positions in the community. They are not deranged or mentally limited people, but for some reason they feel threatened enough to come out of the closet and form a public organization founded on the thesis that the English language and one's right to speak English is being challenged by the presence of the French language in our federal government. They feel that the 25 per cent to 30 per cent of our population who speak French somehow deprive them of their rights as Anglophones. One can only conclude that the barricading of the French language beyond the eyes and ears of these people is what is being asked. These people seem ready to deny their fellow-founding race the right to communicate with their government in their mother tongue simply because they do not want to hear a strange language.

I suggest that some Anglophones would benefit from a tour through Quebec. I believe the reality of a French-speaking population within the Canadian borders—the French fact—has never been accepted or even contemplated by many English Canadians. Bigotry is based on ignorance and I think that is the case with many Canadians.

I do not say this in a bitter or resentful way, but one must wonder if it is only now, now that our great nation is on the precipice of a tremendous tragedy, that English Canadians will be made aware of their brothers' rights and freedoms and, on an individual level, their feelings.

It is not too late to effect a reconciliation between our founding peoples. Canada's greatness is in the plurality of its culture and the duality of its language. This is our heritage, it is not simply a hollow cliché. English and French must reach out to each other and each man and each woman must seek out and bury his or her silly, ignorant and demeaning prejudices, the name calling, the bad jokes and the harassment. It is the little victories of tolerance, like the delicate balance in many communities in my riding sharing many cultures, that are part of the noble and worthy experiment that is Canada.

● (1650)

I appeal to my Anglophone and Francophone brothers and sisters to transcend petty prejudices and prepare themselves for the essential changes that must be made in a new constitution, changes to protect minority language rights, whether they be for the Francophone population of Chapleau or the Anglophone population of the eastern townships. If we balk at change now, we lose everything.

[*Translation*]

Before French Canadians in Quebec decide on their destinies, I would like in conclusion to make them realize one of the brutal repercussions of a Yes vote on May 20. It is not the future of one province you will be deciding upon, the future of individuals who live in it as that of your parents and friends, but also the future of those of us, a half million in Ontario alone, who live outside Quebec.

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

The Acting Speaker (Mr. Blaker): Order, please. Before recognizing the hon. member for North Vancouver-Burnaby (Mr. Cook), I should deal with the late show for this evening.

It is my duty, pursuant to Standing Order 40, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the hon. member for Fraser Valley West (Mr. Wenman)—Atomic Energy—Effective and stringent international safeguards over use; the hon. member for Peterborough (Mr. Domm)—Parks Canada—Cancellation of proposed relocation of regional office from Cornwall to Peterborough; the hon. member for Winnipeg-St. James (Mr. Keeper)—Canadian Pacific Railway—Winnipeg—Request for commitment on rail relocation.

ROUTINE PROCEEDINGS

[*English*]

SPEECH FROM THE THRONE

CONTINUATION OF DEBATE ON ADDRESS IN REPLY

The House resumed consideration of the motion of Mrs Côté for an Address to His Excellency the Governor General in reply to his speech at the opening of the session.

Mr. Chuck Cook (North Vancouver-Burnaby): Mr. Speaker, indeed it is an honour to be elected to this noble gathering of men and women from across Canada. Many of us vary in our political viewpoints, but here in this House we can all be heard by each other and by the nation.

I represent the constituency of North Vancouver-Burnaby. It is on the lower mainland of British Columbia, and it is what I would call a heartland community. We are home owners, over 80 per cent own their own homes. We are basically middle class, hard-working, intelligent people who remain committed to the protestant work ethic, law and order and the individual right of a citizen to work out his own destiny in safety. We are taxpayers. Oh, do we pay taxes! In short, we are part of the great middle class of this nation that pay most of the taxes and worry about the future of our community, our province and our country.

We are a very long way from the nation's capital. In mileage it is 2,840 miles; in the time it is three hours earlier. In communications and understanding it sometimes appears to be light years away. We live on the other side of several ranges of mountains which are much more than a geographic barrier. They are a barrier to communication and understanding between east and west.

Our concerns, though, are the same as all Canadians. Whether in North Vancouver-Burnaby, Lethbridge, Brandon, Waterloo or Corner Brook, we talk about the same things and are distressed by the same problems which face all Canadians—unemployment, inflation which seems to go on unchecked, mortgage interest payments which are destroying many of our families, the critical need for housing particularly on the west coast, a national government which seems to be out of control and even now planning new bureaucracies in an attempt to be all things to all peoples, but at what cost! We are concerned about a government that for ten years has spent far more than it could collect, leaving a legacy for all of our children which we regret.

We are concerned about national unity. There is a rising whirlwind in the west that is only felt at this moment as a wisp of a small breeze in central Canada. It is a wind that may engulf this country if the insensitivity and neglect continue. It is no wonder why, despite some good candidates, there is no member of this government who was elected west of Portage and Main. Surely western Canada has given the clearest message possible to this old and unfeeling government. Surely now this government will listen and respond to the desires, needs and legitimate concerns of western Canada. It is a growing, building and developing western half of this nation. The arrogance of decision-making, the failure to listen, has planted seeds of secession in the west which will be difficult to uproot, but if left to flourish through neglect will certainly grow and overcome all of us.

In the Speech from the Throne I was given an extra task, like my colleagues from Saskatchewan, Alberta and, of course, British Columbia. I and the others were charged with the responsibility of representing my constituents to the nation, but also to represent the nation to my constituents. My constituents, along with all other Canadians, are the nation. Even the suggestion that the people of North Vancouver-Burnaby are something different from the nation is an insult to all Canadians.

If it means that I am to represent the nation and explain to my constituents why it was necessary to use anti-dumping rules to destroy over 200 British Columbia jobs for the benefit of Algoma, I will have difficulty. This case was a transfer of British Columbia jobs to Ontario in order to meet an Alberta demand. The wide-flange steel fabrication decision is one I will have trouble explaining.

If Atlantic fishermen are given subsidies and aid, and there is not an equal opportunity given to Pacific fishermen, I will have trouble explaining that. When the interprovincial ferries of the maritimes are subsidized and the national government cuts back the subsidy for northern transportation in British Columbia and up the coast, then I will have difficulty. Indeed, one Liberal cabinet minister had difficulty as well: she is no longer here.

The problem is not with the members of this House from the western region. The problem is a tired, old government that over the years has been so insensitive to the needs and desires of a region of Canada that they have sown the seeds of disenchantment, which is now manifesting itself as alienation. The insensitivity of that paragraph in the Speech from the Throne did not help Canadian unity.

I fear for my country. I fear the small groups of disenchanted that, like Quebec in the sixties, are now surfacing in every area of western Canada. Whatever name they may call themselves—and there are many—whatever differences they have in personality and desires, they are all calling for secession. These small groups lack credible leadership, but that could

change overnight. They sit and await a spark, a spark that could grow to a raging fire in the west.

Despite what the press may say—and they have made little of these groups—they do have a large constituency in the west. There is a very real threat now. It is at the talking stage in the living rooms, dining rooms, coffee houses, restaurants, school rooms and business offices of western Canada. It is not yet fully organized. It is not yet articulated. But it exists to a far greater extent than most Canadians realize. Unless this government pays a greater attention to the western point of view, unless this government is prepared to listen to what the west is saying—and it has been notably lax in that over the past ten years—then I sincerely fear for my country.

• (1700)

The dissident westerner remembers that he was beholden to the railways because they controlled his destiny. The dissident westerner forgets that there are now western trucking organizations owned and operated by westerners, supplying excellent alternatives. The dissident westerner thinks about the jungle of freight rates in western Canada and how it often seems to appear totally unfair to the west. He forgets that the grain is still being moved at a price set before 1900. The dissident westerner talks about less than world prices for oil. Albertans, as a matter of fact, have contributed toward Canadian unity something like a $17 billion subsidy for national unity purposes. The dissident westerner forgets the billion paid by Ontario in eastern Canada when oil pricing was a different thing. He also forgets the tens of billions of dollars paid by Ontario in transfer payments for the benefit of all Canadians.

The list of economic points of bitterness and bickering is a long one. However, when you look at the new west, the western provinces of 1980, you must realize that most of the economic disparities have been solved or are being solved.

Old ideas and old concepts and resentments die hard. The west really has yet to take a very good look at itself and realize the growth, and the fact that the economy of western Canada is not what it was and that Ontario no longer dominates in an economic sense, as it once did.

My findings are that while alienation talk grows stronger in western Canada due to basic misapprehensions as to what the world is like today and not what it was a generation ago, here in Ontario there are also misconceptions and improper views as well as to what is going on.

In Ontario those who are thinking seem to be worried about the west. Ontario, too, has many misconceptions. As an example, the last wooden sidewalk was replaced 40 years ago in western Canada. Ontario does not seem to understand yet that its reliance upon the captive market of western Canada is becoming increasingly less important to the manufacturers of Ontario. What with reductions through GATT and the opening up of more markets by lowering trade barriers, Ontario can compete in the world, and Ontario must compete in the world, and the western Canada market becomes almost unimportant to Ontario.

As an example, the figures for 1974 are rather interesting and typical. Manufacturing shipments from Ontario to western Canada amounted to only 8.9 per cent of all shipments; shipments west from Quebec amounted to only 6.5 per cent; and shipments west to east represented only 4.8 per cent to Ontario and 3.8 per cent to Quebec, and most of them were of food, beverages, and forest products.

There is no danger either for Ontario because of the new skills that are developing in western Canada. There is no danger in terms of manufacturing; we are unimportant to the east and they are unimportant to us. When you talk about the sale of services, whether it be management skills, consulting, engineering or whatever, certainly the west will compete in the eastern market because transportation plays no part. We are talking about brains. Ontario has the skills too, and can certainly compete on an even basis with the new youthful service skills of western Canada. They certainly will be competing in the same fields of computer science, research, intellectual pursuits, microinstrumentation, automation, and all of those things.

Ontario can welcome a new partner. Ontario can welcome a new competitive source which will put it on its mettle, in the same way as westerners can welcome eastern expertise and use that expertise to develop other skills in western Canada. The point I am making here is that what will happen, as the western economy becomes even more similar to the eastern economy in terms of structure, aspirations and economic relationships, is that east and west will grow closer together for mutual benefit, in the same way as France and Germany grew closer together when the common market was set up.

The problems of western alienation will not be economic, because more and more people realize that the region has grown up and can stand on its own two feet. However, there is another side, and that is the political side. Here I have fear that we may not be able to solve the problems quite as easily. I can do no better than quote the words of Stan Roberts, the president of the Canada West Foundation, who, after a series of workshops held across western Canada a year or so ago, said:

> There is an urgently growing need for the goals and aspirations of western and northern Canadians to be recognized, supported and fulfilled. There is a serious challenge to confederation, not only in Quebec. The current structure of Canadian confederation has demonstrated a potentially fatal weakness; the inability to meet the development needs of its members. Years ago the Canadian family stuck together because it had to do so. In the coming years, only a meaningful structure and attitudinal change will hold it together.

It is difficult for eastern Canadians to understand and know the west and westerners. Westerners generally feel that only a small proportion of policy makers and implementers in Ottawa know the west. At these meetings I talked about, the concern was expressed that the majority in the public service in Ottawa, especially at the policy level, not only do not understand the west but inherently feel that there is nothing to know; that the west is simply an underdeveloped westward extension of Ontario that was satisfied in its colonial state until recently when it found a measure of prosperity.

Along the same line let me quote from the report of the Task Force on National Unity to Parliament in January, 1979:

> The attitude of politicians and civil servants in Ottawa towards their provincial counterparts is that of a superior dealing with an inferior . . . we cannot help but regard this as a significant cause of conflict between governments.

Some way must be found for there to be an equal partnership between the regions of Canada, and equal partnership means no senior partners and no junior partners.

Western Canadians, in general, want ways and means of ensuring regional input into national decision making. They want a precise clarification of the division of powers between provinces, municipalities, and the federal government. The westerner says that the west and the north have achieved maturity but Ottawa will not recognize it. The master-servant relationship between Ottawa and the west is unacceptable today. The force called western alienation is alive and well, and growing. The views expressed seem to represent the basic and fundamental needs of those living west of the Lakehead, including the north, to be an equal partner in all decisions affecting them. Those are some of the thoughts that are prevalent in western Canada, and those are some of the trends that I fear.

What are the implications of what is taking place out there for Ontario, in particular, and for the federal government and the rest of the country in general? The implications are clear. Decision-making must be brought home to the provinces. The Leader of the Opposition (Mr. Clark) is clearly on record as saying, and meaning, that every decision that can be made at the municipal level should be made there; every decision that can be made on a provincial basis should be made there; and only those decisions that affect all of Canada and are of importance to all of Canada should and can be made at the federal level.

• (1710)

In one way or another western Canada can no longer be and will no longer be the weak sister of eastern Canada. No longer are western Canadians prepared to accept a confederation in which a political party, by winning Ontario and by winning Quebec, could ignore the rest of the country. If the west has found this unfair, I pity the poor maritimers with their small populations.

I would like to give this government a shopping list of some of the things which it could do if it really wished to respond to the legitimate desires and requirements of British Columbia. Let us consider the port of Vancouver. Three times this old government has introduced legislation to give more autonomy to the port of Vancouver, and three times it has only gone as far as first reading. The port of Vancouver should be totally independent and operated by British Columbia people living in British Columbia. The bureaucrats of Ottawa should have absolutely no power in terms of decision-making authority over the port.

We live on the Pacific rim and look to the Pacific for our trade and markets. We neither expect nor desire civil servants in Ottawa to understand our problems. Nor should the bureaucrats of the National Harbours Board be telling us from a great distance what we can and cannot do. As an example, the port of Seattle is totally locally controlled and in the past ten years has advanced tremendously at the expense of Vancouver. What we want is local control of that port, not control by the National Harbours Board and long detailed correspondence with Ottawa. It is in the national interest that we be allowed to compete quickly with local decision-making.

The west coast fishery is another point. It is different from the inland fishery, from the Atlantic fishery and the Newfoundland fishery. What is required as a minimum is a deputy minister of Pacific fisheries located on the west coast and dealing on a daily basis with west coast fishermen, rather than by long distance to Ottawa. At best, there should be a minister of Pacific fishery in the government who deals with that area alone and who preferably comes from British Columbia. If the Canadian Wheat Board were in Ottawa, every prairie farmer would understand exactly what I mean when I talk about the Pacific fishery.

I have one other point. Every board, commission, task force, study group, advisory panel, Crown corporation or whatever should be examined very carefully with one point in mind.

The Acting Speaker (Mr. Blaker): Order, please. I am very sorry indeed to interrupt the hon. member, but his time has expired.

Mr. Cook: Mr. Speaker, I need but one minute.

Some hon. Members: Agreed.

Mr. Cook: Does each region of this country have full and proper representation in the decision-making? If not, it had better be changed if the government wishes to silence the secessionists.

What this country needs is a new national dream, and this time not steel rails to bind us together but a national dream of the heart and mind bound together, one to another, as equals, and each participating in decisions for the benefit of all. Is that not the dream of all Canadians, and is that not what most of Quebec is really saying and also the Atlantic provinces and certainly the west, that they want a new and true confederation of equals? That is the challenge to this government, to figure out how it can be done, how we can all feel equal and be equal in a united, new confederation.

Hon. Judy Erola (Minister of State, Mines): Mr. Speaker, hon. members of the House of Commons, I am indeed honoured to have this opportunity to offer my contribution to the debate on the Address in Reply to the Speech from the Throne. At the outset I would like to offer Madam Speaker my sincere good wishes and my hearty congratulations upon her elevation to the chair. Hon. members may have noticed that unlike other hon. members, I have very little difficulty in addressing her by the proper prefix. I am confident that in her career as Speaker she will continue to distinguish herself as she has in the past. Indeed, by her very presence here in this chamber she will strengthen the role of women in the affairs of

this nation, a role which will greatly expand in the years ahead.

Before I begin my remarks I would like to congratulate my colleague, the hon. member for Rimouski (Mrs. Côté) for her eloquent speech in moving the motion for this debate, and similarly congratulate and thank my colleague and friend, the hon. member for Sudbury (Mr. Frith), who seconded the motion to begin the debate on the Address in Reply to the Speech from the Throne.

I would indeed be remiss if I did not also thank the people of Nickel Belt who sent me here to Ottawa to represent them. May I simply say to them that I will do my best to ensure that the faith, the trust and the confidence they have placed in me will indeed prove well-founded. I can assure them that I will actively solicit their views and their assistance in the weeks ahead.

I am, of course, delighted to have been asked by the Prime Minister (Mr. Trudeau) to serve my country in the cabinet as the new Minister of State (Mines). I look forward to this additional responsibility with anticipation. It is, however, an anticipation tempered with a sober humility, humility that stems from the responsibility which I now feel falls upon me, as a northerner, to bring a different perspective to the cabinet table.

I am well aware of the problems and hardships of living in the north and, likewise, I have a sensitivity to the issues of northern expansion and development. It is now my duty to ensure that the northern perspective is given a fair hearing when decisions are being made. Due to the increased concern and emphasis on the energy sector since the OPEC price increases, the mines and minerals sector of the Canadian economy has been somewhat ignored. This is unfortunate because this sector of the Canadian economy has far-reaching consequences in terms of Canada's future economic vitality and, indeed, it has been an important element in Canada's growth and prosperity in the past.

It is no secret that Canada is one of the most richly endowed nations in the world in terms of natural resources. Our northern frontier areas have barely been utilized, and the promise that they hold is vast indeed. I have just returned from a trip to British Columbia and Yellowknife and, contrary to the views of the member who spoke previous to me, the economy is very much alive and well in those parts of the country.

However, the 1980s will certainly not be an easy decade, and in economic terms the strength of our economy will be put to a severe test. In a world of frantic competition and increasingly isolationist national tendencies, Canada will need sound planning and a solid policy base. The mining sector will play an ever more important role in Canada's future economic growth.

There is much activity in the mineral sector today. During the past 12 months several announcements of mine expansion and new mine development have been made. Indeed, in British Columbia 11 new mines are opening this year. New discoveries in the Yukon and Northwest Territories provide the promise of another mineral boom over the next decade that will contribute to regional development, provide new employment opportunities, and add significantly to per capita incomes.

As Minister of State (Mines) I am dedicated to achieving the potential that exists in the Canadian resource sector. The problems that the resource sector faces may not be that evident to the general public, but they pose a real hardship to the eventual achievement of this potential. The mineral sector of the economy is cyclical in nature. It can experience highs of increased activity and economic strength as we are experiencing now, and it can experience lows of both activity and strength, as was evident a few years ago. The mineral secto: is first and foremost dependent on the world economy and world markets. This boom-bust syndrome has resulted in a very large degree of general uncertainty. This uncertainty acts to stifle the efforts of industry, governments and unions to solve the mutually-shared problems of the mineral sector.

● (1720)

The mining sector of the economy will generate 2,100 new job opportunities in the next decade. However, the industry in general has presently been experiencing considerable difficulty attracting and retaining qualified personnel. The government is working with the industry to develop training programs that will provide the necessary expertise for the future. The Department of Employment and Immigration has in place a program to provide mobility grants of up to $4,500, which directly relates to the minerals industry. I am happy to report that during my visit to the Lornex Mine in British Columbia I found that 45 families from Atikokan have taken advantage of the mobility grant and now are settled in the Logan Lake community, and more are to follow.

Of course the mines and mining communities themselves must undergo significant change. It is no secret that mining continues to have one of the highest fatality rates of all industries, and also relatively high injury rates. Person days lost from work related injuries on average exceed those lost through strikes and lockouts. Recently there has been increasing evidence concerning health problems which originate from the work environment—lung cancer, asbestosis, and heavy metal poisoning.

The general area of occupational health and safety is one of my primary concerns. It is clear that unsatisfactory health and safety conditions make the mining environment less attractive to new workers, and it is important that health and safety enforcement be carried out in the most effective manner. The full potential of the industry can only be reached if it is able to attract and retain a productive labour force over the long term, and this cannot be achieved with unsafe and unhealthy working conditions. We must work together, governments, industry and the unions, to develop new standards and new technology on occupational health and safety. Indeed I am confident that there will be an announcement with respect to this situation in the very near future.

I would like to reaffirm my personal commitment to improving the safety standards of federally regulated mines, in par-

ticular the uranium mines with their inherent problems with regard to radiation exposure. Working together we can change the negative public perception of the miner, and begin to attract young Canadians to this growing industry. They will realize that it does provide an interesting and challenging career option. Government will continue to assist mining communities to provide the level of services and community facilities that will attract this much needed work force. Again, I saw this type of action just this past week in Yellowknife, across Great Slave Lake in the community of Pine Point where all facilities are made available to the workers.

To this end, Mr. Speaker, I would like to see much more research directed specifically to the solution of societal problems associated with the mining industry. In addition to research in the general areas of health, safety and working conditions in mines, I would like to encourage research in the disposal and treatment of effluents from mills and smelters, and in the disposal and treatment of mine and mill waste, as well as more research in the area of nuclear waste disposal. The solution to those societal problems will not only permit a healthier development of the mineral industry, but the technology which is developed to arrive at these solutions can offer exciting opportunities in the manufacturing and service industries, particularly in my sector of the country.

It is the government's intention to use Canada's resource-base as a basic building block in a vigorous industrial strategy. The mineral industry, as one of Canada's foremost resource based industries, now provides considerable stimulation up and downstream in other sectors of the economy. However, if this industry is to achieve its full potential, in regard to its direct contribution to the economy, it must be a technological leader in mining, in mineral processing, and in metal fabrication.

The industry in 1977 spent $82.4 million on research and development, actually performing $91.2 million worth of R and D, with the federal government paying the difference. The federal government contributes directly about $23.9 million more through grants provided by the Department of Industry, Trade and Commerce and through research conducted in EMR and other government laboratories.

This represents about 0.7 per cent of the total value of production, actually directly spent on research and development. I would like to see Canada's research and development effort considerably increased and I was pleased to hear, in the Speech from the Throne, a reaffirmation of the government's intention to increase Canada's over-all expenditure on research and development to 1.5 per cent of the value of GNP. Much of the increased research and development in the minerals sector should be directed to improving the competitiveness and the commercial position of industries in the field of mining, mineral processing, metal fabricating, and mining machinery and supplies.

[*Translation*]

My department will carefully look at a matter that I consider of prime importance, the increased processing of our natural resources at home in Canada. The time I have does not allow me, of course, to list all my concerns with respect to the mining sector. So I will be content to say that my department will continue to do everything it can to find solutions to the chronic problems facing this industrial sector.

My department and other departments involved will give particular attention to the following areas—the transportation of raw materials, the health and safety of workers, more advanced processing of our raw materials, an increase in our exports in this area and the elaboration of an infrastructure for the development of northern Canada. I expect to receive the open and full co-operation of all members of this Parliament, particularly those who are closely affected by such matters, and an active and eager participation on their part. So our twofold objective remains the same—the improvement and growth of the mining sector in Canada.

May I be permitted, Mr. Speaker, to conclude this speech by dealing with a very hot subject, a subject that can leave no Canadian indifferent—the confrontation that is now shaking Quebec and the adverse effect that confrontation can have for both that province and Canada as a whole if it does not come out right. There is no doubt that the French fact is one of the dominant characteristics of the very personality and character of the Canadian people. I strongly suggest that Canada could not exist without a strong presence of the French culture and language. It is time that all Canadians from coast to coast properly recognized and appreciated that wealth which is ours.

On the other hand, I warn all Quebeckers against the disastrous consequences that would result from the separation of Quebec. Outside the Canadian confederative pact, literally drowned in the English-speaking sea of the North American continent, French-speaking Quebec will not be able to keep its culture and language. So it is in the very interest of Quebec and all of Canada that there be a decisive victory on the no side in the Quebec referendum of May 20. A victory for the yes side would mark the beginning of the process of disappearance of the French culture and language on Canadian soil, even in America, and would endanger the very survival of Canada as a distinct nation.

I was raised and worked in a Francophone environment in northern Ontario. I represent a riding whose population is 40 per cent Francophone. Despite my English accent, my Finnish origins, my heart is French; I say it with fervor, with pride. The French fact in Canada blooms far beyond the boundaries of the province of Quebec. I invite Francophone Quebeckers, men and women alike, to visit the many authentically Francophone communities of my riding such as Noëlville, Monetville, Saint-Charles, Azilda and many others. They will see then that the French culture and language have dug their roots deep down in the soil of Ontario. Those men and women of Quebec will then be able to see what irreparable consequences a Yes in the referendum would have for the Francophone

"pure laine" outside Quebec. By voting Yes, Quebeckers would be saying: Quebec is French, Canada is English.

Quebeckers would thus be tolling the bell for Francophones outside Quebec, for their culture and their tongue. In a way, Quebeckers would be perpetrating the cultural and linguistic genocide of their blood brothers.

Many ethnic groups, each with its characteristics and its own wealth, make up the Canadian mosaic, of which French Canadians are a jewel. Will Quebeckers decide to shatter that mosaic which it took so many years for Canadians to build together? I close, Mr. Speaker, paraphrasing the words of the Quebec song writer: When all Canadians live off love, leaving behind distress and woes, on better days the sun will shine, we'll still be full of life, brothers of mine.

● (1730)

[*English*]

Mr. Bill Vankoughnet (Hastings-Frontenac): Mr. Speaker, I should like to begin my remarks by offering my sincere congratulations to Madam Speaker on her prestigious election as Speaker of the House of Commons. In acquainting myself with the responsibilities and obligations of my new role, I sympathize with Madam Speaker in acquainting herself with her new role. I am sure that she will easily master these new responsibilities and carry out her role in the tradition of excellence and impartiality of past speakers.

It is a great honour for me to rise and deliver my maiden speech today. I would like to use the occasion of my maiden speech to introduce members of the House to my riding of Hastings-Frontenac and to discuss the issues that are of concern to my constituents, both at the local and national level. I will make my remarks in the context of a reply to the Speech from the Throne and incorporate what I have to say in the form of a request for government action on the issues that I raise.

First, I will give a brief description of my constituency. Hastings-Frontenac is located in southeastern Ontario. Its southern boundary skirts the city of Kingston and runs south on the Frontenac-Lennox and Addington county line to the Bay of Quinte. It contains Hastings County from approximately Highway 7 just south of Madoc and Marmora, to the Peterborough-Hastings county line. It follows the line north to the Renfrew-Nipissing district and Hastings county boundary, then follows the boundary line south and east, bordering Renfrew county. Finally, it follows the Frontenac county boundary with Lanark and Leeds counties until it reaches its southern extremity at the Bateaux Channel east of Kingston in the Thousand Islands area. Thus, I represent one of southern Ontario's biggest, most scenic and historical areas.

There are several small villages within the constituency. Some of the bigger communities include Amherstview, near Kingston; Napanee, which is my home town; Madoc; Marmora, Bancroft, Sydenham, Northbrook, Cloyne, Denbigh, Sharbot Lake, Tamworth, Verona, Coe Hill, Maynooth, Eldorado, Harrowsmith, Parham, Kaladar, Arden and Plevna. As a result of the number of small communities within the riding, Hastings-Frontenac is blessed with many of the much cherished small town virtues.

My constituents are honest, hard-working, God-fearing and decent people. They are typical Canadians, and I am proud and honoured to represent them. The citizens of Hastings-Frontenac pride themselves on their self-reliance and their perseverance.

These characteristics are as much an inherited trait as they are products of the small town, rural environment: a heritage of our forefathers. Our area of eastern Ontario was settled primarily by United Empire Loyalists. They moved into the area following the American revolution and founded such communities as Bath, Ernestown, Millhaven, Sandhurst and Adolphustown. As time went on and the valuable land on the Bay of Quinte became scarce, they moved inland to settle such places as Odessa, Newburgh, Selby, Tamworth, Roblin, Yarker and Enterprise. These early settlers who made the journey north were a proud people and full of the strength of their convictions. To this day, the imprint they made on the communities they settled remains with their descendants, of which I am proud to be one.

My constituents and I believe that government interference in the economy should be limited to cases of necessity. The work ethic and incentives in the free enterprise system are fundamental elements of democracy, and exceptions to these conditions should be limited to cases of demonstrated need. Our country was built on these principles, and as long as they are allowed to flourish, Canada will be well served.

There are many issues about which my constituents feel very strongly. One of those issues is metric conversion. The frustration and cost of conversion to the producer are substantial. Likewise, the consumers of Canada end up frustrated and, worse, it is they who ultimately carry the producers' increased cost.

In the United States, which is our largest trading partner, conversion is voluntary.

I do not have to remind anyone that the actual need for the metric program was never established by debate in the House of Commons. This fact represents a callous and cynical affront to the parliamentary process, with implications for the future of this chamber greater and more significant than the actual metric program itself.

Another issue that is important to my constituents is capital punishment. Perhaps that is only natural when Joyceville and Millhaven penitentiaries are located in the riding. However, it seems to be an issue of concern to all Canadians, and indications are that a majority of them are in favour of its reinstatement.

Each of the regions of our country has its own particular natural beauty. Ontario is no exception. In eastern Ontario we boast of the splendor of the Canadian Shield, the Land o' Lakes. My riding typifies the beauty of the Shield, and many of my constituents make a living in the tourist industry, which attracts many people to the area.

It is a shame to note that with all this country has to offer tourists we are saddled with such a dangerous balance of payments problem in the tourist industry. I think a firmer commitment from the Government of Canada to promote and facilitate Canadian vacations, plus amendments in the tax laws that would make investment in this industry more attractive, would go a long way toward making Canada a major world tourist market. I also believe that this industry should be represented in the government by a minister of tourism.

It is my contention that if we are to get serious about developing a tourist strategy for Canada, we must also take seriously the very real environmental problems our country has. Environmentalists are only just beginning to comprehend the magnitude of acid rain, toxic waste, and our environmental negligence in general.

There are many people in my riding who have voiced their opposition to current gun control legislation. I am in total agreement with the opinion of those people who have told me they feel the present legislation is harder on the legitimate holders of firearms than it is on the criminal element of society.

Agricultural policies and programs have a direct bearing on my riding and its people, many of whom farm for a living. Dairy and beef farming are practised in the riding, and our cheddar cheese is world famous. I would like to see the government become more aware of the special problems of these Canadian farmers.

I would like to see the production of industrial milk stabilized so that further threats to the livelihood of the existing small butter and cheese processors in southeastern Ontario do not force them out of business. It is important that governments take steps to encourage the protection of our prime farmland.

I strongly urge the new Minister of Finance (Mr. MacEachen) to reintroduce his predecessor's tax measure that would allow farmers to deduct up to $200,000 in capital gains taxes on the sale of farmland. These measures would greatly enhance the potential of farming in Canada and would allow us to become an even larger producer of food for sale at home and abroad.

The cost of living is a very real hardship for people of low incomes. This burden is especially hard on pensioners who have made their contribution to our country and should be allowed to retire in comfort and dignity. The same applies to veterans pensions. In the last Parliament our government had introduced legislation to increase the veterans pensions and do away with serious inequities in the existing legislation. I feel it is important that we remember the sacrifices that many Canadians made on the battlefields in two world wars and other conflicts by defending our political system, and that we recognize that fact with appropriate veterans pensions.

● (1740)

It is important that the government contribute significant resources to youth employment and technical training programs. It is important that our young people be able to find employment so as to instil the virtues of hard work and its just rewards.

The forest industry has played an important role in the settlement and employment aspects of Hastings-Frontenac. It is an industry which has meant much to Canada in the past, and still has a significant contribution to make to our national livelihood. However, the forest industry is not as strong as it can be. Our share of the world market is decreasing, and demand in the United States for our products is slowly declining. The federal government should take note of this situation, and in conjunction with the provincial governments step up its programs of assistance to modernize the industry.

Members representing rural ridings like Hastings-Frontenac will agree with me when I acknowledge the importance of voluntary organizations to the local community. There is probably no voluntary service more important to a rural community than the volunteers that comprise its fire department. I am pleased to see the Minister of Finance agrees with me and has wisely reintroduced the former minister of finance's increase in tax exemptions for volunteer firefighters.

Recent hearings by the CRTC have demonstrated the need for better access to radio and television programming in Canada. The availability of this type of modern day communication is not limited solely to the far north. In my riding, some 100 miles west of Ottawa, in the northern areas of Hastings-Frontenac and Lennox and Addington, residents are extremely limited in the television and radio programming they can receive. If the CRTC is concerned with the amount of domestic programming available to Canadians, it does not have to look to the far north to see its deficiencies. I would like to see the CRTC make every possible effort to get better broadcasting available to the residents of Hastings-Frontenac, Lennox and Addington, particularly the Bancroft area.

In comparison with the so-called pressing issues of the day, some of the concerns I have just raised may seem trivial to some people, but nothing could be further from the truth. They are important not only in themselves but because they represent and symbolize the legitimate problems of ordinary people, and it is important that we respond, as elected representatives of the people, to their wishes, however minor they may appear in comparison with the great issues of the day. For that reason I have brought them to the attention of Parliament in the hope that the government will act on them.

The people of my riding are certainly not immune to the very real problems facing Canada, nor, for that matter, am I. I would like to take this opportunity to address some of these concerns.

I firmly believe that our country is at a turning point in its history. Events have conspired to present us with the most critical problems we have dealt with since confederation. The political and economic issues facing us today are, in my opinion, unprecedented. They require well-thought-out, long-range solutions that will have to involve short-term sacrifice by many of us. There are no simplistic socialistic solutions. Nothing less than the very survival of our country rests on the successful resolution of these issues. Consultation, rather than

confrontation, is the only course to follow in this reform process.

On the economic front several pressing matters demand our immediate and undivided attention. Among the most important is the energy issue. The dependence on imported oil and the price it is costing Canadians and their government is a dangerous policy. Only a realistic Canadian price will be able to encourage conservation and allow the financing of alternate sources.

Steps must be taken immediately to get Canada on the road to energy self-sufficiency. The inevitable consequence of such a policy is an increase in oil prices. We cannot continue living in this fool's paradise that sees Canadian consumers subsidized and sheltered from the hard facts of rapidly rising OPEC prices, and production costs at home. The present government acknowledged that in the Speech from the Throne. Such a promise dictates that prices will go up.

An effective means of conserving energy is to develop rapid transit systems for urban communities. As the price of gasoline climbs, it will be more attractive for commuters to switch to mass transit.

The Urban Transportation Development Corporation is located in my riding. This corporation was established by the Ontario government to promote mass transit. Here is a case that warrants government action and support. It would be a crime to see such a corporation die, only to have the government turn to a foreign market three or four years later to buy the same product that could be produced here, sold here, and even exported.

We have to get serious about this country's energy future, and the sooner the better. We are in a unique position among the countries of the world to make Canada self-sufficient. Let us get on with the job.

The generally poor performance of our economy is cause for great concern among Canadians. Our unemployment record is totally unacceptable. Our employment record can be improved. In a country with human and natural resources such as we have, Canada should not have such serious problems. Yet we have, and they have persisted for a number of years.

Although there are no easy answers to our economic problems, there do exist partial remedies that many observers feel would contribute to the solution of our economic woes. One of the easiest and most readily accessible steps that the government could take to demonstrate the need to solve our economic problems is staring it right in the face. It is simply called cutting government spending, through good management. Most economists and financial analysts agree that government spending has been a major contributor to Canada's current economic status.

I find it difficult to believe the Minister of Finance when he says the government will restrain its spending. The House has heard that statement too many times to give it serious consideration. This practice of unlimited government spending simply cannot continue. The government debt has to be reduced. Federal spending has to be curtailed. Growth in the civil service has to be realistic. These measures will greatly improve the financial position of the federal government which, in turn, will help facilitate an upturn in the economy. One of the first economic indicators to reflect a healthier economy is the interest rate, which is currently too high.

The time for decisive action is upon us. The federal government must demonstrate that it is ready to sit down with the provincial premiers and discuss a renewed federalism. But the discussion will have to take place within the context of accommodation and conciliation, not confrontation. Needless to say, this approach has to be mutual.

It is clear our federal system as it now exists is not capable of accommodating the legitimate aspirations of our country's regions. Admitting that, and attempting to overcome it, does not mean that our federal system has not worked. It means that, as originally constituted, it no longer meets the needs of a country 113 years older and wiser. Change is a healthy prerequisite of any relationship, whether between individuals or people and their government. It must be clear from the start, however, that this change should still be made within a strong federal context. The Prime Minister (Mr. Trudeau) and the premiers can and should be hard bargainers when they sit down to discuss constitutional change. But they must sit down and discuss present day Canada, and they must do so without dilatory tactics.

● (1750)

One aspect of our present federal arrangement which I feel it is imperative we maintain is the constitutional monarchy. Any attempt to alter or downplay this tradition which has made our country the best place in the world in which to live, will only worsen the division which some believe exists. It is unfortunate that we in this promised land, of which there is no equal, tend to deflect our attention from problems as they present themselves and concern ourselves with the way people look at the problems. The monarchy is too deeply rooted in our culture and history to be removed from our political experience. It is not the cultural aspect which is of concern to me but the threat by cunning people to upset political order and remake it according to their desire. Our forefathers have built the potential for a great nation—the greatest on earth. Why is it difficult for Canadians to appreciate how fortunate we are and what great opportunities exist for us to make this a great nation in the midst of a troubled world?

Madam Speaker, these are just some of the many pressing issues facing Canadians and their government. It is ironic that as we head into a new decade the challenges of the future are compounded by the failures of the past. Equally ironic, but no less deserved, is the fact that the administration which created so many of these problems should be the administration which is being asked to resolve them.

Now, when we are facing our most serious challenge since confederation, is the time to put those resources to work for us. We must reach within ourselves and rekindle the spirit that brought our country together over one hundred years ago. We must draw together as Canadians in an effort to save Canada

as we have in other major conflicts in which many Canadians paid the supreme sacrifice. We must rediscover the common element which originally united us and lay to rest the destructive forces which now divide us. We must accept each region as part of Canada, and its people as our fellow Canadians. We must share and take pride in our common heritage, and not dwell upon our differences—

Mr. Deputy Speaker: Order, please. I hate to interrupt the hon. member but his time has expired. He can continue only if he has unanimous consent.

Some hon. Members: Agreed.

Mr. Knowles: I do not object, Mr. Speaker, to the hon. member continuing for a minute or so, but it was understood when we established the 20-minute rule today that speeches would be limited to 20 minutes.

Mr. Deputy Speaker: The hon. member for Manicouagan (Mr. Maltais).

[*Translation*]

Mr. André Maltais (Manicouagan): Mr. Speaker, it is a pleasure for me to speak today in the context of the throne speech debate. I want to take this opportunity to congratulate the two members (Mrs. Côté and Mr. Frith) who so generously accepted to move the motion in reply, in view of the intentions expressed by the present government regarding its legislative program for the coming session.

I would have liked to speak about the problems of my riding, in view of the size of the area I represent, which is 600 miles of coast line by 1,250 miles long. I would also have liked to speak of Fort Chimo, Blanc Sablon, Anticosti Island, Baie Comeau, and Schefferville, of the problems of television, of maritime transportation, of tariffs, of the difficulties we are experiencing with the postal service, but in light of the major debate now going on in Quebec, it is important, I believe, to try and define the problems facing Quebeckers.

First, Mr. Speaker, I want to say that the people I represent are proud to be members of a country called Canada. But this pride has been marred by some frustrations during this referendum debate. It is to some people's advantage to exaggerate those frustrations, so that some of our English Canadian friends may wonder what are the true intentions of the people of Quebec.

I would like to answer those questions immediately by saying simply that Quebeckers for the most part want to stay in Canada but, given an ambiguous question, they are now in a period of deep reflection and perhaps contradiction, and if that is the way it is, it is because the government now representing them in Quebec does not have the courage or at least the honesty to ask them a real question.

So I think that the real answer of the people of Quebec was recently given twice to a man called Pierre Trudeau, and if the members of this House want to give me the time to do so, I would like at the same time to tell them that Quebeckers, as you may realize, gave their definitive answer on two occasions in the past 12 months and it was every time stronger than ever before. So I say that you must first admit that the people of Quebec are happy to be in Canada but would like to see certain changes made.

The area I represent is somewhat a Canada on a smaller scale. I have in my riding, of course, Francophones, Anglophones vis-à-vis Newfoundland—I have 5,000 Anglophones who are completely vis-à-vis Newfoundland—I have a good group of Inuits in Fort Chimo, extremely proud people, with a lively culture, happy of what they are, who would also want to continue to develop their heritage. I am thinking, among others, of Charlie Watt, who represents his group very well. I am also thinking of Mr. Gerry Paquin who has been in Fort Chimo for 15 years, a civil servant who is doing an extremely good job representing the federal institutions over there.

I am also thinking of Mr. Charlie McCormick who administered, who built the Anticosti Island, lost right in the middle of the St. Lawrence. I am thinking of Mr. Francis McKinnon, in St. Augustin, a fisherman, a contractor, a builder. I am thinking of people like Charles Bégin, Claude Ménard, people like Mr. René Coicou, who are mayors of their communities. Mr. Coicou is a very colourful man for the place, being himself from Haiti, but represents his community by being the local mayor. You see that people over there know what sharing means and are not racists. Mr. Charles Bégin who has been in Schefferville for 20 years and has been forging in that area a very flourishing area but also very difficult area to reach because there are no roads there. My constituents are builders. As I said earlier, they are native people, Inuit and Montagnais. There are Ben Mackenzie, of Maliotenam, and others who still cover 380 miles on foot and portaging to go fishing and trapping in Labrador. These are all elements of the same constituency, and I believe that a constituency like my own riding of Manicouagan is truly a microcosm of Canada.

However, what is extremely dangerous is to see people who want to destroy us and who, instead of stating clearly their intentions, use insidious words, comments or questions, so that all they are trying to obtain in Quebec on May 20 is a symbolic Yes, a booby-trapped yes, after which the government will take over and provide its own interpretation. I would like to tell the people of Quebec that until May 20 they still have control over their reply to the question, but that after May 20, the government will be able to interpret their answer to the question and that this is where the danger lies. This is why we have to fight as French Canadians to ensure that our rights will be respected and to prevent people from being misled because it will be too late to go back afterwards. I shall simply ask Quebeckers to think about Labrador. When Labra-

dor became part of Newfoundland 30 years ago, there was a legal conflict, but very few people considered this issue important. However, in 1980, the Quebec premier is making a lot of noise to attempt to take back Labrador for its energy and mineral wealth. If Quebec separates, ten years from now will we French Canadians have to claim once again rights which have been ours in fact and in law for 300 years?

Mr. Deputy Speaker: Order, please. It being six o'clock p.m., I do now leave the Chair until eight o'clock p.m.

At six o'clock the House took recess.

● (2000)

AFTER RECESS

The House resumed at 8 p.m.

Mr. Maltais: Mr. Speaker, as I was saying just before the six o'clock adjournment, it is very important that Quebeckers keep the country because in a few years' time we might relive exactly the same scenario as now, in which Mr. René Lévesque is trying to secure the rights to Labrador knowing full well that it belongs to Newfoundland; this is the same man who is willing to do without three-quarters of the country. I want to tell my fellow citizens of Quebec that we can change party representatives, we can change the country's administration but we must not change the country. That is important. This, in my opinion, is what we must focus on in view of the Parti Québécois' question.

We must never do away with our rights to the country. That is our priority. That, Mr. Speaker, is what every man and woman in Quebec will think about. This formerly French territory, now called Canada, had Tadoussac as its first capital and we were the first to cross this land; one can carefully read the book by Félix-Antoine Savard entitled: "La dalle des morts" to realize that there are French names all across the country, that French blood was shed all across the country. We must succeed in proving to our fellow citizens that we are welcome everywhere. I myself had the opportunity to travel from Halifax to Vancouver and I was welcomed everywhere. But of course, in Quebec as well as in English Canada, one encounters narrow-minded people, but they comprise an infinite minority.

We must look at the future. How can we unlock it? Let me tell you that what people in my age group would like is the opportunity to learn the second language easily. For a French Canadian, this means an improved educational system that would allow one to go and communicate with the people in the other part of the country, people from the west. And the same should be asked for westerners, in other words that the provincial education system allow them to learn French, in order that a meaningful dialogue can be obtained. Ultimately, this country's major tragedy may be that we never had institutions under which people could go from east to west, we never had the opportunity to study in Vancouver or Halifax. Nothing allowed for that encounter that in my view would have developed a genuine understanding.

And here we are at this point in history mounting up a trial, whose real actors lived in Canada in the fifties. What I would ask of the Prime Minister of Canada (Mr. Trudeau) is that he call, not a constitutional conclave, but a meeting of the Leader of the Opposition (Mr. Clark), the NDP leader (Mr. Broadbent), the provincial premiers, the provincial opposition leaders in order that, outside of any personal political pride, in camera, people of good will evolve, that they build the foundations of a new Canadian constitution based on the Pepin-Robarts documents. This is what young people in our age group expect.

What we are seeing now, both in English and in French Canada, is the grapes of impatience. For too long we have been limited either in a French-speaking Quebec or in English-speaking provinces. But Acadia would like to have its particular identity recognized, so would southern Ontario, northern Ontario, the St. Boniface area and Maillardville. We want in earnest to meet. Maybe the government should provide more moneys under a plan called Katimavik, give young people the opportunity to truly implement our Canadian experience. This is lacking. Instead of always brooding over the past, instead of remaining self-centred, we should think of the coming generation. That one will really be the outcome of the 1867 confederation.

I would like to quote from an article published in *Le Devoir* under the signature of André Nadeau, a young Quebec student. It goes:

> I have no more desire to feed on words, whether of Marxist or nationalistic flavour. I want to read, I want knowledge to act, but first and foremost on myself, on people around me.

I do not want to change the world because all theories aimed at changing it have caused more deaths than all nuclear bombs together. To me, democracy is based on one principle: everyone controls his own life.

Social problems become more complex and wider, yes, but everyone must try to find specific answers without relating them to a system which is as theoretical as it is utopic. I cannot believe anymore that the status of women or the issues of underprivileged groups and ethnic minorities are related to the revolution. So we must pursue our fight about issues more specific than universal—

In other words, instead of great nights, let us have mornings in the sunshine and instead of a utopic future, a realistic present.

Our young people want to free themselves from the yoke of drawn out debates, they want to act, which means that this government shall find, in co-operation with opposition parties, formulas that will make self-achievement possible in our country. And if everyone had had a chance to live the Canadian experience, we would not be trying to find someone to blame but, on the contrary, to build a much stronger country.

I always like to refer to my own Manicouagan riding as we experienced that situation. I think of the Gallienne, of Jomphe,

the poet, of Havre-Saint-Pierre, of people who succeeded in building a real country in a very difficult climate and under very harsh conditions. And the North Shore is now in full bloom.

I am thinking here of a fellow like Louis-Ange Santerre who has written about the North Shore. And also of a man like Leméac, and Jeannine Boisclair who have managed to make their way to areas where roads still have to be built, even in my own riding where, in some places, television has yet to come: still, the people who live there want to build. Instead of having the Canada we dream of, we spend our time discussing and recalling the battle of the Plains of Abraham. We need the will to change, but are we capable of making those changes happen? I say we do, Mr. Speaker, and the young of our generation are ready to act.

But it is up to the government to take the initial step that will allow the young, and the not so young, to fulfil themselves. We should stop going around in circles, and get to work without further ado and lay the cornerstone. At this point, I want to congratulate the Leader of the Official Opposition who, coming from the western plains, learned French, not only enough to speak it, but to master its meaning, and that is wonderful. The same applies to the Leader of the New Democratic Party who speaks French. That is what Quebeckers must understand. It is a matter of having our rights respected, while recognizing at the same time that others are making real efforts. Despite painful situations, there is obviously good will on the other side. And if that is possible at 40 or 50 years of age, I say to myself: Great guns! It is possible to achieve at 15 and 18 years of age, within a really good system of education, that will enable us to understand each other, to meet, to communicate! That is the greatest problem in this country: a lack of communication.

Once again, addressing my Quebec fellow citizens, I ask them to really look at the changes that have taken place in this country in the last 20 years. I ask them to ponder, in all honesty, on the extent to which the system has been good to us, to see how much more interesting it is for a Francophone, whether he be from Quebec or Acadia, to stay within Canada and make the most of his rights, because true equality lies in equal rights and not in numerical equality. That is what must be realized and the young, like to the old, must weigh the possibilities involved.

Think of a fellow like Gilles Vigneault who, instead of living his poetry, lives off it saying, "Human beings are people of my race". Yet, he is of among the first to want a fence around Quebec. That is what the people of Quebec should understand, that the people who would fence them in on a parcel of land are the very ones who sing of brotherhood, freedom, equality and sharing. I denounce that fact and I ask Quebeckers to reconsider the matter.

I know, Mr. Speaker, that the time allotted to me is limited but I still have a few minutes left. At the very end of my comments I would ask our friends from English Canada on both sides of the House to come and meet Quebeckers, more often immediately after May 20. Do not hesitate to come to Quebec because it is also your home. I think that it is time that you cross the Ottawa River and that you really try to hold a dialogue. It is far from being too late, because Quebeckers are ready to listen and most of them have a practical attitude and are ready to walk together with English-speaking Canadians, they are ready to co-operate with our Montagnais and the Inuit, they are ready to build this country, but they will never give up their rights. In conclusion, Mr. Speaker, I will read a marvelous poem written by Félix-Antoine Savard, the author of "Menaud, maître draveur", the father of our authentic poets who enabled the French Canadian culture to be recognized outside Quebec throughout Canada and even in Europe. The poem entitled "Hymne à mon pays" reads as follows:

HEUREUX les peuples épaulés sur le Nord!
Ô Polaire, Souverain diamant immobile!
Somptueuses aurores boréales
qui présagez les soleils du matin,
voici que notre avenir à nous s'est levé.
Que s'élève aussi
notre hymne viril et fraternel!
Je t'aime, ô mon Pays, épaulé sur le Nord.
Et de vous, je prendrai conseil,
ô puissante et belle nature,
plaines, fleuves et montagnes,
riches solitudes inexploitées encore,
terres des forêts, des minéraux et des blés,
patrie des nids d'amour
dans les roseaux de la toundra!
Pacifiques trésors de mon pays,
de vous je prendrai conseil.
Et j'écouterai l'appel
de l'immense et jeune
liberté.
Et désormais, à mon frère,
de quelque race ou langue qu'il soit,
je dirai:
Viens avec moi!
Ce pays par Dieu nous fut donné.
Viens! nous travaillerons
ensemble, côte à côte,
et nos cœurs rapprochés
battront d'accord,
au rythme des merveilles.
Ohé! voilà que l'avenir
aux innombrables soleils,
voilà que notre avenir à nous
s'est levé!
Et pour toujours, nous oublierons
les vieilles, funestes querelles
qui empoisonnaient nos cœurs.
Et désormais,
dans les chemins de droiture et de justice,
nous marcherons ensemble,
dans la paix d'un pays
sans haines ni rancunes.
Et nous écouterons l'appel
d'un Canada
riche et jeune encore.
Oh! oui! très heureux,
les peuples épaulés sur le Nord,
et marchant
fixés sur l'imperturbable étoile

des intangibles, des sacrées
vérités de toujours!
Je t'aime, ô mon pays!
Et, à toi, mon frère,
de quelque race ou langue que tu sois,
de nouveau, je dirai:
Viens avec moi! Regarde!
Cela nous fut donné,
l'incomparable et libre terre,
et l'avenir matinal et beau,
semblable à un héros de force
portant d'une main
l'aurore,
et de l'autre,
la nuit,
et chantant l'hymne viril:
Heureux sous le regard de Dieu
et le signe de l'immuable Polaire,
Heureux entre leurs trois océans,
les peuples comme le nôtre
épaulés sur le Nord!
Heureux les peuples accordés!

Thank you, Mr. Speaker.

● (2010)

[*English*]

Hon. J. Robert Howie (York-Sunbury): Mr. Speaker. shortly before the last election a well-known Liberal in my constituency published a book entitled: "How To Get Elected". He attributed it to a mythical Senator Plumtree as told to Arthur T. Doyle. It was intended to be a parody on political life. In it the non-hero stays perpetually in office by avoiding real issues and telling the majority of his constituents what they want to hear and what they wish were true. According to Senator Plumtree, who reminds me of the American cartoon character Senator Snort, the politician has no higher responsibility than to win and keep office. Little did the author know that the book would be adopted literally by his party as a national campaign guide. Of course, we really do not expect a humorist to point out all the possible dangers of a philosophy or program which he proposes in jest. But in the real world we cannot escape the consequences of political cynicism and irresponsibility, especially when this behaviour is rewarded at the polls.

I know that 20 minutes are not nearly long enough for a member to describe every blow dealt to the health and progress of this country by the last Liberal campaign. For that reason I will speak mostly of the impact on the province and the region which I represent. But, before turning to those concerns, I have one comment to make about the national implications of the last campaign. I refer to the Liberal party attitude toward Alberta.

Not since 1917 has a major political party set out so deliberately to vilify one section of the population solely to curry favour with the rest. There was no genuine policy issue involved in this attack on western producing provinces, particularly Alberta. The Liberals detailed no energy policy. It was a calculated attempt to offer maritime and Ontario voters a scapegoat for their fear and insecurity about energy, to legitimize what the pollsters told them was growing resentment of western prosperity. The Liberal candidate in my constituency came right out with a newspaper advertisement proclaiming that the 18-cent federal excise tax increase would go into the Alberta heritage fund. I grant you the appeal was frequently more subtle elsewhere, but the intention remained unmistakable. There was no acknowledgement that the west's resources are finite and that experience has taught westerners not to expect any help from federal Liberal policy in establishing the basis for permanent prosperity.

There is no mystery why western provinces feel obliged to guarantee their own future. Instead, we hear about greedy Albertans ready to let easterners freeze in the dark and about the un-Canadian attitude of the blue-eyed sheiks. Of course the end result is to reinforce the westerners' lack of faith in the fairness of federal policy and their suspicion of the term "national interest." The crowning indignity is all this pious talk about proportionate representation as if constituency democracy, not Liberal cynicism, is to be blamed for the lack of elected western representatives in the cabinet. This is an insult to the intelligence of westerners, and so I might add is the false analogy with the problem of representation in Quebec.

The west has specific current reasons for rejecting the Liberal party. Despite that rejection, the political system remains competitive. Canada's real political problem is that parties which represent Canada's most dynamic regions never have a genuine opportunity to govern. A party which won an absolute majority of seats in four of the country's five regions last May was given barely enough time for housekeeping legislation. A party virtually shut out in two regions now governs with a secure majority. I am surprised that the philosopher king of federalism will not admit that this is the real political time bomb in Canada.

The maritime provinces, too, have historic grievances and problems. The promise of confederation for this region was a sharing of economic opportunities and benefits with central Canada. During the first 60 years, natural economic forces, internal weaknesses, and insensitive federal policies, especially in the field of transportation, destroyed the potential for balanced trade between the two regions. The maritimes became a captive market for tariff protected central Canadian manufacturers, and paid for them by selling natural products to traditional foreign customers.

● (2020)

For decades the lack of economical opportunity at home forced hundreds of thousands of maritimers to leave the region. These included some of the most ambitious and best educated people. Maritimers need no lessons from French Canadian history to understand social decapitation.

Beginning in the Second World War the federal government developed a variety of expedients to mitigate the worst effects of this situation; direct social benefits, equalization payments to provincial governments, aid to traditional primary sectors, the military presence which have all raised incomes and the standard of social services. DREE's support for infrastructure and its industrial incentives have created employment,

although a distressingly low proportion of it seems to be permanent. Worse still, DREE's own studies show that most of the federal money spent here flows back to the manufacturers, retailers and financial institutions based in central Canada.

The December budget took a more flexible and realistic approach to industrial development. The tax contracts offered to firms locating or expanding in the maritimes and Gaspé could be tailored to the nature of a specific project and would have rewarded only viable enterprise—a favourable contrast to the practice of subsidizing the capital costs of speculative ventures. The new provisions for research and development, combined with DREE's new emphasis on small industries using local products and workers, were further indications of a new realism and a determination to improve economic conditions in the maritimes.

Nor did the budget neglect the special needs of existing industries. The provision allowing farmers, fishermen and others to deduct salaries paid to spouses from taxable income would have had its greatest impact, proportionately speaking, in the maritimes. By offering substantial incentives for the modernization of our fishing fleets, the budget offered a hope of reversing the growing dominance of foreign fleets. The previous government was determined not only to build a modern fishing fleet, but also to create a substantial Canadian merchant marine. This project is of vital interest to all of Canada at a time when we spend $4 billion annually for foreign shipping services, and when the new United Nations Code for Waterborne Trade, which guarantees trading countries a proportionate share of the traffic, is about to come into effect. Obviously there are special opportunities here for coastal provinces because of their location, their port facilities, and the existing skills and traditions of their people.

Just before the election I was pleased to receive and endorse recommendations of the port of Saint John's master plan study. More than a year in preparation, it brings together all of the opportunities Saint John could seize over the next ten years, and spells out the requirements. The recommendations should receive serious attention and immediate action by the new government.

Naturally, I urge the present government to continue our initiatives in respect of the maritimes, and to accord them the same high priority. There is no logical reason why they should not. These are not partisan or philosophical questions at all. Still, I find it hard to be optimistic.

I was staggered recently when I re-read the speech I delivered at the first session of the Thirtieth Parliament in 1974. Then, as now, I faced a newly elected Liberal majority. I take the liberty of quoting myself:

> There must be more positive action taken by government now in meeting the energy problems of our Atlantic region and of the country as a whole. We must not only be concerned about the supply and the use of our non-renewable energy resources such as oil, gas and coal, but more thought must be given to our renewable energy resources such as tidal and conventional hydro power... which can be used or sold independently of the whims of the Arabs or any other foreign influence.

In five years the Liberals did virtually nothing to meet this obvious need. The same can be said about their failure to modernize the fishing fleet, their apparent failure to notice that economic incentive programs were not creating permanent jobs, and their indifference to visibly growing dependence on unemployment insurance. In fact their solution to the latter phenomenon was to disqualify claimants and thrust them on to provincial welfare rolls.

Did they learn anything from their defeat in May, 1979? I have yet to see the evidence. With their strange bedfellows, they brought the government down on a budget which addressed these needs, and fought stubbornly against reality on the matter of energy—long-term pain for short-term gain.

Will they now deal seriously with this region? The chances are not good. First, they have to wriggle out of their cynical oil pricing commitment to Ontario, to get a large share of oil revenues without raising the excise tax, and reach an agreement with producing provinces while overcoming the hostility and suspicion their campaign created in the west. I doubt that they can do this, no matter how much time they have. Within two years they will be back to governing by the month, from Gallup poll to Gallup poll. Half the cabinet will be out looking for leadership votes, and the other half angling for positions in the new régime. Neither preoccupation augurs well for the nation's most ignored political bloc.

Even before then, there will be other distractions: The Minister of Industry, Trade and Commerce (Mr. Gray) will be busy rationalizing his interest rate hypocrisy and appeasing the Foreign Investment Review Agency fans. There is a sad irony here.

So-called economic nationalists have no trouble recognizing the costs of a branch plant economy to Ontario, but they do not see that the maritimes suffer from the same kind of colonial status vis-à-vis central Canada, only more severely.

Finally, will the Minister of Employment and Immigration (Mr. Axworthy) use his discretionary power with such alacrity in clearing up unemployment insurance anomalies in the maritimes as he has in helping workers in Windsor, which has three cabinet ministers? I desperately hope I am wrong about this and that, like Saul on the road to Damascus, a miraculous change of character can take place. But it is so much more convenient to maintain the state of dependency with welfare for the region and special crumbs for the party faithful.

Although York-Sunbury is generally more prosperous than most of its neighbouring districts, it has its own forgotten and disadvantaged citizens, as well as unique problems and special opportunities. In York-Sunbury we have Canadian Forces Base Gagetown, the largest army training area in the British Commonwealth. When the Clark government left power the base development plan called for a $40 million training facility to come on-line in 1985. It is important that this facility be moved forward to provide employment for a large number of Canadians who are seeking work in the construction trades. Increased use of the training facilities at Canadian Forces Base Gagetown is a matter of utmost importance to provide more trained soldiers for our armed forces and the very important spin-off for the military town of Oromocto, and, indeed, all of central New Brunswick.

Also in my riding is the University of New Brunswick, one of Canada's most outstanding seats of learning. Since 1973 a great deal of effort and planning has been devoted to the development of a forestry complex which would integrate federal, provincial and university interests related to that subject area in one cohesive set of facilities in our capital city. These efforts have culminated in a conceptual master plan that is in the process of implementation. The provincial government and the university were joined by the Clark government in a commitment to this important complex, and it will be my purpose to keep the federal government reminded of that commitment and urge its implementation.

One of the keys to the creation of a real dynamic for economic expansion in New Brunswick lies right now in the hands of the federal government. The New Brunswick electric power system produces 2,200 megawatts of power. Very shortly a project for the production of thermal power will bring on-line 640 megawatts from the Point Lepreau plant. This is a capital-intensive program and, if the federal government paid the total cost of this plant, the result would see 640 megawatts of very cheap power impacted on the system of 2,200 megawatts. Clearly, the resulting energy cost would be very low and would create a real climate attractive to industrial expansion in New Brunswick. Prince Edward Island is tied to the New Brunswick system by a submarine cable and that province, too, could benefit from such a grant.

● (2030)

Nova Scotia, on the other hand, has a system producing about 1,600 megawatts of electric power and is in the process of developing 300 megawatts of electric power produced by thermal plants at the mouth of the Lingan coal mines. Two other plants producing 300 more megawatts of power are on the drawing board. If the federal government paid the capital cost of these plants, it would confer a similar benefit on Nova Scotia.

The point I am making is that the federal government can reduce the cost of electric energy in the maritime provinces and that there is a direct relationship between the amount of its investment in capital cost and the resulting cost of electric energy to users in the maritime provinces.

I would like to refer briefly to development in the northern part of New Brunswick. The ports of Dalhousie and Belledune are the subject of an ongoing study to determine the future role they should play. I look forward to an early completion of this project because I believe there is an important development role for these ports. On a related matter I support the development of an efficient smelter to process ore and provide good jobs in New Brunswick. Can we expect the government to insist that ore from the Canadian Arctic will be processed here too, instead of in a distant land?

The gateway to commerce and development in the maritime provinces is found in the ports of Saint John and Halifax. These deep-water, year-round ports jut out into the Atlantic Ocean and provide excellent facilities for the largest ships in the world. The full development of these ports can see vessels from all over the world coming here in armadas of profit. Assembly plants will find it advantageous to locate in these two growth centres, and all of the maritime provinces, through a modern transportation system, can share in the prosperity by becoming staging areas for the increased commerce that has always followed port development, like night follows day.

The former minister of public works pledged to propose in his estimates an item for dredging the Miramichi harbour and river. It is there. Will the new government move ahead with dredging the Miramichi, and will it do it without a cost recovery clause, and will the former government's undertaking to repair the Chatham wharf proceed at once as planned?

The serious bread and butter problems which I have laid before you, Mr. Speaker, are within the competence of the Government of Canada to solve and, in arriving at solutions, to lay the foundations for higher standards of living and greater happiness for our country and, indeed, with our country. One province, seized with the despair of the failed attempts of the past, is witnessing its government providing a simple strategy for its residents, and that is to start over again, alone. We must prevent other parts of our country from reaching this level of despair, and we must ensure that the separatists of Quebec do not succeed.

It is not enough to point out the high cost of separatism or, through a brilliant exercise in semantics, to destroy the credibility of their leadership. These will undoubtedly help, but it must also be equally important for us to be prepared to change the status quo and enunciate the benefits of our confederation.

But first, what is the concept of Canada. The most attractive answer to that question was recently given by Premier Richard Hatfield of New Brunswick on March 21, 1980, when he spoke in the legislative assembly of that province. In closing, I would like to share his answer with the House:

> I believe it is that our country is one where peoples who speak one of two languages, and experience and contribute to one of two cultures, can share the pride and responsibilities of one nation and because we attach such importance to our own language and our own culture, and want them protected and enhanced, we respect the language and cultural aspirations of those whose mother language is neither of the two official languages of Canada. Mr. Speaker, for that concept and the political structure that has been designed and proven over the years to sustain that concept, I am prepared to negotiate and to support reforms to the constitution of Canada that will preserve and uphold the dignity and pride of being a Canadian.

Mr. Ron Irwin (Sault Ste. Marie): Mr. Speaker, it is indeed an honour to address this House at this time. I would echo the congratulations which many hon. members have expressed to Madam Speaker, a gracious and able person.

I represent the riding of Sault Ste. Marie, one of the northern Ontario ridings. Like most Canadians I am deeply concerned with the coming referendum. Much has been said about the impact of the referendum on French-speaking Canadians inside Quebec, but very little about the impact on those outside Quebec. As a matter of fact Lévesque seems almost indifferent in his speeches to the fact that there are French Canadians outside the province of Quebec living in Canada. To acknowledge this in any detail would perhaps take

away from the logic of his grand design. But they exist, and they must be addressed.

In northern Ontario the French Canadian population of certain areas is significant. In Sudbury it is 36 per cent, in Timmins 45 per cent, Elliot Lake 35 per cent, Blind River 27 per cent, Sturgeon Falls 76 per cent, Kapuskasing 60 per cent, Hearst 78 per cent, Smooth Rock Falls 62 per cent, Cochrane 30 per cent, and Iroquois Falls, 51 per cent. Two of the northern Ontario members of Parliament are Francophones, namely, the hon. member for Nipissing (Mr. Blais) and the hon. member for Timmins-Chapleau (Mr. Chénier). The economic problems of northern Ontario are almost identical to the economic problems of northern Quebec—unemployment, one-industry towns, mineral exploitation, shrinking forests and isolation.

The hon. member for the riding for Lac-Saint-Jean (Mr. Gimaïel) remarked to me that representing northern Quebec is almost like representing northern Ontario. We in northern Ontario have economic problems in confederation, but we do not feel that the economic solution will be any easier if we are separated. As a matter of fact the economic chaos on top of the existing economic hardships, with more uncertainty in the marketplace, would only cause more problems, not fewer. We need Canada as a whole.

The Franco-Ontarians are concerned. The Association canadienne française de l'Ontario, ACFO, estimates that there were 737,360 Ontario citizens of French origin in 1971. In 1977, ACFO estimated that of the 482,045 who said that French was their mother tongue, only 352,465 said that French language was the language of the home. In other words, in Ontario within one generation there was an assimilation of 26.9 per cent. This is a tragedy, nothing less. They have a right to be concerned. They are an island surrounded by 200 million English-speaking North Americans. There is no chance that English-speaking North Americans will be assimilated, but the reverse is possible.

The Hon. James Chalmers McRuer, in his introduction to his royal commission into civil rights in 1968, said:

> The concept of justice is elusive and developing. It has been the subject of debate throughout the history of religion, philosophy, ethics and social science. The individual, as the philosopher, may be hard put to define and describe the characteristics of justice, but even the humblest citizen may have an acute and often accurate sense of injustice when his rights are adversely affected.

When will the most humble French Canadian feel that there is social and economic justice in Canada? I will tell you when—when, anywhere in Canada, he is entitled to education in French; when, anywhere in Canada, he is able to deal with federal institutions in French and when, anywhere in Canada, he is able to deal with provincial institutions in French. It will be when, anywhere in Canada, he is entitled to be tried in criminal court in French; it will be when, anywhere in Canada, he is entitled to a civil trial in French; it will be when, everywhere in Canada, not just in some provinces, he finds French one of the official languages of each province; and it will be when, everywhere in Canada, he can progress in government and in business to the top because of his ability and not his place of origin.

● (2040)

That is when justice will, in fact, be done and that, Mr. Speaker, is when the humble French Canadian, whom Mr. Justice McRuer talked about, will find it.

Some hon. Members: Hear, hear!

Mr. Irwin: Réal Thérrien, vice-chairman of the Canadian Radio-television and Telecommunications Commission, once told me, "A country is not a piece of paper; it is a frame of mind." That definition has remained in my memory. What is the frame of mind of this country right now? I would say confused.

Last week 62 Ontario academics, unionists, clerics and artists said, "A Yes victory could lead to negotiation on the basis of equality between English-speaking Canada and Quebec."

In Saskatchewan, provincial MLAs, men of esteem, Dick Colver and Dennis Ham, have formed a party so that the west can have a vehicle to separate and join the United States of America.

The association culturelle franco-canadienne de la Saskatchewan has endorsed the Yes vote even though they are not in favour of separation.

These events happened in Saskatchewan and Ontario. But every province has had similar events recently. The frame of mind of the country worries me. We can no longer afford the luxury in Ontario of another Penetanguishene French school fiasco. We can no longer in Saskatchewan have only two schools in which more than 80 per cent of the courses are taught in French.

We can no longer turn a polite but deaf ear to the Franco-Manitobans. Time is running out. We are at a crossroad and we either sink or swim together. Simon Fraser, the great British Columbian explorer, wound up with a university named after him, but the other nine paddlers in his canoe were French Canadians! So, Mr. Speaker, it might be more appropriate to say that today we either sink or paddle together!

In this large country of ours there is a great need to know more about each other. I think the federal government must be much more positive in the field of communication. A. W. Johnson, the president of the Canadian Broadcasting Corporation, has made some excellent suggestions in his document, "Touchstone for the CBC." He writes:

> It is as important for Quebeckers as it is for Nova Scotians to be sensitive to, and aware of, Canadian folk heroes from any part of the country, Canadian mythologies, major political arguments in British Columbia or Newfoundland, the issues in the Mackenzie Valley pipeline, or the prairie drought.

He continues:

> Much greater use must be made for instance of French network correspondents throughout Canada.

He feels that French Canadian regions outside Quebec must have more locally produced news of their own communities. He says that we must develop programs popularizing Canadian folk heroes. He says:

The French network must accelerate its examination of others such as Champlain or La Verendrye, Alexander Mackenzie, or Banting, or events which have jolted our national history such as Batoche, Lundy's Lane, The Klondike, Leduc, the Plains of Abraham, the Battles of Louisbourg, and Lake George and Champlain.

He states that we must:

Search for younger Francophone writers and directors and those not only in Montreal but throughout all Quebec and other Francophone communities in Canada.

We must embrace, as a government, these positions. The problem that the CBC has is funding. We do not need change the British North America Act to provide that funding. We have the power. What we lack is the will. I suggest that when the CBC budget is up for review we increase it, specifically for the matters I am discussing, as espoused by Mr. Johnson, and that the CBC be directed to do exactly what he has set forth in the document. This is a positive step. This is the frame of mind that will give us a sense of country.

These are general goals of the CBC. In New Brunswick there is a more immediate goal that must be achieved. In Campbellton and Moncton, New Brunswick, many young Acadians have clearly sent us a message. At the moment the French programming in northern New Brunswick comes from Quebec. The Acadians feel that they have a distinct culture of their own. And they are right. They object to more U.S. signals coming into New Brunswick without first addressing their concerns. They feel, and have forcibly said so, that a signal in their own language must emanate, not from Quebec, but from New Brunswick. The CBC agrees and, I understand, is in negotiations with the relevant Carleton station in the Gaspé, and a Moncton entrepreneur. The over-all result could mean original programming emanating from Moncton. That is the way it should be. This is important to the Acadians, and again, this House needs no constitutional change to effect the aspirations of the Acadians.

The funds should be made available to the CBC, again on direction that the job be done. There is a certain irony here. If the provinces had had the control of broadcasting that they appear to want, I am certain that there would be no French CBC services on the basic service in at least three provinces. I am also certain that there would not have been the effort to establish French originating programming in certain provinces and regions that the CBC has attempted to do.

It is the federal government, through the CBC, that has set these goals. Generally these goals have been supported, not only by the government but by all members of this House. We should be proud of those positions, and at the same time press forward through adequate funding. Rhetoric will not solve the problems. The CBC needs the tools.

How do we reach Quebeckers? How do we convey our concern? How do we tell them that, as Canadians, they are our brothers? When Gilles Vigneault wrote:

Mon pays, ce n'est pas un pays, c'est l'hiver.

I can visualize his country because it is mine too. And when he writes:

Mon jardin ce n'est pas un jardin, c'est la plaine.

I know what he is talking about, as when he writes:

Mon chemin, ce n'est pas un chemin, c'est la neige.

Is there a difference in our homeland in northern Ontario and northern Quebec?

Mon pays, ce n'est pas un pays, c'est l'hiver.

I am not ashamed to tell you that the first time I heard this song sung in northern Ontario, I was deeply moved. A Quebecker in four short sentences touched the essence of my country. Vigneault goes on to write:

Ma maison, c'est votre maison.

Well, to Quebeckers, northern Ontario is your home too.

Is not the film maker, Claude Jutras, or the painter, Pelland, or the writer, Felix-Antoine Savard, as much a part of Canada as Quebec? Because Gabrielle Roy is from Manitoba, does she not write for all of us when she describes northern Quebec or the Inuit?

I do not understand Mr. Lévesque. I once called him a martyr; I once said he was a patriot, but I no longer understand him. I have tried to, but I cannot. How can one pull out a tooth and grow a new one? How can one sever an arm and replace it? How can an arm sever a head and then say, "See how much better off the body is now that I have my head in my hand?"

We in the federal Parliament do not own Canada. We are merely managers as elected from time to time. We have nothing to give, in the sense that it belongs to us. It does not. What we manage already belongs to all the citizens of Canada, including the citizens of Quebec. If anything is taken, it will only be taken from oneself to give to oneself, not necessarily in the same condition.

I would like to say this, Mr. Speaker:

[*Translation*]

I want to tell you that for a period of three years I had the privilege of travelling this country from coast to coast with the CRTC. More than ever I am now convinced that without French Canadians there would be no Canada today and I am not referring only to Quebec.

[*English*]

I am not only talking about Quebec, I am talking about Bathurst, Moncton, Kapuskasing, Sudbury, St. Boniface, and right across this land.

I can only say that within my power as a member of Parliament—

[*Translation*]

—so long as I am a member of this House, no French Canadian will ever be denied his rights in any province of Canada.

[*English*]

There will be times when it will be difficult, but it will be done. It must be done. We as Canadians, all of us in this chamber, will do it. And we as Canadians, throughout this abundant land of ours, will endure.

Our Canada will be our children's Canada and their children's Canada.

Some hon. Members: Hear, hear!

● (2050)

Mr. Ted Miller (Nanaimo-Alberni): Mr. Speaker, I would like to convey my congratulations to Madam Speaker on her elevation to this high office as Speaker of the House. I would also like to congratulate you, sir, on your appointment as Acting Speaker. These positions that you and Madam Speaker hold are very important. I know that Madam Speaker as well as the Deputy Speaker and the Acting Speakers will grow in their jobs and in their experience.

I represent the riding of Nanaimo-Alberni which is located on the west coast of Vancouver Island comprising a midsection of the island, including the west coast and the east coast of Vancouver Island. The riding was previously represented by a very well-known Canadian, Mr. T. C. Douglas. I have often been asked how it feels to follow in the footsteps of Tommy Douglas, but I do not think I can really answer that question. I do not think I am following in his footsteps any more than many other people in Canada are doing in terms of the leadership he has shown in economic and social issues. I know that the people of Nanaimo-Alberni and Nanaimo-Cowichan-The Islands, which was his riding before redistribution, are proud of Tommy and are proud that his riding is now represented by two members of the NDP, myself, and in the southern half of the riding by the hon. member for Cowichan-Malahat-The Islands (Mr. Manly).

Before I pursue an issue in which I am particularly interested in my role as the New Democratic Party fisheries critic, I will take a few moments to describe my riding. It is a riding of which I am very fond and very proud. I do not particularly want to expand on the virtues of Nanaimo-Alberni all that much, because there are those who really do not want too many more people coming to the riding to live, to bring with them the kinds of problems that overpopulation may bring. It would also lessen my opportunity to represent both sides of the island because of its bigger population.

Nanaimo was built as a coal mining town starting in the 1850s. It got its start through coal, and it looks as though coal is going to be an important aspect of Nanaimo again.

Mr. Baker (Nepean-Carleton): Coal is king.

Mr. Miller: Yes, coal is king. Unfortunately for the 1850s and possibly the 1980s it looks as though coal will be shipped out and with it the jobs associated with the manufacture of steel products. The coal resource leases on Vancouver Island are apparently being purchased by oil companies. These are companies that have made profits in oil and are now looking for other resources to exploit and thus gain control of those energy resources, keeping the control of them away from the hands of the Canadian public.

There is a very important lumber, fishing and shipping terminal in Nanaimo. It is a wealthy productive town and shares with Port Alberni the distinction of being a very large and important west coast port for the lumber industry. There are over 6,000 woodworkers in the city of Port Alberni and the surrounding area. It is also an important fishing community, being a west coast port with a sheltered harbour and facilities for fishermen, recreational vessels and deep sea vessels.

On the west coast, communities called Ucluelet and Tofino, and many native Indian reserves share one of the most beautiful areas in all of Canada, that is, the west coast and Pacific Rim Park. Last year this area attracted 750,000 tourists to those two small communities on the west coast. These numbers are expected to increase this year. The riding is well represented and well financed through fishing, lumber and the tourist industry. It also has a large and growing small business community which is at the moment struggling under the burden of high interest rates and the experience of two consecutive governments which have been unable to alleviate the pains that high interest rates are causing to the people.

In my riding fishing is the area that is now of most concern in B.C. One must not forget the forest industry nor the fact that the two do not often go hand in hand. There are a lot of accusations that logging practices in B.C. have destroyed many of the natural producing streams for pacific salmon. I think that is a justifiable criticism of the forest industry. It is a lack of co-ordination of activities between the fishing industry and the forest industry. But, given the right kind of determination and programs, this co-ordination could be brought about.

Canada has a bright future in the fishing industry. We are all aware that Canada has adopted a 200-mile economic zone off our coasts, and that 200-mile zone gives us control over the management of the stocks. This is particularly so on the east coast of Canada where we have seen an increase in the cod stocks, hopefully back to the record periods. Estimates are that by 1985 we will have doubled the productivity in the cod stocks on the east coast of Canada.

The expectations of that have brought to the east coast fisherman an influx into the industry, and are probably causing a situation where we have too many fishermen chasing what will always be too few fish.

On the west coast, expectations in the fishing industry are also high. They are not so much because of the 200-mile economic zone because we are not fortunate enough to have a large continental shelf and the productivity this demonstrates in the eastern provinces. But in B.C. we have a very lucrative fish, namely, the Pacific salmon. This species is much demanded in Japan, the United States, and in Europe.

In 1977 we also implemented under the present minister the salmon enhancement program. The expectations of the program are that we will be able to produce by the year 2007 190 million more salmon per year than we are doing right now. That productivity is entirely possible if this resource is managed properly. However, if it is managed the way it has been managed recently, it will not be attained.

I would now like to deal with some of the problems I see in Canada getting to the position to meet the expectations fishermen and the general public have at the moment.

The salmon enhancement hatchery program initially was to be in its first phase a five-year program. This was at a cost of $150 million. But because of government restraint and other political factors, I would suggest, the program has been expanded to a first phase of seven years. We are now in the position where we are looking at phase two and what can be accomplished in the phase two program. On the one hand, Canadians should not be expected, however, to be putting money into one program to raise salmon and, on the other hand, to be abusing that resource. But that is what we are doing in British Columbia.

An example in my own riding is the Big Qualicum River Hatchery. This is a demonstration hatchery. The Department of Fisheries is very proud to bring Japanese and American visitors to show off the hatchery. This has been very successful. Student tour groups are paraded through the hatchery regularly. The hatchery flows from a pristine lake, a deep cool water lake, in which the department has built three intake valves so it can adjust the temperature of the water in the river. This allows for proper incubation in the spawning channels and in the hatchery throughout the year. The river is completely controlled in terms of its temperature, water control, and its level. It produces 40 million to 50 million chum fry a year, one million chinook fry, and three million coho fry for the commercial fishery in the Strait of Georgia and the sports fishery there.

● (2100)

Recently the land on either side of that river has been purchased by developers and logged right down to the river, resulting in silting and degradation of that hatchery to the point where, as a result, we are not going to reach the limit of its productivity.

An hon. Member: Sounds like Liberal management.

Mr. Miller: The fisheries department had the opportunity of purchasing the property in the area of the hatchery. The comment was made, "we are not in the practice, and we are not in the business of real estate." I suggest that maybe they are not in the business of protecting their own hatcheries and maybe they are not in the business of raising salmon. Coming after the logging operation is a subdivision proposal. We are jeopardizing a $4½ million project for the sake of subdivision, logging, and further development.

Riley Creek on the Queen Charlotte Islands is another example of how governments and their departments ignore potential hazards to the salmon industry. With regard to logging on deep slopes, a warning was given by one of the fisheries officers. In fact the fisheries officer, recognizing the damage possible from those steep slopes and slumping, slipping in, etc., actually laid charges against loggers and logging companies. My party objects to individual loggers being charged, loggers being told to go into an area and log and cut. We were certainly in favour of charges being laid as an example to logging companies to protect salmon spawning streams.

The fisheries officer was not backed up by the justice department. Consequently he quit his job. Subsequent to those charges being laid, there was indeed, flooding, slumping and blocking of that creek. We are destroying our creeks and rivers in British Columbia through poor management of the logging industry, through neglect in our municipal wastes and industrial wastes, yet the Canadian public is putting $150 million into salmon enhancement projects.

We are going ahead with hydroelectric dams in Canada that are destroying spawning streams and the runs of salmon. We are looking at the Garrison diversion which is going to jeopardize our inland fishery, a fishery that also has an exciting future in lake fertilization and new innovative techniques to raise more fish in our inland waters and provide more economic benefit to the prairie provinces.

What else are we doing in Canada? We are destroying our lakes in Ontario and Quebec through acid rain, with permission to industry to destroy our natural environment, destroy the habitat that our fish resources must have in order to meet their growth patterns.

The Atlantic coast is an extremely exciting possibility. My colleague, the hon. member for York-Sunbury (Mr. Howie), made mention of a new program the Conservative government brought in for renewal of the fleet in the Atlantic provinces. I agree with him. It is a good program. It is required; it is necessary. However, I caution those people who feel we can get into a new fleet immediately in the fishing industry on the east coast without doing some planning.

On the west coast of British Columbia we now have a fleet that is four or five times larger than it needs to be in order to catch the available fish. That simply dissipates the income from the resource. In the case of this year where we have lower returns on all five species of salmon, it is going to result in bankruptcy to many fishermen who met the expectations that the minister, the public and, I suspect, the department felt for western Canada. The same kind of expectations are held on the east coast. I caution the minister before going into a huge new fleet on that coast that he table in this House a fleet development plan which will indicate what kind of fleet we require to meet the growing demands in the world markets for a better quality fish.

I attended the Fisheries Council of Canada meetings in Montreal just last week. The key to Canadian success in developing world markets for salmon, cod and other ground species is going to be quality. For too long Canadians have been able to sell their product to, maybe, undiscerning consumers. We are now having to expand our markets to Europe, Scandinavian communities, and other nations that are used to eating fish and know good quality.

The Fisheries Council of Canada have recognized that their obligation is to develop better methods of preserving, processing and shipping the product that they hope to sell on world

markets. It is going to require very careful planning from the ship stage to the shipment stage, through the processing of our products right through to the sale on foreign markets.

The challenge to this government, this House and the fishing industry is very clear. We have to protect our environment in which those resources grow. We have to develop better techniques in fishing, preserving, and marketing. It is a tough challenge for Canada because other nations are competing for the same markets.

In closing, that kind of a challenge can be shared in almost every department of government. Certainly the challenge is something that all Canadians need. Canadians at this time are about to witness in Quebec a vote on sovereignty-association, separatism, a renewed confederation or a new federation. That is the challenge that we all need.

As a member as far away as any other member from Quebec where the referendum will be held on May 20, I want to say on behalf of my constituents that we all have some concerns about Canada. We all have things we would like to see. We would like to develop a national pride, a national goal, and a national determination. We in Nanaimo-Alberni encourage governments and the public to meet the challenge of a new Canada, a Canada of which we can feel proud, a Canada in which we feel some national pride, a Canada, and this is one of my particular interests, that sees a Canadian merchant fleet and Canadians travelling around the world flying their own flag and shipping their own products.

Hon. Donald J. Johnston (President of the Treasury Board): Mr. Speaker, first let me, as other members of this House have done, congratulate you on your appointment to this very important post and, through you, to congratulate Madam Speaker—

[*Translation*]

—and I am very proud, just as any Quebecker, of the role she is going to play in the House of Commons.

Tonight, Mr. Speaker, it is as the new President of the Treasury Board that I take part in this debate in order to bring some clarifications on certain important themes of the Speech from the Throne, and to make known some of my personal objectives, interests, convictions and priorities.

[*English*]

Mr. Taylor: On a point of order, Mr. Speaker, it appears to me that, in accordance with the ritual we follow, the next speaker should be a Progressive Conservative member, and my hon. friend was on his feet. That is the schedule to which we agreed the other day and that is what we have been following.

The Acting Speaker (Mr. Blaker): Order. I want to respect the intervention by the hon. member. As he probably knows, the Chair is made aware in various ways and from time to time of members who might catch the Speaker's eye. While it is certainly not officially the habit of the Chair to keep any particular list, I have tended to follow that recognition of speakers that appears to me to be consistent with the views of the various members of the House. In any event, I did not see a member to my left stand on this occasion—I may have made a mistake this time; I am not sure. But if I did, it happens that the President of the Treasury Board (Mr. Johnston) caught the eye of the Chair and, once having done so, that hon. member remains recognized. I will review my thinking and see whether or not some hon. member to my left has been displaced. If that is the case, the situation will be adjusted.

Mr. Johnston: Thank you, Mr. Speaker. I promise to keep my comments short so as to give the hon. member ample time in which to speak this evening.

● (2110)

[*Translation*]

To summarize, I shall say that in the part of the throne speech which deals with the development of our economic potential, there is the following statement:

> It is the intention of my ministers to continue the policies of expenditure restraint and improved government administration.

The throne speech is right to make government administration part of our economic development. Let me explain why. If we want to reduce expenditures it is not because it would be wrong for the government to spend, but because we are asking Canadians to limit their expectations and demands. It is, therefore, essential for the government to do the same. We want to improve our government administration not only to save money, but because while we are asking Canadians to increase their productivity, the government administration must do the same. We want to reduce the deficit, not because of the magic of higher or lower figures, but because our deficits make it necessary for us to compete on financial markets, and because we realize that the costs of such deficits result in a heavier burden.

[*English*]

I am sure, Mr. Speaker, that my comments today, together with my past public statements and writings, will help those who inevitably pigeon-hole and caricature ministers, especially presidents of the treasury board. I want you to know, Mr. Speaker, that I am not a secret holdover from the previous Tory government, neither am I a "blue Liberal" nor a "closet slasher". As a Liberal of the radical centre I am continuing the strong tradition of responsible government management of my Liberal colleagues at Treasury Board, namely, Judd Buchanan, Bob Andras, Jean Chrétien, and Bud Drury.

Mr. Baker (Nepean-Carleton): I thought this minister could do better than that!

Mr. Knowles: He is not ambitious!

Mr. Johnston: The formal commitment of the Liberal party to expenditure restraint, renewed in the Speech from the Throne, dates from 1975. It has been repeated several times in the ensuing years and, as the Prime Minister (Mr. Trudeau) stated in August, 1978, we must provide "more for less".

Restraint remains our commitment, but we must also recognize that inflation adds some cost to government which simply must be met. For example, are we to de-index old age benefits? I say, and the Liberals say, no! Are we to cut essential welfare programs to meet the temporary cost of higher interest charges on our public debt? Again, the Liberals say, and I say, no!

Another example is the emphasis we place on investment in the energy sector and on rail systems and port facilities—investments which society must make for future generations. Bear in mind that even such productive capital investments as these add to the deficit, because in Canada's accounts they are not capitalized as they would be by businesses or by individuals.

Before I comment on my principal goal of more effective and efficient government management, let me put the costs of government into perspective. Contrary to widespread belief, the costs of the federal government itself are a relatively small and diminishing part of the total costs of government. Subsidies and government transfers to individuals, other levels of government or businesses, made up 52.2 per cent of government costs in 1979-80. Public debt accounted for 16.5 per cent; defence for 8.6 per cent, and payments to Crown corporations made up 3.1 per cent. The cost of all other programs and agencies, including Parliament, amounts to less than 20 per cent of our expenditures. While I am determined to control these costs, I have no illusions that I can make sufficient savings through improved government management to eliminate the deficit. Efficiency can help, but, ultimately, to reduce the deficit we must either cut programs or we must increase revenues.

Let me move briefly to a central theme: the importance of adopting a sensible and strategic policy of restraint without making a fetish of the numbers. Such a policy has three main elements—first, to manage government well so that the direct costs of government at least do not grow in real terms and, hopefully, will be significantly reduced; second, to ensure that expenditures on social programs are focused primarily on helping those who are least able to help themselves and that expenditures on economic programs are focused primarily on investments which will promote economic growth, develop our economic potential and thereby increase our revenue base; third, rigorously to evaluate all programs from time to time to ensure that they are meeting their objectives and are being well administered.

In this three-part strategy, restraint is a goal, but not a goal in itself. Emphasis must be placed on the most effective and equitable use of our scarce resources. But we must not shy away from a good investment, one which will support economic growth and contribute to government revenues, just because it adds to the expenditure side of the column. No well-run business would do that, nor should our government.

I would like, but I do not think time will permit, to describe the new expenditure management system which we are putting into effect, so I shall leave those comments for a future date. However, there is one absolutely key area of management to which I must make reference tonight, it is so often overlooked, that is, the management of human resources in government. The government is currently reviewing a number of policies in this regard and I hope to be in a position to announce some of the government's conclusions in the very near future. I am particularly concerned that we review, update, and expand our policy for training employees—

Mr. Baker (Nepean-Carleton): Hear, hear!

Mr. Johnston: —especially to assist with the retraining of any employees whose positions are declared surplus. It is not the policy of this government to set arbitrary targets for the reduction of the public service. The size of the public service has been under control for several years and has been declining in numbers for the past two. It is our policy to have the leanest and most efficient public service, to evaluate each program and ensure that it is well administered, but we are not committed to reduction targets as such.

I have been particularly heartened to encounter in the public service of our country dedicated, competent, and responsible people who share my objective of good management and my determination to achieve it.

Mr. Knowles: Hear, hear!

Mr. Johnston: In government management we should be willing to accept nothing short of excellence.

• (2120)

[*Translation*]

In spite of my considerable responsibilities, Mr. Speaker, as President of the Treasury Board my main interest at present is the future of my country without which those other matters would be irrelevant. The economic potential of Canada is far greater than the entire potential of regions.

Last week I had the great pleasure of going to Victoria and Vancouver in British Columbia. During exchanges of views with representatives of the federal government and businessmen, I was struck by the level of optimism and enthusiasm about the economic future of that area of the country. Well, needless to say the natural resources of western provinces will no doubt guarantee a very promising future not only for that area of the country, but for all of Canada.

We are sometimes inclined, Mr. Speaker, to forget that basic character of our federal system. If we must travel to western Canada to realize fully its beauty, it remains that its wealth can be ascribed to our national tax structure, that is the cornerstone of our federal system. Whether we live in a city like Kamloops in British Columbia or in Trois-Rivières in my own province, we derive substantial benefits from that wealth.

Laurier stated that the twentieth century belonged to Canada. He was right, Mr. Speaker. When it comes to prosperity, freedom, beauty, economic potential, Canada still ranks amongst the most fortunate countries in the world. Laurier

was not referring to Quebec, Ontario, the western provinces or the Atlantic provinces, but to Canada as a whole. He always understood the enormous potential of a united Canada.

We are now nearing the end of the century. From what I see across Canada, the next century will also be ours as long as Canada remains united. Only our federal system could give us that opportunity. Mr. Lévesque uses every chance he gets to attack our federal system. He likes to blacken the picture. It is a considerable challenge as Canada is the envy of the whole world. Consequently, he cannot do so without distorting the facts and he does that systematically. Mr. Lévesque is urging us to turn our backs on Canada, to give up that enormous wealth that is ours, that Canadian heritage, he would like to take away from us our Canadian citizenship as well as all the security, protection and pride it gives us.

In conclusion, Mr. Speaker, those who support the No side and those who support the Yes side know full well that separation can only lead to negative economic consequences. Knowing full well those consequences and those enormous sacrifices, many of my Quebec friends are going to vote Yes.

Why, Mr. Speaker, should English-speaking Quebeckers not accept those same inevitable sacrifices? They have already accepted the Frenchification of Quebec society, often with enthusiasm, because they realize the advantages of speaking two languages, two among the most important in the world, and French probably the most beautiful, except maybe, Mr. Speaker, when I am speaking it. However, I do not apologize, I did not have the opportunity I am now giving my four daughters who are studying in French schools.

But why do they want to turn their backs not only on the Canadian territory but also on French-speaking Canadians living outside Quebec? And why, Mr. Speaker, do I and other Quebeckers, including my friends sitting on the government benches, why do we reject the PQ option? Why, in face of the same circumstances, the same facts, do we believe in the future of a united and strong Canada? Because, Mr. Speaker, we feel at home everywhere in Canada, our English-speaking fellow citizens are welcome everywhere we have relatives across the country—in my case, my father in British Columbia and my mother-in-law in Nova Scotia.

The whole country belongs to us and we are very aware of that. I would like it to be the same with all my French-speaking friends. However, that is not so. They feel at home in Quebec, but there are still obstacles elsewhere. Unfortunately, there are still some prejudices. I think they are one of the main reason why people will vote Yes. Yet, despite those prejudices, despite the criticisms voiced by our Commissioner of Official Languages, we have witnessed in Canada some profound changes in the last ten years. See what is happening in Quebec; a Frenchification of society and the acceptance of this phenomenon by the English community. Even outside Quebec, it is astonishing.

Well, Mr. Speaker, as I have said, I like what I see across Canada as far as these changes of attitude and this acceptance of the Canadian reality are concerned, in other words the coexistence of two linguistic groups. Mr. Speaker, a rose by any other name is still a rose and it is not a new constitutional arrangement that is going to lead to a renewed federation but rather these progressive changes of attitude. These changes of attitude are well started and as the saying goes, all is well that ends well. Mr. Speaker, I ask you to consider that Canada's language glass is half full, not half empty, and I will fight with my colleagues to fill it.

• (2130)

[*English*]

Mr. Joe Reid (St. Catharines): Mr. Speaker, I ask the Chair to please note that I am now standing in my place. May I begin, too, by congratulating Mr. Deputy Speaker on his appointment and by asking you to pass on to Madam Speaker my congratulations on her election to the distinguished office of Speaker of this House. I wish for her, as other colleagues in the House do, a long term marked with honour and distinction.

This is the second time in far too short a period of time that the people of St. Catharines have elected me to bring to this Parliament their concerns. I am grateful for that opportunity, and very honoured. I want to thank those constituents who made it possible, but also I would like to thank all the constituents in St. Catharines and assure them that, no matter what political persuasion they might be, as their member I am here to speak for St. Catharines.

While I do not wish to enunciate all those positive things which make St. Catharines such a great community, it is important to give some of the local background so that I might enunciate the real problems with which they are confronted. Nor do I intend tonight to reiterate the concerns put forward so well by so many of my colleagues in this House, as they concern themselves and worry about the Canada of tomorrow and the forces which tend to pull us apart. But I want to tell the people in this House and the people of Canada that the community of St. Catharines and of old Niagara are as chauvinistic in their Canadianism as they are anywhere else in this country.

In many ways my constituency is a favoured one. Situated in the banana belt of the Niagara Peninsula and surrounded as it is by vineyards and fruitlands, it is known as the "Garden City". With a delightful climate and more parkland than any other community of its equivalent size, indeed it is a beautiful place in which to live. As a consequence many of our senior persons tend to come to our home area and there take up their residence. Not surprisingly, the *Financial Post* in a very recent edition showed that St. Catharines citizens are second only to Victoria in their satisfaction of their city, in all of Canada. This satisfaction stems not only from the abundance of parkland, but it is an active integrated community rich in cultural activities. At this time I would have to say that our Folk Arts Council, comprised of some 33 groups of different national backgrounds, represents the cosmopolitan mix which we have

in our peninsula. The Folk Arts Festival which is just about to start in the month of May draws thousands of people from Ontario, Canada, and indeed across the border from the United States of America.

St. Catharines played a far greater role in the early history of Canada than most people realize. It had its beginnings in 1790 when the United Empire Loyalists found refuge and a future in that area. One of those early Loyalist settlers was a man of great vision, William Hamilton Merritt. He single-handedly spearheaded one of the most ambitious early Canadian enterprises, the Welland Canal system. We have just finished celebrating the one hundred and fiftieth anniversary of this great waterway to which is owed so much of Ontario's, of our own, and indeed of Canada's economic development. St. Catharines has sometimes been known as a city which canals have built. Today ships from 75 different countries transport goods to and from the interior of our country through the heart of the city, through the Welland Canal system.

Shipbuilding and drydock repair were natural offshoots of this early canal activity and are to this day. Today 5,000 workers in the Niagara region are employed in jobs directly related to the marine industry, working aboard ship, at the Port Weller drydocks, and on the St. Lawrence Seaway Authority in the operation of the Welland Canal itself. With the longest coastline in the world, fronting as it does on three of the world's oceans, and with the longest most utilized deepsea waterway, Canada is most dependent upon marine transport. No one will deny that marine transport is the most efficient transportation mode for bulk cargoes. For many decades the marine policies of this country have failed to reflect this fact, and our fishing, shipping and shipbuilding industries have suffered accordingly.

During its short term in office, the Conservative government made a strong commitment to the restoration of a Canadian merchant marine fleet. An extensive study was carried out and a report was about to be presented to cabinet for approval just at the time the election was called. With the world's greatest inland waterway available to us and with access to all of the ports of the world, the people of my area continue to wonder why Liberal governments, past and present, over the years continue to sell our natural resources in bulk on a pick-up and carry basis. The opportunities for the marine industry, as well as the technological spinoff therefrom, will inevitably be lost to the Canadian economy with the continuation of this government's reluctance to support a strong marine industry.

While it is said that tolls on the Seaway have not been increased in its 20 years of operation until three years ago, the proposal of a 100 per cent increase over three years is already having a user deterrent effect. Already significant traffic diversions are being made away from the Seaway route, and any increase in tolls is bound to accelerate that trend. History has shown that Seaway toll increases are accompanied by a loss of general tax revenue, if they are and as they are, assessed against Canadian corporations.

But the major basis of our economy in St. Catharines is the automobile. Once 9,000 of my constituents worked for General Motors, our largest employer. The balance of the auto trade in our city is made up of parts manufacturing which in better times employed a further 3,000 persons. As we all know, the whole industry is in trouble both on our side and in the United States of America. Market planners made a grave error in failing to predict rising oil costs and buyer resistance to the large automobile, and now they are caught.

St. Catharines is fortunate in being a General Motors town, as the marketing of General Motors has been more effective than that of its other major competitors. It has progressively attracted a larger portion of the motor vehicle market. General Motors will be revamping its St. Catharines facilities in 1981 to provide component parts for a front-wheel drive small engine automobile in order to meet the shift in consumer demand, but that will be in 1981. There will be, then, even if only temporary, extensive lay-offs in our community while this change is taking place.

In the short term our automobile parts manufacturers will experience setbacks as most are still involved in the production of parts for larger automobiles. Some of these manufacturers supply Chrysler and so are doubly affected by the events of the last while. These manufacturers are looking for further improvements in the automobile trade pact and are crying out, as is the whole industry, for more government assistance to carry on research and development.

Research and development should be a key priority in the government's approach to the economic development of this country, and in no area is this more important than in the automobile industry today. It is well known that research and development are most effective when industry and universities work together. In St. Catharines we have that ideal working situation with General Motors, auto parts manufacturers and Brock University within a few miles of one another. To date Brock, which has a great interest in the industry, has been receiving very little in the way of grants or promotions.

● (2140)

General Motors pointed out to me the other day that, whereas between 50 per cent and 90 per cent of auto industry research and development in other countries, such as the U.S.A., France, Great Britain and Japan, is provided by their governments, our federal government funds only about 12 per cent.

The next ten to 20 years are going to be the crucial ones in terms of dramatic technological change in the automotive industry, and if Canada is to have a stake in the future of this industry it must act now and quickly. Studies have already indicated that other forms of energy, such as ethynol and methynol, which are based on feedstocks and on the forest resources with which Canada is so richly blessed, can be economically viable. The technical changes to our present automobile engine would be relatively minor, so conversion to these fuels could be made with a minimum of hardship to the automotive industry and to its workers. With our manpower, our energy resources and our industrial capabilities, there is no reason Canada should continue to see its future role in the

world automotive trade as one of simply assembling American automobiles.

If I may digress a little further on this one important topic, I would like to mention that our already high unemployment rate, now approaching 15 per cent, is further aggravated by the lack of specifically trained workers not only in the automobile industry but in the marine industry as well. Both are continually seeking in Europe the highly-skilled workers needed to carry out certain specific technical functions. I find it odd that we should be recruiting overseas in times of such high unemployment at home. Surely we should be training the young people and upgrading middle age workers through apprenticeship programs to meet the needs of our developing technologies. Surely we should be anticipating the future needs of these industries. This kind of training was one important focus of the Conservatives' youth employment program outlined in the former minister of finance's budget. Niagara College, our local community college, is ready, available and just seeking government assistance and community support to enter into such a training program.

I have already mentioned the city of St. Catharines as being the "Garden City" of Canada. This is partly due to the fact that our city is surrounded by the most productive fruit and grape growing lands in the whole of Canada. As a result of the importation of different vine strains from Europe, grape growers have greatly improved the quality of our local grapes, and the wine industry is assuming increasing importance in our region. Typically, however, the improved wines have been making greater headway in foreign markets than they have right here in this country where the old Canadian adage "if it is imported, it must be better" still prevails.

The delighted reaction to our wines at a wine tasting reception held here on the Hill last fall was ample proof that we do not have to beg Canadians humbly to "buy Canadian"; we simply have to convince them to "try Canadian", and our work will be done. Three years ago there was not one Canadian wine on the top ten best sellers list in Canada. Today I am proud to say that two of the five top best sellers here in Canada are Canadian wines.

The fruitlands surrounding our area have proved to be a mixed blessing to our municipality. Efforts to preserve this productive land have been put to severe restraints by the urban growth and development of St. Catharines. Therefore, existing industries are not being expanded and new industries are being established elsewhere. The young, seeing little employment future locally, are leaving their home communities to find work elsewhere.

We have in St. Catharines a community of conflicts: the second most satisfied city dwellers of Canada, and a declining growth rate; a city with a well above average standard of living and one of the highest unemployment rates in Canada; and a community with great industrial potential and an actual no-growth local economy. You see, Mr. Speaker, by a funny twist of fate the wealth of our region, which attracted so many originally, is now working against its growth and prosperity.

It is easy for others in Ontario and elsewhere to speak out for the importance of the preservation of our fruitlands. We too believe this is important. This government must play an active, positive role if it wishes to preserve these fruitlands against the pressures of urban growth and development.

I feel that by the election of the Conservative party last May the people of Canada expressed their concerns about the economic dilemma in which Canada found itself at that time. When the minister of finance of that government presented his budget to Parliament last December, he did so knowing that a combined program of government fiscal restraint and long-term energy planning was the only way out of this dilemma. He knew that the government and the economy would be increasingly paralysed if the $11 billion budgetary deficit were not controlled and reduced. He knew that without a long-term energy policy the $9 million per day which the Canadian government was paying to subsidize oil could, under OPEC control and in the light of known Canadian oil sources, only increase dramatically. He knew that inflation must be curbed at all costs, even if the short-term cost meant a higher rate of interest.

That budget did not, however, forget those who would be hardest hit by the immediate impact of these measures; the mortgage holder, the small businessman, the farmer, the fisherman, and families with incomes less that $21,000.

If the Speech from the Throne and the mini-budget shortly following it are any indication, and they should be, it seems we can expect very much of the same kind of short-term policies, with no concrete plan of attack to begin reducing the national deficit, and no long-term energy policy to ensure Canada's energy future. For the most part the government offers only vague solutions to some problems, and measures intended to cushion Canadians from the impact of others which they feel are too tough to face—today, that is.

Nowhere is this more evident than in the government's proposal for an all new, all Canadian blended oil price. All this jargon means is that instead of paying for the oil increase at the gas pumps, Canadians will be paying it in their taxes.

What worries me is that if the real cost of oil does not hurt the Canadian's pocketbook at the gas pump, Canadians who are the greatest consumers of energy in the world will be encouraged to go on wasting imported and domestic oil.

What the government should be doing is providing policies and incentives to industry to develop quickly not only fuel efficient cars, as I mentioned before, but actual new types of fuel and corresponding engines.

Before closing I would like to touch on a very vital area, an area which was absolutely excluded from the throne speech. I have in mind the question of the environment. There are two environmental issues of particular concern to the St. Catharines region. One is the effects of acid rain; the other is the continuing pollution of the Niagara River.

Solutions to both problems are made more difficult by reason of our proximity to the United States. That great industrial segment of the U.S. is just over the river and across

the lakes from us, and control on an international basis is a complicated matter, indeed. The former minister responsible for the environment considered acid rain one of the priorities of his ministry, and initiated the first international air pollution agreement with the United States late last year. I trust that this issue will be accorded the same importance by the new government and that no precious time is lost due to the change in government.

● (2150)

The pollution of the Niagara River continues to be a matter of real irritation to many on both sides of the river. Just recently we went through the troublesome time of granting a permit to a corporation in upper New York state, and yet this corporation would discharge its treated industrial waste into the river. It is my opinion that, although there must be at all times stringent controls on such programs as SCAs, such projects divert attention from other major fouling sources. Millions of gallons of waste, subject only to primary treatment, are being discharged daily into the Niagara River by riverside municipalities as well as by local industry. If as much zest were applied to the cleaning up of these sources as has been applied in controlling SCAs contribution, we would greatly improve the present condition of the Niagara River. Action against these older pollutants must be taken.

This is a crucial time in our country's history, Mr. Speaker. We are heavily in debt. We are in the grips of an unprecedented rate of inflation. We are heavily dependent on other countries for our technology and for our capital. We are lacking any kind of clear energy policy for our future. We are divided socially, and we are fragmented politically. If ever there were a time when this country needed strong, reliable leadership, it is now. The problems of this nation have been long identified.

The Liberal government now has the majority it needs to get on with the job. For the sake of our country's future, let there be no further delays and let there be no further misunderstanding at home or abroad.

Mr. Deputy Speaker: I regret to interrupt the hon. member, but his time has expired.

Mr. D. M. Collenette (Parliamentary Secretary to President of Privy Council): Mr. Speaker, as you know, according to the House order the allotted time for a speech is 20 minutes. The hon. member has not finished, but I understand that you, sir, are adhering strictly to that rule. I regret that the hon. member did not get a chance to finish his remarks.

This is the first time I have had an opportunity to address the chamber in a formal way in this Parliament, other than on points of order dealing with House business. It gives me great pleasure to talk on the seventh day of the debate on the Address in Reply to the Speech from the Throne. I would like to congratulate the mover and seconder of the motion, the hon. member for Rimouski (Mrs. Côté), and the hon. member for Sudbury (Mr. Frith). To you, Mr. Speaker, and to your cohorts in the Speaker's chair, I wish you every best wish and success for this parliamentary term.

I would like to associate myself with the words spoken this evening by the President of the Treasury Board (Mr. Johnston) and the hon. member for Sault Ste. Marie (Mr. Irwin), who spoke about the emotional commitment that people have toward keeping this country together. In particular, the hon. member for Sault Ste. Marie gave a perspective from my province of Ontario. I would like to associate myself in particular with those emotional sentiments that he put forth.

However, I want to take more of a hard-nosed and practical look at what the referendum means to people in Ontario. There have been articles in various newspapers saying that Ontario is asleep, that English Canada is asleep and is not really paying too much attention to what is going on in Quebec. That could not be farther from the truth. In my constituency office on Saturdays I meet with people, as do all hon. members. Many of them have indicated to me that there is a genuine disquiet, an anxiety on the part of the people in metropolitan Toronto, and I am sure it is throughout the rest of the province of Ontario, as to what will be the outcome of the vote next Tuesday.

There are definite feelings. Perhaps people are not writing letters to newspaper editors or they are not making a lot of noise, but they are in deep thought about the ramifications this vote will have for the future and integrity of the country. As a member from Ontario I would like to talk about Ontario's role after the referendum, no matter how the question turns out. I believe, according to the recent indications of support which seem to be gathering, that the No forces will win.

But what will happen after the referendum is of crucial importance to this country. Ontario has had too much of its own way for too long. We have been called the fat cat of confederation, the engine of confederation, or the one who has benefited most from confederation. That is the truth. That position has changed, is changing, and must change if this country is to survive. As a member from Ontario, I am prepared to go back to my constituency in the next election and talk about the new kind of Canada that we must create.

I want to talk about resources in that context but I do not know if I will have time this evening. Since we may not come back to this debate before next Tuesday, I would like to talk in particular about the whole question of enshrining minority language rights and minority rights in general in a new constitution. About two years ago, prior to the May, 1979, election, I remember sitting next to Premier Blakeney as I was flying back to Toronto. We had a very enlightening conversation about his attitude toward not entrenching minority language rights in the constitution. The friendly debate lasted all the way back to Toronto. It was Mr. Hatfield's contention that language rights and minority rights in general can best be safeguarded by legislatures.

It is my contention that that could not be farther from the truth. I think that this is a vital component, a question that has to be answered in the whole referendum debate. This is what bothers Quebeckers. I think that they are looking down the

road 20 years when their proportion of the total population in Canada will decline even further. They want to know whether their children and their grandchildren will have their linguistic and cultural rights guaranteed in a Canada of the year 2000.

I share those sentiments, and I think that it is incumbent on all members of this House and all those who represent constituencies outside Quebec to make sure that in the lifetime of this Parliament—whether it be unilaterally by this House, as the hon. member for Edmonton East (Mr. Yurko) proposed last Friday or, as I hope, by general consultation at a federal-provincial conference—we, once and for all, enshrine language minority rights in the constitution of this country, if we ever hope to look people of French language background in the eye and say that they are welcome in this country. I came back from forced retirement in private life to this House of Commons because I feel so deeply about the need for constitutional change in this country. I think that we must come to grips with this situation in the next three years before the next election.

Legislatures have not been good guarantors of minority rights or language rights. Let us go back to the Manitoba of 1891 and the schools' question which effectively blocked out the French language in that province and made the French there part of a dwindling minority. That is the effect of legislative action in 1891 in Manitoba.

In Ontario during the First World War, regulation 17 effectively meant the same thing for French language education in Ontario, to Ontario's shame. It is all very well for Premier Bill Davis to go around the country pontificating on the great things which he has done over the last few years. I will admit that Ontario has made great strides, but where was Ontario in the last 50 years?

Let us look at the legislatures and how well they guarantee minority rights. Let us look at Bill 101 in the province of Quebec and how it will treat the English language minority in that province. It is quite obvious that legislatures cannot guarantee linguistic and minority rights. Even this House of Commons was derelict in its duty. I believe that the hon. member for Winnipeg North Centre (Mr. Knowles) was sitting in the House in 1941 or 1942 when this House sat in silence as members of the Japanese minority in this country were interned. That was perhaps one of the most—

Mr. Knowles: Mr. Speaker, on a point of order, we were not silent. In particular, the late Angus MacInnis was on his feet speaking out very strongly on that issue.

Mr. Collenette: I apologize to the hon. member for Winnipeg North Centre, but it appeared that the House in general was silent on this particular issue, to allow this particular thing to happen.

Mr. Lambert: Not the Liberals.

Mr. Collenette: I will take the admonitions from the hon. member for Edmonton West (Mr. Lambert) and say that it was the Liberal party. It was not the finest hour for the Liberal party and there are members on this side who want to make sure that the Liberal party, the Conservative party, the NDP and members of this House will never again see a minority subjugated in the way in which the Japanese were during the Second World War.

● (2200)

Before you call it ten o'clock, Mr. Speaker, I would submit to you that only with an entrenched bill of rights, only with language rights enshrined for all time in this country will we have linguistic and cultural harmony. I do not accept the argument of the premier of Saskatchewan and I do not accept the argument of the premier of Manitoba who believe that this cannot be done.

If I get the opportunity to speak on this subject again before the referendum, I should like to turn to some other aspects dealing with how the referendum is impacting upon the province of Ontario, and how Ontario and English Canada in particular should respond.

Some hon. Members: Hear, hear!

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

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

ATOMIC ENERGY—EFFECTIVE AND STRINGENT INTERNATIONAL SAFEGUARDS OVER USE

Mr. Bob Wenman (Fraser Valley West): Mr. Speaker, Canada is a nation of 23 million people out of four billion people in the world. We have a small armed force of about 73,000 people, very poorly equipped with only conventional weapons. We are but one voice at the United Nations, and only occasionally are we members of the Security Council. In fact Canada's influence on international affairs is, in a number of ways, very limited, to say the least. We can, however, preach disarmament because in fact we are virtually disarmed. While we can preach moralistically on this line, we lack the power and influence because we are, in fact, not a great nuclear weapons state.

There are many areas, however, where Canada does have influence and power and moral consistency, and can show international statesmanship and leadership. Canada is a major supplier of nuclear technology and nuclear energy; Canada is a major player in this game, and a major factor in nuclear proliferation in the world.

This is one of the most important topics facing the world right now, and in the past Canada has shown leadership on the subject. For example, the late Prime Minister Lester Pearson showed an earlier initiative in 1965 when he said that the

government had decided that export permits would be granted with respect to uranium sales only if uranium was to be used for peaceful purposes. Before such sales would be authorized the government would require an agreement with the importing country to ensure that the uranium was to be used for peaceful purposes only. That Canadian statesman set the scene and a tone of leadership for Canada that Canada has been fairly consistent in following over the years.

Canada reacted later to what was perhaps our failure in India and its use of a nuclear device exploded at the expense of Canadian technology and resource. They responded with a five point program that was found correct and right in its place in time. Later they talked in terms of full scope safeguards which were another advancement in the international scene and another initiative taken by Canada. Two years ago these initiatives started in the world and perhaps, culminating in a disarmament conference, people recognized more intensely the problem of nuclear proliferation. As a result of recognizing the problem they set up a very special committee, the International Nuclear Fuel Cycle Evaluation. This evaluation is now in and the results are pessimistic.

At the same time as these results arrived on our doorstep we see Canada, formerly a leading nation, weakening. At this time which is a pivotal point in the history of the world in this nuclear fuel cycle evaluation, this proliferation question is at a turning point and it is crying out for leadership, and Canada is in a position to give that leadership. That is why I am so alarmed at the position of the Prime Minister of Canada (Mr. Trudeau), who is an international statesman by all accounts. That is what I have been told; I keep hearing it. And what do we see him doing? We see him backing down. The Prime Minister, in answer to questions in this House of Commons, instead of replying yes, that he would take this report and lead new initiatives in this world, replied no, that we do not intend to lower Canada's export stance, that we are not going to raise our safeguards and we are going to try not to lower them. This is Canada reaching out in expediency, abandoning its position of moral leadership in the world in this important area where it can have influence. In how many other areas does Canada have some say, some power or some influence? We have this major technology and major supply of the product, and we can in fact take many new initiatives.

● (2205)

The Prime Minister asked me in response to my questions: "What new initiatives can we take?" I say that one of the major areas of weakness in our program is our incapacity to follow the leadership of the United States in the control of spent fuel. The United States in negotiating contracts has a condition of demand for the return of spent fuel in any contract signed. We could add that to our safeguards. We could call conferences. In fact at these conferences Canada has a voice and it has a power. We could threaten security of supply in the world because of our influence over supply, technology, raw materials and fuel, through temporary suspension of delivery.

We can bring control to the nuclear fuel cycle in purchasing states. We can control that area more tightly. I am surprised, in talking of sanctions with the Soviet Union, that we supply nuclear fuel to the Soviet Union.

I will finish with two minor points, Mr. Speaker. Fourth, atomic energy regional disposal and storage centres are other initiatives. Finally, is the return of spent fuel to the supplier nations. Our leadership role has been right and good. It is sound in this world of instability, but as the world becomes more unstable it becomes more important that our Prime Minister should take these new initiatives now, and not duck from them with the status quo.

Mr. Roy MacLaren (Parliamentary Secretary to Minister of Energy, Mines and Resources): Mr. Speaker, in response to the comments made by the hon. member for Fraser Valley West (Mr. Wenman), I should point out that Canada's nuclear non-proliferation policy is one of the most stringent in the world today.

In December, 1976, the Canadian government announced that it would only enter into a new nuclear co-operation with non-nuclear weapon states which have made a binding commitment to non-proliferation and have accepted international safeguards on all of their peaceful nuclear activities. The latter is frequently referred to as NPT-type fullscope safeguards.

In addition to this general commitment, Canada also requires under its December, 1974, safeguard policy, the negotiation of a nuclear co-operation agreement with all countries with which it is engaged in nuclear trade. These agreements incorporate a number of specific provisions such as prior consent right over retransfer with regard to nuclear material, equipment or technology of Canadian origin.

As the Prime Minister (Mr. Trudeau) pointed out recently here in the House, Canada has been in the vanguard of those advocating effective safeguards. There is no question of Canada lowering its national safeguards requirements.

In this context it is worth referring to the International Nuclear Fuel Cycle Evaluation which was concluded by a plenary conference in Vienna in February. It must be emphasized that INFCE was an international technical and analytical study, not a political negotiation. Its primary aim was to identify effective measures which can and should be taken to minimize the risk of nuclear proliferation while enabling nuclear energy for peaceful purposes to be made widely available to meet the world's energy requirements.

INFCE, which as noted above was not a political evaluation, did not identify a "technical fix" for nuclear proliferation. It did, however, result in a consensus report agreed to by forty-six countries in which a considerable number of ideas were put forward for subsequent study by governments in developing their nuclear energy policies. It is Canada's hope that the international community will, on the basis of this consensus, be able to work together in promoting the continuing evolution of an effective international non-proliferation regime within the framework of which international commerce in nuclear items

for peaceful purposes can take place. Canada is exerting its best efforts in this regard.

● (2210)

As already noted, there are a number of proposals currently before the international community for evaluation and possible implementation. Among these proposals are the question of fullscope safeguards as a condition of export, measures to minimize the risk of proliferation arising from sensitive phases of the nuclear fuel cycle such as reprocessing, international plutonium storage, international spent fuel management, regional fuel cycle centres and international waste depositories. All of these subjects are complex and have positive and negative aspects in varying degrees. Canadian officials are participating in international discussions on many of these ideas. It is, however, too early in those discussions to make a definitive judgment as to the ultimate merit of the various proposals.

PARKS CANADA—CANCELLATION OF PROPOSED RELOCATION OF REGIONAL OFFICE FROM CORNWALL TO PETERBOROUGH

Mr. Bill Domm (Peterborough): Mr. Speaker, my remarks tonight grow out of an answer in the question period given by the Minister of the Environment (Mr. Roberts) to my concerns about the cancellation of the Parks Canada move to Peterborough. The minister's answer as to the justification for this cancellation of the move was, and I quote from *Hansard* for May 5:

My concern is primarily for the morale and the interest of the workers of Parks Canada.

I wish to read into the record the statement of the workers of Parks Canada in their bulletin of August 15, 1979, in which they say, and I quote:

It has been stated in the press that a majority of Parks Canada employees are opposed to the move and this supposition is being used to bolster the case for retaining the office in Cornwall. From informal conversation and through an institute meeting held today, I have ascertained that the majority of the PIPS membership—

That is the Professional Institute of the Public Service.

—are prepared to move to Peterborough and all are pleased that at last a definite decision has been reached.

I remind this House that this is just one more case of crass political politics, pork-barrelling, or whatever you wish to call it. In reality it was the Liberal government which initiated the studies that determined the facts that it would be more economical and feasible to operate Parks Canada in Peterborough, more centrally located to Ontario than in the southeast corner of the province in the city of Cornwall.

It was also the former Liberal government that made the first recommendation in 1973. The then minister, the hon. member for London West (Mr. Buchanan), announced to the people of Canada that Parks Canada was moving out of Cornwall. It was further announced by the then minister of the environment, Hugh Faulkner, the Liberal member of Parliament for Peterborough prior to myself, that he had it in place, that it was a reality and that it was coming to Peterborough.

The only thing that went wrong in the Liberal planning of the Thirtieth Parliament was the fact they lost the seat in 1979 to a Conservative. The result of that election in 1979 caused the Liberals, after seven years of study, to review again the position of the Parks Canada office as to whether it should go to a Conservative seat now that a Liberal had lost the riding of Peterborough.

The net result of that study in 1979 reaffirmed through the main estimates committee meeting in the Thirty-first Parliament that the government could save $200,000 a year by having Parks Canada in Peterborough where it would operate more effectively and efficiently. That is in the minutes of the environment committee dealing with the relocation of Parks Canada.

The Quebec branch of Parks Canada moved out of Cornwall in 1975. The Ontario branch was to move out of Cornwall as soon as Cornwall received the ministry of transportation driver training branch. That took place. In the election of 1980 the Cornwall Liberal member, now a cabinet minister, campaigned that if he was elected it would go to Peterborough over his dead body. I remind the House that to keep this minister alive, it will cost the taxpayers of Canada $200,000 a year as they operate ineffectively and inefficiently from Cornwall. It will cost the relocation back to Cornwall of 23 families who have purchased homes in Peterborough. It will create a wasteland in downtown Peterborough where they have purchased a property and facility through an arrangement to operate Parks Canada on a five-year $800,000 lease.

● (2215)

I would remind the House that this is nothing more than crass political politics. It is pork-barrelling of the worst kind. It is moving not only Eldorado to a minister's area in the north from a Conservative riding in the southern part of Ontario, it is also moving Parks Canada from a Conservative seat in Peterborough to a Liberal constituency in Cornwall. For long enough we have watched this type of barnyard politics as the animals in the farmyard nuzzle in with snouts to the trough endeavouring to take every dollar out of the taxpayers of Canada, regardless of waste, regardless of planning, regardless of their own studies, in the interests of their own ridings so as to pork-barrel every dollar of the taxpayers' money into ministers' constituencies.

Some hon. Members: Hear, hear!

Mr. Roger Simmons (Parliamentary Secretary to Minister of State for Science and Technology and Minister of the Environment): Mr. Speaker, the facts concerning the proposed move are these: The move was first initiated by a Liberal administration. It was deferred by a Tory administration and it was rescinded by the present Liberal administration, the present Minister of the Environment (Mr. Roberts).

In making the decision to rescind the move the Minister of the Environment took into account, of course, the morale of the employees. But he did not overlook the question of costs and the effects on the Parks Canada administration. Once a

decision had been made on May 5 to rescind the move which the Liberals had initiated and which the Tories had deferred, the minister immediately directed that the cost be identified with a view to providing full compensation for any cost incurred or financial losses by employees. It is the minister's intent to return the employees as nearly as possible to the financial and career circumstances which would have prevailed had the move never been contemplated.

These are the facts, Mr. Speaker, but I am sure you have noticed, as I have, that the hon. member for Peterborough (Mr. Domm) has not been very preoccupied with the facts in his address tonight. He talked, instead, about politics. I would remind him that two can play that particular game, the game of politics, and I would remind him also that even in the business in which he and I find ourselves there is room for scoring some honourable, legitimate political points. From what he has done tonight, I am aware that he is already quite familiar with how to score cheap, cowardly political points.

If the hon. member wanted to talk about the politics of the situation, why did he avoid telling the House what he knows very well to be the case—that it was the administration of which he was a part which deferred the move for ten whole months—ten painful months for the people of Canada? They had it in their hands to go ahead with the move but they did nothing about it. They only deferred it.

Mr. Domm: Not true!

Mr. Simmons: If the hon. member says it is not true, I would remind him of one other fact which he did not bother to tell his constituents in his convenient selection of truths: the announcement to defer made on August 3, 1979, was made by none other that the hon. member for Peterborough himself. The man who now wants to get on the side of right and justice is the man who announced the deferral last August.

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

● (2220)

CANADIAN PACIFIC RAILWAY—WINNIPEG—REQUEST FOR COMMITMENT ON RAIL RELOCATION

Mr. Cyril Keeper (Winnipeg-St. James): Mr. Speaker, I rise to deal with a matter which was first raised in a question to the Minister of Transport (Mr. Pepin) on April 25. This is the matter of rail relocation in the city of Winnipeg. At that time the minister answered in a way which I felt was unsatisfactory. His rationale for not making a complete commitment at that time to railway relocation had to do with the costs of such a project. He said that it would cost too much to relocate the rail yards in the city of Winnipeg, and in order to back that up he quoted figures from a study known as the Dillon report. This study quotes very high costs for rail relocation in the city of Winnipeg.

I should like, first of all, to question the validity of those figures. By and large, the study takes no account of the benefits of rail relocation to Winnipeg, and by and large the costs are unsubstantiated. In fact the consultants did not go to the CPR to get their facts, and this was reported to us by a CPR official at a public meeting on Sunday a week ago.

The land value in this study is for vacant land rather than developed land. There is no account of business taxes or property taxes which would accrue if the land were freed from use as a railway yard and were developed for other purposes such as residential and business uses. There is no mention in the study of the need by CPR for increased acreages in their new yards, although when the CNR yards were relocated they required less acreage in their new yards than in their previous yards. Also, the study makes little or no mention of the positive impact on the local economy.

I would point out that at present the Winnipeg Construction Association indicates—this was in the month of April—that unemployment in the construction industry was at 24.7 per cent. Certainly a move to rail yard relocation would be a stimulus to the local economy and would have benefits in terms of creating employment. Also, the study fails to mention the cost to small business of a major accident in these yards or of the possible evacuation of the city. In terms of Mississauga, the estimates were of $25 million a day lost in terms of small business, this is minus the costs of police, fire and ambulance services. Also, in this context I question, in the case of a city like Winnipeg, whether it would be possible to evacuate such a city. We have no major urban centre to which evacuees could be taken.

So the Dillon study upon which the minister relied gives an exaggerated picture of the costs and does not really outline the benefits. Recently we heard a new statement by the Minister of Regional Economic Expansion (Mr. De Bané) in which he indicated that he may be considering granting $25 million over a five-year period. While I welcome this crack in the wall, my question is whether or not it is a real commitment to rail yard relocation or simply a cosmetic, political manoeuvre.

We know that the Liberal government has made many public statements in favour of relocation, by ministers such as the Minister of Employment and Immigration (Mr. Axworthy), the Prime Minister (Mr. Trudeau) and other members of the cabinet, but by focusing on the costs, perhaps we make it too easy for there to be bickering among the levels of government as to who will pay for rail yard relocation and we do not come to grips with the essential question. I think that a more valid focus which would test the commitment of the government would be if we were to ask for action under the Canadian Transport Act which would allow for the CTC to investigate any carrier which might be undertaking actions injurious to the public interest. This has already been called for by some citizens in Winnipeg. It would allow the CTC to investigate whether or not such incidents as the methanol spill in Winnipeg would merit the relocation of the yards in the public's interest and would get us out from under the Railway Relocation and Crossing Act which seems to have us embroiled in the question of who is going to pay, each government waiting for the other government to move first. So I

think we should look at this question primarily from the point of view of the public interest.

• (2225)

If we use the Canadian Transport Act, we can get the CPR before a forum with some authority. That can get us the real information with regard to costs and also the real information with regard to whether or not it is in the public interest to move them out of the city. Certainly I believe that it is a necessary move at this point.

Mr. Robert Bockstael (Parliamentary Secretary to Minister of Transport): Mr. Speaker, a similar question was put to me by the hon. member for Winnipeg-Assiniboine (Mr. McKenzie). I answered it on April 28, and the answer given can be found on page 504 of *Hansard*.

It is evident that all people concerned readily admit that rail relocation for the city of Winnipeg is the ideal solution. It is highly desirable, and to the benefit of the city, to revitalize an area which has been troubled by the impact of the railway in that neighbourhood. I would point out to hon. members of the House that the Rail Relocation and Crossing Act does not compel the federal government to undertake rail relocation projects. Rather, it provides the mechanism whereby these projects can be undertaken and it permits the federal government to assist financially in these projects, if and when funding is available. These mechanisms and procedures would also establish if the economic benefits outweigh the costs involved.

The hon. member for Winnipeg-St. James (Mr. Keeper) asked if we had determined whether the economic benefits would not outweigh the costs involved. Really the onus to prove that point is on the applicant. The city of Winnipeg and the province of Manitoba have never agreed to file the prima facie case to prove their own priority rating of the proposed rail relocation. Until April of this year, the city and the province have simply indicated that they want a licence to proceed with the grade separation overpass at Sherbrook-McGregor. Then early in April of this year, sort of as a last ditch stand, council passed a motion that they would ask the federal government to proceed with rail relocation. They would allow the federal government to proceed with it. The province would put up one-sixth and the city would put up one-sixth, if the federal government would put up two-thirds. None of this is in accordance with the formula of a 50-50 sharing of the costs involved.

The previous NDP government did not want to file the prima facie case because it would only concur with the relocation of the yards and not the main line. The present provincial government has not indicated that it is prepared to participate in this rail relocation and does not eye it as much of a priority as the CN east yards or other developments in the city of Winnipeg.

Mr. Knowles: Where do you stand?

Mr. Bockstael: I am in favour of rail relocation.

[*Translation*]

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

Motion agreed to and the House adjourned at 10.28 p.m.

HOUSE OF COMMONS

Tuesday, May 13, 1980

The House met at 2 p.m.

● (1405)

ROUTINE PROCEEDINGS

[*English*]

HAZARDOUS SUBSTANCES

USE OF WINNIPEG AS SITE FOR TESTING TOXIC CHEMICALS—MOTION UNDER S.O. 43

Hon. Jake Epp (Provencher): Madam Speaker, I rise pursuant to Standing Order 43. In view of confirmation last evening that Winnipeg was used as the site of testing the most effective ways of distributing chemical and biological warfare agents, I move, seconded by the hon. member for Hillsborough (Mr. McMillan):

That the Government of Canada make public all details relating to this case, paying special regard to who conducted the tests, how often the tests were conducted, what chemical agents were used, and what steps have been and are being taken to determine whether any health hazards exist due to the program.

Madam Speaker: Such a motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

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THE MINISTRY

SUGGESTED EQUALITY OF SALARY AND ALLOWANCES WITH PRIVATE MEMBERS—MOTION UNDER S.O. 43

Hon. Bill Jarvis (Perth): Madam Speaker, I rise under Standing Order 43. I received today alone, some 16 pieces of mail from a variety of government departments, including the Department of National Defence, the Department of Employment and Immigration, the Department of Industry, Trade and Commerce, the Department of the Solicitor General, the Department of Supply and Services, the Department of Regional Economic Expansion, and the Department of Agriculture, all addressed to me as minister of state for federal-provincial relations.

In the absence of the appointment of such a minister by this government, I have felt compelled and, indeed, mandated to resume this responsibility. Therefore I move, seconded by the hon. member for South Shore (Mr. Crouse):

That in the interests of equity, uniformity and particularly cabinet solidarity, all cabinet ministers receive the same salary, expenses and other allowances and benefits that I presently receive.

Madam Speaker: This motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

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AGRICULTURE

PROPOSED INCREASE IN PRICE OF GRAIN CONSUMED DOMESTICALLY—MOTION UNDER S.O. 43

Mr. Len Gustafson (Assiniboia): Madam Speaker, I rise on a matter of urgent and pressing necessity under the provisions of Standing Order 43.

With regard to the rising costs of operation inflicted upon the farmers of Canada this spring in machine costs, repair costs and fertilizers, making the total costs of operation the highest in the history of farming in Canada, I move, seconded by the hon. member for Lisgar (Mr. Murta):

That the government increase immediately the domestic price of grain consumed in Canada by at least $1 a bushel, in order to meet this crisis.

Madam Speaker: Such a motion requires unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

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INDUSTRY

STEPS TO IMPROVE AILING AUTOMOTIVE INDUSTRY—MOTION UNDER S.O. 43

Mr. Otto Jelinek (Halton): Madam Speaker, I, too, rise under the provisions of Standing Order 43. In view of the fact that Chrysler Canada Limited announced a further lay-off of 1,400 employees just days after receiving a $200 million aid package from this government, thereby adding to the already swollen ranks of the unemployed within the industry, and because this government has shown to be completely ineffective, if not incompetent, in dealing with the massive lay-offs affecting not only Chrysler Canada but the industry as a whole, evidenced by the additional fact that the Canadian deficit in automobile trade with the United States rose to a

record $535.9 million in the first three months of this year, I move, seconded by the hon. member for Northumberland (Mr. Hees):

That this House bring the matter of the ailing automotive industry before the appropriate standing committee forthwith, in order that all parties concerned may have an opportunity to consider and deal with such suggestions as: temporarily removing the 9 per cent federal excise tax on North American-built vehicles, implementing quotas on foreign-built automobiles, and in general reviewing and improving the obsolete and inadequate auto pact.

Madam Speaker: Such a motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

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CANADA DAY

INTRODUCTION OF LEGISLATION TO DESIGNATE JULY 1—MOTION UNDER S.O. 43

Mr. Maurice A. Dionne (Northumberland-Miramichi): Madam Speaker, I rise, under the provisions of Standing Order 43, on a matter of urgent and pressing necessity.

In view of the fact that Canada has been a free and independent nation for 113 years, and that it is long past the time when we should be acting accordingly, I move, seconded by the hon. member for Laprairie (Mr. Deniger):

That this House directs that July 1 shall henceforth be known officially as Canada Day, and that the government urgently consider the necessity of introducing a bill to give Canada Day legal as well as symbolic status prior to Canada Day of this year.

Madam Speaker: Such a motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

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TRANSPORT

PROVINCIAL OWNERSHIP OF ARTHUR LAING BRIDGE IN BRITISH COLUMBIA—MOTION UNDER S.O. 43

Mr. Thomas Siddon (Richmond-South Delta): Madam Speaker, I rise, under the provisions of Standing Order 43, on a matter of urgent and pressing necessity.

In view of the fact that the federal government has prevented commuter vehicles from using the federally-owned, $23 million Arthur Laing Bridge between Richmond and Vancouver, B.C., even though airport-generated traffic amounts to only one-tenth of the bridge's capacity, and since the former Progressive Conservative minister of transport had expressed a willingness to negotiate transfer of this bridge to the province of British Columbia, which would be better able to work out a solution of the problem of shared-use by commuters, I move, seconded by the hon. member for Surrey-White Rock-North Delta (Mr. Friesen):

That this House direct the Minister of Transport to commence negotiations immediately with the province of British Columbia with the aim of transferring ownership of the Arthur Laing Bridge to the province, so that the bridge can be used in a more cost-effective way by the commuters of Richmond and Delta.

Madam Speaker: Such a motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

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● (1410)

VETERANS AFFAIRS

VETERANS' STATUS FOR MACKENZIE-PAPINEAU BATTALION—MOTION UNDER S.O. 43

Mr. Bob Rae (Broadview-Greenwood): Madam Speaker, I rise, under the provisions of Standing Order 43, to move, seconded by the hon. member for Winnipeg North Centre (Mr. Knowles):

That members of the Mackenzie-Papineau Battalion and other Canadians who fought with Spanish Republican forces in the Spanish civil war between 1936 and 1939 be given the status of veterans under federal legislation and be made eligible for veterans pensions and benefits.

Madam Speaker: Such a motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

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POLITICAL PARTIES

LEADER OF PROGRESSIVE CONSERVATIVE PARTY—MOTION UNDER S.O. 43

Mr. David Smith (Don Valley East): Madam Speaker, I rise, under the provisions of Standing Order 43, to move a motion of urgent and pressing necessity.

In view of the fact that the right hon. Leader of the Opposition (Mr. Clark) has chosen to go against the motion that this Parliament should act on its own to patriate the Canadian constitution, a motion that was moved by a fellow-Albertan of the Leader of the Opposition, the hon. member for Edmonton East (Mr. Yurko), and received the unanimous approval of this House, I move, seconded by the hon. member for Humber-Port au Port-St. Barbe (Mr. Tobin):

That the right hon. Leader of the Opposition advise this House and the people of Canada who speaks for the Conservative party in this House, the leader or the members of his caucus who approved this motion.

Madam Speaker: Such a motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

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METRICATION

PARLIAMENTARY DISCUSSION PRIOR TO CONVERSION TO METRIC SYSTEM—MOTION UNDER S.O. 43

Mr. Bill Domm (Peterborough): Madam Speaker, concerning the forced implementation of metrication on the retail food sector in Canada as of January 1, 1981, I rise on a matter of urgent and pressing necessity under the provisions of Standing Order 43.

In light of the admission by the Minister of State for Small Businesses (Mr. Lapointe) in this House on April 25 that no legislation on metrication has been passed by this House, and considering that several major food chains—including Loblaws, Dominion stores, IGA stores, Sunnybrook markets and Farmboy markets—have already announced their opposition to forced metrication, I move, seconded by the hon. member for Hamilton-Wentworth (Mr. Scott):

That conversion to the metric system in the Canadian retail food sector not take place until such time as there has been a full parliamentary discussion involving all segments of the retail food industry and all interested Canadian consumers.

Madam Speaker: Such a motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

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VETERANS AFFAIRS

RAISING OF BASIC RATE OF WAR DISABILITY PENSION TO FORMULA AGREED IN 1973—MOTION UNDER S.O. 43

Hon. Stanley Knowles (Winnipeg North Centre): Madam Speaker, under the provisions of Standing Order 43, and seconded by the hon. member for Broadview-Greenwood (Mr. Rae), I move:

That this House takes note of the continuing concern of veterans over the failure of the government to raise the basic rate of the war disability pension to the level of the formula agreed to in 1973, and calls on the Minister of Veterans Affairs to bring in the necessary legislation so that the said basic rate will be adjusted each year, without fail, to the average take-home pay of the five categories designated by Parliament in 1973, it being urgent that this be done without further delay.

Madam Speaker: Such a motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

TRANSPORT

STEPS TO REDUCE SHIP-BRIDGE COLLISIONS—MOTION UNDER S.O. 43

Mr. J. M. Forrestall (Dartmouth-Halifax East): Madam Speaker, lest there be any misunderstanding, the distinguished commoner for Yellowhead (Mr. Clark) speaks for my party.

Some hon. Members: Oh, oh!

An hon. Member: Give him a star on his report card.

Madam Speaker: Order, please. Will the hon. member please read his motion, and only that.

Mr. Forrestall: Madam Speaker, last week's very tragic accident in Tampa Bay, Florida, lends significant urgency to the need to reduce the possibility of further ship-bridge collisions. Given the large number of bridges in Canada which span busy national and international shipping lanes, and the high cost of minimizing the possibilities of potential further catastrophe in this area, I move, seconded by the hon. member for Halifax West (Mr. Crosby):

● (1415)

That this House direct the government to enter into detailed negotiations with the appropriate jurisdictions, with a view to devising an acceptable formula for the financing of pier-fendering and protection so that the risk of loss of life and prolonged traffic disruption, and other inconveniences, may be minimized and, hopefully, eliminated.

Madam Speaker: Such a motion may be presented with the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

ORAL QUESTION PERIOD

[*English*]

REGIONAL ECONOMIC EXPANSION

COST OF RELOCATING ELDORADO NUCLEAR, PARKS CANADA AND DVA

Right Hon. Joe Clark (Leader of the Opposition): Madam Speaker, my question is for the President of the Treasury Board, who will know that in recent weeks this government has indicated it does not have enough money for urban transit in Ontario, for full grain terminal development in Prince Rupert, rail relocation in Winnipeg, small craft harbours in Atlantic Canada, Sysco in Cape Breton, or for a variety of DREE projects across the country.

In light of that, could the minister inform the House the combined cost to the Government of Canada of relocating Eldorado Nuclear and Parks Canada, and of moving the DVA site in Charlottetown?

Hon. Donald J. Johnston (President of the Treasury Board): Madam Speaker, I am not sure of the relevance of the first part of the question as it was asked. The main estimates will be before committee and the right hon. gentleman will have ample opportunity to question the ministers in charge of those departments in the areas he has raised.

Mr. Clark: Madam Speaker, I can inform the minister, who should have known, that the combined cost of those three moves will be in excess of $50 million. The question I should now like to pose to the minister is whether the Government of Canada is considering moving other federal facilities to ridings held by Liberal ministers. If so, will he tell the House which facilities are intended to be moved, and at what cost?

Mr. Johnston: Madam Speaker, perhaps the right hon. gentleman would give us the answer to that question as well. I presume that the right hon. gentleman is referring to a program of decentralization which was a program of the previous Liberal administration, and has been confirmed where it is cost-effective and in keeping with the over-all efficient management of government resources.

Mr. Clark: What I am speaking of, Madam Speaker, is a program of Liberal patronage that so far has cost the taxpayers of Canada $50 million.

Some hon. Members: Hear, hear!

Mr. Clark: I want to know from the president of the pork-barrel; given a situation of high unemployment in this country, coupled with recent lay-offs at Sysco and with serious unemployment in the auto industry, will he assure the House that this practice of patronage—which has been evident with regard to Parks Canada, Eldorado and the movement of the DVA site within Charlottetown—by the Liberal Party of Canada will stop now and that, instead, priority will be given to helping people who are out of work in Sysco, helping people out of work in the auto industry and helping to get on with DREE projects across the country?

Mr. Johnston: Madam Speaker, in response to this charge of patronage, I would point out that one of the most significant announcements in recent weeks concerns the Vancouver trade centre. I am not aware that a Liberal represents that riding.

Some hon. Members: Hear, hear!

LOCATION OF NEW ELDORADO NUCLEAR PLANT

Hon. George Hees (Northumberland): Madam Speaker, I have a question for the Prime Minister. Ontario economic region No. 52, the area in which until recently it was planned to build a new Eldorado plant in southern Ontario, has an unemployment rate of 10.5 per cent, second only, in Ontario, to the Windsor area with 12.3 per cent which the federal government has just recently greatly assisted by bailing out the Chrysler Corporation.

• (1420)

Would the Prime Minister and his government now give serious reconsideration to moving this plant from an area with such high unemployment which desperately needs the jobs which the building of this new plant would provide?

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, of course, the unemployment rate in the hon. member's section of Ontario is one of concern to the government. He will recall that the Minister of Energy did comment on action taken in that area by local people, with the co-operation of the federal government, and said we would consider it. But the hon. member, in his fairness, would also realize that it does make sense to process natural resources in that part of the country where they are produced, when that is possible; and that northern Ontario particularly is a part of Ontario that needs to be developed.

Some hon. Members: Hear, hear!

Mr. Hees: A supplementary question, Madam Speaker. I think it is obvious that the economic arguments that have been attempted to be put up by the Prime Minister simply do not hold water. He knows that perfectly well. It is obvious that the answers given recently to the question—

Madam Speaker: Order, please. The question should be more obvious.

Some hon. Members: Oh, oh!

An hon. Member: We agree, Madam Speaker.

Some hon. Members: Hear, hear!

Mr. Hees: Madam Speaker, from the answer that was just given to me and to the Leader of the Opposition, is it not obvious that with this Prime Minister and with this government the pork-barrel takes precedence over people?

Mr. Trudeau: Madam Speaker, I want to point out that my argument was not only economic, it had to do with the whole philosophy of this government, that is, to help develop regions which are less developed. The hon. member knows that in Ontario most of the northerners feel they have not been given an opportunity to develop equal to that of people living along the Montreal-Toronto axis. It is on that basis that we took our decision.

Some hon. Members: Hear, hear!

Mr. Hees: Madam Speaker, would the Prime Minister not agree that an area that has the second highest unemployment rate in Ontario—the one I have just mentioned—deserves more attention at this time than any other region except the greater Windsor area?

Mr. Trudeau: Madam Speaker, I said in my first answer that, of course, an area where unemployment is high is the object of government policy such as Canada Works which attempts to bring employment to these various areas. But as a

long-term concern of this government we have been for the last ten years attempting to encourage the development of areas of generally slow growth.

That is the whole purpose of the Department of Regional Economic Expansion, and it is on that basis that we have sought to bring to northern Ontario an industry which is based on the extraction of natural resources in northern Ontario.

INTRODUCTION OF UPDATED TRANSITIONAL ASSISTANCE BENEFITS PROGRAM

Mr. Edward Broadbent (Oshawa): Madam Speaker, we will see how broadly based the government's concern is with people. I have a question for the Minister of Industry, Trade and Commerce. The minister knows that over 5,000 Chrysler employees are now out of work. He also knows that there were an additional 650 lay-offs announced yesterday, and that an Ontario minister said late yesterday that 2,500 more are anticipated later this year.

Since the government has now come to the assistance of the Chrysler Corporation, and since the total number of workers directly affected by lay-offs now in the automotive industry is about 35,000, could the minister tell us, at long last, when the government is going to bring in an updated TAB program to provide assistance to the workers and their families?

Hon. Herb Gray (Minister of Industry, Trade and Commerce): Madam Speaker, this matter is being actively worked on by the Minister of Employment and Immigration. I should also like to inform the House that Chrysler announced yesterday that, while there were to be further lay-offs at Windsor, it was also adding a second shift to the van plant, providing a further 800 jobs on June 2, and at about that time a further 200 jobs at the car assembly plant.

● (1425)

Mr. Broadbent: Madam Speaker, that is about the fourth time the minister has told the House that the government is actively working on the problem, while some 35,000 Canadian workers are collecting unemployment insurance. Indeed, many of them do not have anything to collect at all. Can the minister give us a clear, definite date when the government is going to announce its assistance program for these workers who badly need it?

Mr. Gray: Madam Speaker, I hope it will be possible for a final decision on this matter to be made soon. I regret I cannot yet announce a date for any such decision to be made public. However, I remind the House that the Minister of Employment and Immigration has used the authority he has under the existing law to trigger extended unemployment insurance benefits in the Windsor area, in particular.

This will enable those who were laid off, in large measure—although not all, I agree—to have benefits over a longer period of time than would otherwise have been the case. During this extended period, it will be easier for us to give due consideration and to make the right kind of decision on this whole issue of additional benefits.

Mr. Broadbent: Madam Speaker, I remind the minister that the workers laid off are also in the cities of Toronto, Oakville, St. Catharines, Oshawa, Brampton—other than Windsor. Windsor is important, but all the workers in this industry surely have to be taken into account.

Finally, can he explain to the House why the Government of Canada is providing proportionately more money in financial assistance to the Chrysler Corporation than is the government of the United States? Why was the government of the United States able to get a better deal for its taxpayers in coming to the assistance of that corporation than was the Government of Canada?

Mr. Gray: Madam Speaker, I first want to remind the hon. member that we are not providing money to Chrysler Canada: we are undertaking, if certain commitments are made, to put in place loan guarantees starting only in 1982. While the amount of loan guarantees that we have agreed to is somewhat above strict proportionality, it is in recognition of the fact that Chrysler Canada has a much greater impact on the Canadian economy than the parent company does in the United States. Its failure in Canada would have a correspondingly greater adverse impact on the economy and on at least 40,000 Canadian workers.

I felt, and cabinet agreed, that to have slightly more than strict proportionality was in the interests of the Canadian economy and Canadian workers generally all across the country. I am sorry that my hon. friend, in spite of his earlier protestations about wanting to help the workers, does not agree with this obvious point.

Some hon. Members: Hear, hear!

RELOCATION OF DVA SITE IN CHARLOTTETOWN

Mr. Tom McMillan (Hillsborough): Madam Speaker, my question is to the President of the Treasury Board. In view of the fact that the federal government has a binding legal agreement with the province of Prince Edward Island, through the Charlottetown Area Development Corporation, to locate the Department of Veterans Affairs at the Charlottetown waterfront, and in view of the fact that the federal government has unilaterally changed the site from the waterfront to the centre of the city without consulting the province of Prince Edward Island and without consulting even the city of Charlottetown, my question to the President of the Treasury Board is, does the federal government intend to impose its choice of site on the people of Prince Edward Island, and does it intend also simply to ignore its obligations under a binding legal agreement to the people of Prince Edward Island?

Hon. Donald J. Johnston (President of the Treasury Board): Madam Speaker, as the hon. member undoubtedly knows, Treasury Board has very little to do with site selection.

But I will take his representation into consideration and look into the matter on his behalf.

Mr. McMillan: Madam Speaker, my supplementary is also directed to the President of the Treasury Board, alias "the pork-barrel".

Some hon. Members: Oh, oh!

Mr. McMillan: The site in Charlottetown favoured by the federal government for the Department of Veterans Affairs would cost the treasury over half a million dollars more than the site favoured by the province of Prince Edward Island. The federal government's choice of site would cause huge traffic and parking problems in the city of Charlottetown, according to the mayor of that city.

● (1430)

Will the minister confirm that the real reason for the change of site was pressure from a small group of the city's businessmen who own much of the real estate near the proposed central core site, who are bagmen for the minister's party—

Some hon. Members: Oh, oh!

Mr. McMillan: —and who therefore stand to gain from the change of site, in terms of real estate, against the public interest?

Some hon. Members: Oh, oh!

An hon. Member: Answer that question.

Madam Speaker: Order, please. Will the hon. member now formulate a very short question?

Mr. McMillan: Will the minister confirm to the House, and through this House to the people of Prince Edward Island, that the real reason for the change of site by the Department of Veterans Affairs from the waterfront in Charlottetown to the central core of the city was not cost or any other such consideration but, rather, favouritism toward bagmen of his own party on Prince Edward Island?

Some hon. Members: Oh, oh!

An hon. Member: Another pork-barreller.

Madam Speaker: Order, please.

Hon. Paul J. Cosgrove (Minister of Public Works): Madam Speaker, I should like to take this opportunity to advise you, the hon. member and all hon. members of the House that it was on the advice of my ministry's officials that the site selection, on the basis of cost implications and the total desirability of the site location, was made.

Indeed, it was the advice of my department's officials and my advice to the minister of the user department that those were the reasons—which are contrary to the conclusions, the information and allegations given to us by the hon. member—the site was chosen. It was the least expensive site that was chosen, and it was a better site for the people in the area—

Some hon. Members: That is not true.

Mr. Cosgrove: —and it is one that the officials say is better in view of all these qualifications.

Some hon. Members: Oh, oh!

* * *

HAZARDOUS SUBSTANCES

CALL FOR PUBLIC INQUIRY INTO TESTING OF TOXIC CHEMICALS IN MANITOBA

Mr. Terry Sargeant (Selkirk-Interlake): Madam Speaker, my question is for the right hon. Prime Minister. In light of the fact that it has now been confirmed that not only the citizens of Winnipeg, but also the citizens of the Stony Mountain area in Manitoba were the unwitting guinea-pigs for chemical and biological warfare testing in June of 1953, in light of the fact that civic officials in Winnipeg were misled concerning the purpose of aerosol testing and, further, in light of the fact that the chemical compound used in the testing is indeed harmful to health, will the Prime Minister assure the House that his government will establish a full-scale public inquiry into the nature and extent of chemical and biological warfare testing in Canada?

Mrs. Ursula Appolloni (Parliamentary Secretary to Minister of National Defence): Madam Speaker, I thank the hon. member for having raised this matter again, thus giving me a chance to assure him and all members of the House that the Department of National Defence, as promised, is indeed taking a careful and thorough look at this whole matter. However, I should like also to caution the hon. member and all members of the House against paying undue attention to sensational reporting, the effects of which can only cause needless and cruel fear.

Some hon. Members: Oh, oh!

Mr. Sargeant: I will try to direct my next question to the right hon. Prime Minister. The important issue here is not whether the chemical and biological warfare tests took place unbeknown to the public in 1953, but whether such tests are still being carried out in secret. I should like to repeat my question.

Some hon. Members: Order.

Mr. Sargeant: Would the Prime Minister tell us when the last test took place, and when and where other such tests were carried out?

Mrs. Appolloni: Madam Speaker, may I answer this question also? Far from being held in secret, it now appears that there were at least two reports of those tests at the same time, one of which was just to ask about the feasibility of the reports

and the other reporting a very angry letter from a member of the Canadian communist party at the time. Therefore, to imply that these tests were held in secret is wrong.

Some hon. Members: Hear, hear!

Hon. Jake Epp (Provencher): Madam Speaker, I should like to direct my question to the right hon. Prime Minister. It appears from the answers of the parliamentary secretary today that the Department of National Defence is still conducting tests. How could she have said yesterday, when referring to this incident and speaking for the government, that these tests were not harmful to human life, if today the details are such that we do not know what the tests contained?

I should like to ask the Prime Minister, as well, by whose request these tests were conducted: were they requested by Canadian authorities or by U.S. authorities, and who authorized these tests?

Mrs. Appolloni: Because of the last few remarks of the hon. member, I am tempted to feel that there is some sexist bias in the House.

Some hon. Members: Oh, oh!

Mrs. Appolloni: If that is the case, Madam Speaker, I should like to remind hon. members that another lady in history, a little before my time, made quite a splash in her national defence at the time of the Spanish armada.

Some hon. Members: Hear, hear!

Mrs. Appolloni: By a strange coincidence, she also had red hair.

Some hon. Members: Oh, oh!

Mrs. Appolloni: In answer to the hon. member for Provencher, I repeat what I said yesterday. Unfortunately, it appears that pharmacologists, perhaps just as much as economists, do not always agree with each other. The report that we have so far at the Department of National Defence is that, in effect, this substance was not harmful to human life. I repeat, studies are still under way, because my department is nothing if not thorough.

Some hon. Members: Hear, hear!

Mr. Epp: Madam Speaker, I want to indicate to the parliamentary secretary that I am trying to get information and I have no interest in sexist bias which she has charged. I should like to ask, further, whether the Government of Canada has responded to the telex from the minister of the environment for the province of Manitoba in which he asked for full details to be sent to him immediately they become known to the department.

An hon. Member: That is what we always do.

Mr. Epp: We are in the habit of talking to the provinces, though you might not be.

Some hon. Members: Hear, hear!

Mr. Epp: I should like to ask whether the parliamentary secretary or officials of the department have responded to the minister of the environment for Manitoba. Further, can the parliamentary secretary tell us whether any other Canadian cities were used for tests? Finally, could she tell us when this information will be made available, in view of the requests she has had from the province of Manitoba?

Mrs. Appolloni: Madam Speaker, instead of just speaking to the people of Winnipeg or any other part of Manitoba, I think we on this side prefer to assure them that there is no great danger, so as not to have them worried as they are.

The second point I should like to make, Madam Speaker, is that these tests took place some 27 years ago. Many of the people who were alive at that time have since retired or, unfortunately—

Some hon. Members: Are dead.

An hon. Member: Say it.

Some hon. Members: Oh, oh!

Mrs. Appolloni: If the opposition really wants to get some facts, they have to listen; I am sorry. Many of the people—

Some hon. Members: Oh, oh!

Madam Speaker: Order, please.

Mrs. Appolloni: —involved in the tests at that time have since retired or, unfortunately, for other reasons, have passed away.

Some hon. Members: Oh, oh!

• (1440)

Mrs. Appolloni: It is a sad commentary on life that we all have to go somehow.

Some hon. Members: Oh, oh!

Madam Speaker: Order, please.

Mrs. Appolloni: Under all these circumstances, I think the fact that my department was able to respond so quickly yesterday was yet another proof of the tremendous vitality, speed and efficiency of the Department of National Defence.

Some hon. Members: Hear, hear!

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PARKS CANADA

CANCELLATION OF PROPOSED RELOCATION OF REGIONAL OFFICE FROM CORNWALL TO PETERBOROUGH

Mr. Bill Domm (Peterborough): Madam Speaker, my question is to the Minister of the Environment. If the cancellation

of the transfer of the Parks Canada regional office from Cornwall to Peterborough is not crass politics and pork-barrelling, and if the shift of the office to the riding of a Liberal cabinet minister in Cornwall is not barnyard politics of the worst kind, would the minister please explain to this House why a former Liberal cabinet minister, the hon. member for London West, announced the move from Cornwall in 1975 and why the entire Liberal cabinet confirmed this transfer of Parks Canada in 1977?

Would he also advise this House why a former cabinet minister from Peterborough announced the move in 1978? Would the minister please advise this House what factors have changed the government's position and decision on the move of Parks Canada from Cornwall to Peterborough, other than the fact that the Liberals lost the Peterborough riding?

Some hon. Members: Hear, hear!

Hon. John Roberts (Minister of State for Science and Technology and Minister of the Environment): Madam Speaker, the answer to the first three questions of the hon. member is simply no, it was none of those three things. I explained to him and to the House the basis on which we took that decision. It was his government which took the final deferral.

Some hon. Members: No.

Mr. Roberts: It was the result of the consequences of that action on the interests and morale of the workers that I reassessed it and came to the conclusion that the interests of the workers of Parks Canada would be best served by rescinding the original decision which had been taken before his government came to deal with the problem.

An hon. Member: Not true.

Mr. Roberts: We have gone over these matters in the House a multiple number of times. I have explained the situation clearly. The hon. gentleman can continue to rise and try to stir up emotions about a very difficult issue, but the facts underlying the decision have been presented to him. I wish he would have the good grace to acknowledge that the decision is taken, and understand the reasons for which it is presented.

An hon. Member: Pork-barrel.

Mr. Domm: Madam Speaker, the reason I keep rising on the subject of Parks Canada is that the decision has been taken so many times. I would like to address my supplementary question to the President of the Treasury Board: it also deals with the Parks Canada move.

In view of the fact that the Government of Canada is going to pick up the tab to move the Parks Canada families back to Cornwall from Peterborough, as well as the costs incurred in the leasing arrangements for the downtown section of Peterborough on a five-year undertaking, would the President of the Treasury Board advise this House how much that costs the taxpayers of Canada?

Second, will he also advise this House what assistance the government intends to offer the evicted tenants from the downtown section of Peterborough as it lays waste 40,000 square feet of office space? The government evicted the tenants in order to make room for Parks Canada, which it has decided now to move to a Liberal cabinet minister's riding.

Hon. Donald J. Johnston (President of the Treasury Board): Madam Speaker, one of the reasons Treasury Board supported leaving Parks Canada in Cornwall is that it is cheaper. It will cost the taxpayers less money to leave Parks Canada in Cornwall than to continue with the move to Peterborough which had been planned.

If I may, I would like to point out to the hon. gentleman, whose question is placed in a broader context, that I was delighted to learn that the Minister of State for Mines received a congratulatory letter from the Progressive Conservative riding association of Algoma for her efforts in ensuring that Eldorado is located at Blind River.

Some hon. Members: Hear, hear!

Mr. Clark: Her efforts?

Mr. Johnston: So much, Madam Speaker, for the pork-barrel.

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UNFAIR LABOUR PRACTICES

ANTI-UNION PRACTICES OF CHARTERED BANKS—CALL FOR INVESTIGATION

Mr. Sid Parker (Kootenay East-Revelstoke): Madam Speaker, my question is directed to the Minister of Labour. As the minister is no doubt aware, the Canadian Advisory Council on the Status of Women has just recommended that the federal government initiate an investigation of the anti-union practices of Canada's chartered banks. Can the minister confirm that this investigation will indeed take place and, if so, when it will begin and what will be its terms of reference?

Hon. Gerald Regan (Minister of Labour): Madam Speaker, I thank the hon. member for his question. He will, of course, be aware that I am not responsible for the status of women and that that responsibility falls under another minister.

In relation to unfair labour practices, if complaints are filed then, of course, my department will take cognizance of them and take the appropriate steps.

Mr. Parker: Madam Speaker, that reply is not adequate. In light of the fact that three-quarters of the workers in Canada's banking industry are women, and this government has given lip-service to women's issues in the throne speech, will the minister state here and now when he intends to proceed with this investigation?

Mr. Regan: Madam Speaker, I deeply regret that my initial answer was not satisfactory to the hon. member. I shall strive

strenuously to give him answers which will satisfy him more fully in the future. However, I have not been contacted on the matter he brings to my attention.

In relation to the question of the organization of the banks, the hon. member will be aware of the fact that the Canada Labour Relations Board made a ruling which was very helpful to organization and which allowed each individual branch to be organized rather than having the necessity to organize the entire system. In that regard, extensive efforts toward organization have been undertaken. Some of them have been successful. In some instances there have been difficulties in achieving first agreements.

The hon. member will be aware that the question of six branches of the Royal Bank in the Saguenay area is at the present time before the Canada Labour Relations Board. There is an inquiry into the dispute under the legislation passed by the former progressive Liberal government.

Some hon. Members: Oh, oh!

Mr. Regan: That board has the power, if advisable, to settle the terms and conditions of first collective agreements. In that instance, the question is under consideration at the present time.

Some hon. Members: Hear, hear!

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PARKS CANADA

COST OF RETAINING REGIONAL OFFICE IN CORNWALL

Hon. John A. Fraser (Vancouver South): Madam Speaker, my supplementary question is to the President of the Treasury Board. Just a moment ago the minister said the reason he had gone along with retaining Parks Canada in Cornwall was that it would cost less. I am sure the minister would not want to mislead this House intentionally.

Is that the information he received from the Department of the Environment, and Parks Canada itself? If it is, there was a sudden change in the information available to ministers between the time I made the decision last summer to move on economic grounds and the decision the President of the Treasury Board made the other day.

An hon. Member: Get your act together.

Hon. Donald J. Johnston (President of the Treasury Board): Madam Speaker, my act is very much together. I am relying on the information which I had developed for me by my officials with respect to the cost of cancelling the lease, relocating the employees back in Cornwall and ensuring that they will be well taken care of, as indicated by the Minister of the Environment in his press release of, I believe, two weeks ago.

● (1450)

[*Translation*]

INDUSTRY

CHRYSLER CANADA—USE OF FUNDS GUARANTEED BY GOVERNMENT

Hon. Roch La Salle (Joliette): Madam Speaker, my question is directed to the Minister of Industry, Trade and Commerce. Having followed with great interest the negotiations of the minister with Chrysler Canada, and being personally pleased with the decision he has taken to provide federal aid equivalent to an investment of $1 billion till 1985, is the minister in a position to tell the House or to make public the proposal or recommendations made by his Quebec counterparts about the purposes for which part of that $1 billion would be used before 1985?

Hon. Herb Gray (Minister of Industry, Trade and Commerce): Madam Speaker, I do appreciate that the hon. member for Joliette acknowledges the fact that we have concluded a satisfactory arrangement with Chrysler Corporation. Perhaps he knows quite well that the arrangement will enable them to maintain at least 6,000 jobs in Quebec. According to our information, the Quebec government wrote to former industry minister de Cotret stating that in its opinion it would be a good idea to have guaranteed loans and to restore jobs in circumstances such as those related to Chrysler Corporation in Canada.

Mr. La Salle: Madam Speaker, I was well aware that the decision of the minister could save a number of jobs in Quebec as well as elsewhere in Canada. Now, with regard to that $1 billion investment I wanted to know whether the minister can tell the House if it will create a surplus number of jobs. In light of the answer of the minister, I understand that his cabinet or caucus colleagues did not make any recommendations; therefore, as a member from Quebec, and on behalf of all my hon. colleagues, may I be allowed to ask the minister to look seriously into the possibility of using part of that $1 billion in the province of Quebec, where it would be highly appreciated at this point in time?

Mr. Gray: Madam Speaker, that $1 billion will be spent on new equipment for the Chrysler plants in Canada. That is exactly what the Quebec government suggested, that if the federal government gave any assistance to Chrysler it should be to renew its plant equipment. That is exactly what the agreement which we signed with Chrysler stipulates. Through that agreement, I want to repeat, we have saved at least 6,000 jobs in the province of Quebec.

[*English*]

NATIONAL UNITY

TRANSPORT POLICIES—CONTRIBUTION TO WESTERN ALIENATION

Mr. Stan J. Hovdebo (Prince Albert): Madam Speaker, I have a question for the Minister of Transport. In the context of the Quebec referendum debate that this House has been hearing so much about in the last few days, I should like to ask the Minister of Transport if he is aware that a distinct sense of western alienation lies behind such western separatist political movements as the Saskatchewan Unionist Party, a party dedicated to the break-up of Canada just as surely as the Parti Québécois is dedicated to the ending of confederation.

Is the minister aware that his government's transport policies are contributing greatly to western alienation? Would he give an undertaking to end branch line abandonment, as his government's positive, tangible gesture toward the strengthening of confederation?

Hon. Jean-Luc Pepin (Minister of Transport): Madam Speaker, I was not aware of that. Indeed, I thought the happy solution of the Prince Rupert terminal question and the negotiations which took place in Vancouver last week on the subject of coal development would enhance the reputation of the Minister of Transport in these matters.

Some hon. Members: Oh, oh!

Mr. Pepin: With respect to branch line abandonment—not having made any particular decision yet—whatever conclusion has been reached would be, at the least, premature.

Mr. Hovdebo: Madam Speaker, I have a supplementary question for the Minister of Transport. Could I ask the minister if he accepts the premise of several major farm organizations, including the Saskatchewan Wheat Pool, that there be guaranteed rail service on any line which the elevator companies will agree to keep serving?

Will the minister demonstrate his government's willingness to act in the interests of efficiency and in accordance with the expressed wished of grain producers in the west by guaranteeing this service?

Mr. Pepin: Madam Speaker, I do not know how I can answer this question in one sentence, but I will try.

Mr. Hnatyshyn: Say "yes".

Mr. Pepin: The subject of the rehabilitation of branch lines is one that is dear to everybody's heart. But in doing so, some priority has to be established, and I think everybody would agree to that. When the basic network system was established, I think in 1975, about 60 of the branch lines were identified as being part of that system. We are now up, by a number of additions, to 82 per cent of the branch lines. So to my simple mind, as a thinker on these matters, if one identifies all branch lines to be retained, one abandons the priority system and destroys the very principle which is at stake.

REGIONAL ECONOMIC DEVELOPMENT

RELOCATION OF ELDORADO NUCLEAR—COMPENSATION FOR COSTS INCURRED

Hon. Ray Hnatyshyn (Saskatoon West): Madam Speaker, my question is directed to the President of the Treasury Board. With respect to the announced move of the Eldorado refinery from Port Hope to northern Ontario, I should like to ask the President of the Treasury Board whether or not the government's policy is to compensate Eldorado with respect to the very substantial extra costs that are involved in this move, so that their balance-sheet will not reflect the additional increase and they will remain competitive in terms of international markets and, in fact, in their operations in the sale of uranium and uranium products.

Hon. Donald J. Johnston (President of the Treasury Board): Madam Speaker, I have no advice that anything will be done which would prejudice Eldorado in terms of its commercial liability, as the hon. member suggests.

An hon. Member: It is costing money.

Mr. Hnatyshyn: Madam Speaker, therefore, can the minister advise the House whether or not, in his thorough investigation before giving his support and approval to these moves—which I am sure he must have done—he consulted with the board of directors of Eldorado, or whether they were left out in the cold and are now feeling very concerned because they have not been brought into this particular decision and it is, in fact, contrary to their recommendation?

Did the President of the Treasury Board, in the performance of his duties, in fact consult with the board of directors who were given the mandate to carry out the responsibility of policy with respect to that company?

Mr. Johnston: Madam Speaker, I should like to point out to the hon. member that Eldorado reports to the Minister of Energy, Mines and Resources and not to the President of the Treasury Board.

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FINANCE

CAPITAL GAINS TAX—EFFECT ON INVESTMENT—REFERENCE TO COMMITTEE

Mr. Don Blenkarn (Mississauga South): Madam Speaker, my question is directed to the President of the Treasury Board. The minister stated in an interview in the *Toronto Star* on October 18, 1979, that the tax on capital gains has stifled investment in many sectors and frozen assets in others.

In view of the study that the Minister of Finance is allegedly having into capital gains, I wonder if the minister could indicate to this House what input he is having in that study.

Hon. Donald J. Johnston (President of the Treasury Board): Madam Speaker, if the Minister of Finance is con-

ducting such a study, I will look forward very much to receiving the results.

Mr. Clark: If?

Mr. Blenkarn: Madam Speaker, my supplementary question is, of course, directed to the Minister of Finance. The "if" involved makes it interesting.

The Minister of Finance has said that he has a study on capital gains. Would he refer that study to the Standing Committee on Finance, Trade and Economic Affairs? Will he allow the President of the Treasury Board, who wrote a book on "Fiscalamity", the disaster of capital gains, how it was hurting business, causing inflation, and so on—

Some hon. Members: Question.

Mr. Blenkarn: —to appear before that committee?

Mr. Hees: With his book under his arm.

Hon. Allan J. MacEachen (Deputy Prime Minister and Minister of Finance): Madam Speaker, I can remove the "if" from the hon. member's question and advise him that there is a study under way on the subject of capital gains. As I recollect, it was begun by my predecessor and was, therefore, well-launched. When it is completed, I will consider whether to send it to the committee. It sounds like a good idea.

* * *

PUBLIC WORKS

COST OF RELOCATING DVA OFFICES IN CHARLOTTETOWN

Hon. Sinclair Stevens (York-Peel): Madam Speaker, I would address my question to the Minister of Public Works. In his reply to an earlier question, he indicated that the move in Charlottetown of the DVA proposed building from the waterfront to the downtown area would cost less money.

As that is contrary to information available to us, would the minister table in the House his figures to show why the move would save money? If he cannot do that, would he withdraw the statement and admit his error?

Some hon. Members: Hear, hear!

Hon. Paul J. Cosgrove (Minister of Public Works): Madam Speaker, as I indicated, the decision was made on advice received by officials of the Department of Public Works.

An hon. Member: Table it.

Mr. Cosgrove: Yes, I will table the information in order to make it available to the hon. member who asked the question, and to members of the House.

• (1500)

PARKS CANADA

DEFERRAL OF MOVE TO PETERBOROUGH

Hon. Sinclair Stevens (York-Peel): Madam Speaker, my supplementary question is directed to the President of the Treasury Board and it centres on similar questions to that member of the cabinet earlier in the question period.

In response to a question, the President of the Treasury Board indicated that it was the Clark government which had decided not to defer the move to Peterborough of the Parks Canada office. Would the President of the Treasury Board confirm if that is correct and, if so, would he explain why that is inconsistent with what the Minister of State for Science and Technology and Minister of the Environment said, that in effect it was our decision to defer the move? Who is correct?

Hon. John Roberts (Minister of State for Science and Technology and Minister of the Environment): Madam Speaker, I might refer the hon. member to *Hansard* of last night where he will see the answer to that question presented by the parliamentary secretary in response to a question on the "late show".

* * *

PRIVILEGE

MR. DOMM—RELOCATION OF PARKS CANADA OFFICE—STATEMENT MADE BY PARLIAMENTARY SECRETARY IN ADJOURNMENT DEBATE

Mr. Bill Domm (Peterborough): Madam Speaker, I wish to raise a question of privilege respecting statements made last night in the House by the Parliamentary Secretary to the Minister of State for Science and Technology and Minister of the Environment (Mr. Simmons). The hon. member made a specific assertion about a statement I made on August 3, 1979, which is completely untrue in its description of that statement, and anyone in the House will verify that.

I should like to read the statement, and it was referred to just a moment ago by an hon. member on this side of the House. Last night in the House of Commons during the late show the parliamentary secretary to the minister stated:

—I am aware—

He was referring to myself.

Madam Speaker: Order, please. I think we will require a bit more silence in the House so we can hear what the hon. member has to say.

Mr. Domm: I can understand, Madam Speaker, why they prefer not to listen.

The parliamentary secretary to the minister stated:

—it was the administration of which he was a part—

He was referring to myself.

—which deferred the move for ten whole months—

Continuing to quote the parliamentary secretary:

If the hon. member says it is not true, I would remind him of one other fact which he did not bother to tell his constituents in his convenient selection of truths: the announcement to defer made on August 3, 1979, was made by none other than the hon. member for Peterborough himself. The man who now wants to get on the side of right and justice is the man who announced the deferral last August.

In making my case for the question of privilege, Madam Speaker, I would cite three of the several statements by your predecessor which clearly establish that a member has a right to refute untrue statements made concerning him and which establish that privilege is involved if an hon. member has deliberately misled the House. I would cite the ruling of November 15, 1978, at page 1153 of *Hansard*. The Speaker at that time stated:

Order, please. I have given the hon. member the floor . . . .The Minister of State for Urban Affairs (Mr. Ouellet) described the position of the hon. member for Rosedale (Mr. Crombie) to the House. If he has been inaccurate in describing that position, the hon. member for Rosedale has the opportunity to say so—

Then on another question of privilege on the same day the Speaker at that time said, as reported at page 1159:

The procedural case is quite simple. Unless I am able to find a deliberate attempt to mislead, I cannot find a question of privilege.

I would like to point out unequivocally that this House has been intentionally or unintentionally misled by the government, both through remarks made last night during the "late show" debate and in this House during the question period today by the Minister of State for Science and Technology and Minister of the Environment (Mr. Roberts), and by the President of the Treasury Board (Mr. Johnston). They stated two things: First, that it was cheaper to keep Parks Canada in Cornwall than in Peterborough, and that is untrue; and, secondly, that it was the member for Peterborough, that is myself, who cancelled the move, or deferred the move for ten months. I would remind members opposite that we were not in office for ten months so we could not have deferred it that long.

In reality, what happened was that this government was sworn in on June 4. We implemented this proposal with Treasury Board approval in August of the same year. We notified the employees shortly thereafter that the move was a reality, and they confirmed the receipt of that notification and acceptance of it overwhelmingly.

This lobbying has created one of the most blatant cases of pork-barrelling, the like of which I have never seen before. I am sure that hon. members tend to discredit my position as a member of Parliament representing my constituents of Peterborough with untruths, statements unfounded by fact, not in accordance with the position of their own party, yet the minister stood up in the House today to say in respect of the statements made by the hon. member for Peterborough that no, they are not true.

I would remind this House that it was the Hon. Hugh Faulkner, a former minister of the environment, who put Parks Canada in place in Peterborough. It was the Hon. Judd Buchanan who first recognized it, and it was the cabinet of the Liberal government of the Thirtieth Parliament that enacted legislation and informed employees that every move of Parks Canada to Cornwall was temporary. That notice was on the wall when the employees accepted jobs in Cornwall, and they accepted their jobs on that basis.

In reality, what has happened here is that I have been discredited as a member of Parliament representing my constituents in Peterborough. There has been a complete disregard for parliamentary procedure. Questions have been ignored in the House and the members on this side of the House, whose duty it is to question the government on the decisions it makes, have been abandoned, ignored, given false answers and told untruths.

I expect that this House will give favourable consideration to the view of a backbencher who feels that he is accused of telling his constituents not all the truth, as stated in *Hansard* of last night by the parliamentary secretary, who said it is cheaper to keep Parks Canada in Cornwall, which is not true; as when the President of the Treasury Board stands up and says it was our decision to defer the question for that period of time, and when the parliamentary secretary to the minister says it was the hon. member for Peterborough who decided to defer the move.

In reality, it was their own government, their own ministers, their own cabinet, including the President of the Treasury Board and the Minister of State for Science and Technology and Minister of the Environment, who put it in place. All we did as the government, not to take credit, was to endorse their recommendation. If they continue to discredit backbenchers in the House, members of the opposition, as they are doing, then I suggest that our system of government is in serious likelihood of deteriorating to the point where the constituents of Canada will lose faith in our parliamentary process.

I would like to move:

That the statement of the Parliamentary Secretary to the Minister of Science and Technology and Minister of the Environment during the adjournment debate on Monday, May 12, 1980, in which, knowingly or unknowingly, he made statements which were the reverse of the truth, namely, that the hon. member for Peterborough announced on August 3, 1979, that the Parks Canada move to Peterborough would be deferred, when in fact the announcement on that date confirmed that the move would take place, be referred to the Standing Committee on Privileges and Elections.

Hon. John A. Fraser (Vancouver South): Madam Speaker, rising again to speak on the question of privilege raised by the hon. member for Peterborough (Mr. Domm) regarding the move of Parks Canada from Cornwall to Peterborough, I want to advise the House of this fact. The move was announced last summer by the Conservative government, by myself jointly with the hon. member for Peterborough. It was not a deferral, it was a decision which was made by a government of this country. The statement of the Parliamentary Secretary to the Minister of State for Science and Technology and Minister of the Environment (Mr. Simmons) is made mischievously, or out of ignorance, or out of deceit. As he speaks for the Minister of the Environment (Mr. Roberts) then I am sorry to say this, Madam Speaker, but the Minister of the Environment is, for one reason or another, clearly misleading this House.

● (1510)

An hon. Member: Withdraw.

Some hon. Members: Oh, oh!

Madam Speaker: Order, please. I am sure the hon. member knows that he cannot use those words. They are considered to be unparliamentary, and I am sure that the hon. member can find other ways of saying what he has to say either to the minister or to his parliamentary secretary.

Mr. Fraser: Madam Speaker, what I said that you find obnoxious was that "for one reason or the other, the minister is misleading the House." Earlier I said that this was being done out of mischievousness or ignorance or deceit. If Madam Speaker decides that "for one reason or another" includes deceit then, of course, I will abide by the rules of this honourable House and withdraw them.

I will say this, that what has been said by the parliamentary secretary and by the President of the Treasury Board (Mr. Johnston) this afternoon is just not the case. If that is not misleading the House, then I do not know what is. It may have been unintentional and I will give the hon. members the benefit of the doubt, which is more perhaps than the rest of the House will give them. But I want it very clearly understood by all hon. members, including those on the government side, that the move was contentious because the hon. member from Cornwall who is now the Minister of State for Trade (Mr. Lumley) did not want the move to go ahead. It has been well known for a long time, because during the life of the Liberal government before our Conservative government the hon. member from Cornwall made representations to the effect that he did not want the move to go ahead.

I must tell the House, through you, Madam Speaker, that on the information given to me as minister in the last Parliament it was clearly cost advantageous—

Mr. Harquail: A point of order, Madam Speaker.

An hon. Member: This is a question of privilege.

An hon. Member: Sit down.

Madam Speaker: Order, please. The hon. member may have the floor later, but for now I have given the floor to the hon. member for Vancouver South (Mr. Fraser).

Mr. Fraser: I am telling the House, through you, Madam Speaker, that on the information that was given to me by my officials it was clearly cost advantageous to the public interest to make that move. I am also telling the House that hon. members opposite, who formed the Liberal government just prior to our government, ought to know very clearly that it was the same advice that was given to their minister. The information, if I can call it that, or the representations made last night by the Parliamentary Secretary to the Minister of the Environment, are clearly not true.

Let me repeat, Madam Speaker, that the decision to go ahead with the move was made last summer. There were representations brought to me and I listened to those representations. They were brought to me by the hon. member from Cornwall and by people from the town of Cornwall. After listening to these people, I made it clear to them at the turn of the year that I saw no need to change the decision which I had made last summer.

The suggestion that is being made here by the parliamentary secretary, speaking on behalf of the Minister of the Environment, is just not so. The decision was made and that decision was confirmed later, after I had received, as the then minister of the environment, certain representations from people of the town of Cornwall. These people were entitled to demand that I listen to what they had to say, but I made it clear at the meeting that anything they had to say was taken as representations, and I confirmed that I was not changing my mind.

The Minister of State for Trade has a copy of my letter which makes that point clear and which was made public at the time. The suggestion made by the parliamentary secretary about the hon. member for Peterborough is clearly not correct. No member of this House should have to take those kinds of statements made on behalf of the minister without your intervention, Madam Speaker.

I want to add one other thing. The President of the Treasury Board said a few minutes ago that his officials had advised him that there was a cost advantage in keeping Parks Canada in Cornwall. I repeat, if that is so, then there was a remarkable change in the advice given to me as the then minister of the environment by my officials as compared with the advice given to the President of the Treasury Board by his officials. I do not wish to trespass into the bounds of impropriety, but it is extraordinarily difficult for me to believe that there was such a sudden change in the cost assessment, a change that was brought about by the election of February 18.

I think that a question of privilege has clearly been raised, and the public of Canada has a right to accurate statements on events from the government of the day.

Mr. Harquail: Madam Speaker, I rise on a point of order for clarification purposes. The House seems to be labouring under abuse of the rules or delaying tactics. You ruled, Madam Speaker, last week that the question of privilege raised by the hon. member for Peterborough (Mr. Domm) was not a question of privilege but a matter of disagreement. We heard all these arguments last week and now, once again, we are taking up the time of the House to hear belaboured arguments. I would like to know from you, Madam Speaker, whether or not there is a question of privilege here.

Mr. Siddon: We are talking about last night.

Mr. Roger Simmons (Parliamentary Secretary to Minister of State for Science and Technology and Minister of the Environment): Madam Speaker, first I would like to respond

very briefly to what the hon. member for Vancouver South (Mr. Fraser) had to say.

Mr. Fraser: Respond accurately; that is all that we ask.

Mr. Simmons: I will make my speech my way, not in the undignified, low manner in which the hon. member for Vancouver South made his speech.

An hon. Member: Tell the truth.

Madam Speaker: Order, please. We are all interested in clearing up this question of privilege as rapidly as possible so that the House may resume its normal program of debate. Therefore, I would ask the hon. parliamentary secretary to make his remarks as briefly as possible.

Mr. Simmons: Madam Speaker, I would like to come directly to the comments made by the hon. member for Peterborough (Mr. Domm). As I was saying, what the hon. member for Vancouver South had to say should not be given a response because it would only dignify his remarks.

The hon. member for Peterborough has raised a matter with regard to what I said last night. He quotes me correctly. He makes long protestations about whether he has been discredited. Yes, he has, but by himself, not by me.

Mr. Kempling: What arrogance.

Some hon. Members: Oh, oh!

Mr. Simmons: The hon. member quotes me correctly. It is my understanding, based on information that was given to me—I was not here at the time, as hon. members are aware.

Mr. Beatty: You won't be here for long either.

Mr. Simmons: Thank goodness that the hon. members who just spoke do not have a say in that matter, but some other people. I will be here and I will outlive most of those guys over there.

An hon. Member: Watch your blood pressure.

Mr. Simmons: Madam Speaker, I am attempting to respond directly to the gist of the matter which, I must say, is not the manner in which the hon. member for Vancouver South responded. He engaged in a full ranging debate which was extraneous to the matter under discussion, whether or not there is a question of privilege.

I am saying to the hon. member for Peterborough that he did quote me correctly. The hon. member reads *Hansard* well. The statements which I made last night were made on the basis of information with which I have been supplied. I would be pleased to make that information available to the hon. member and, in so far as I know at this moment in time, the information is correct. It was given to me by senior departmental officials, and until I have been shown otherwise I will stand by that information.

• (1520)

Hon. Walter Baker (Nepean-Carleton): Madam Speaker, the hon. member has just made a very important point; that is, that he was given that information by senior departmental officials and that he put that information on the House record. If that is the case, then I think there is an even stronger matter for a question of privilege.

What has happened is that the hon. member has not denied what he said in the House. He has, in fact, told the House that this was the information he was given. On the basis of the statement of the former minister of the environment, the hon. member for Vancouver South (Mr. Fraser), that information is false. Therefore, the hon. member who is the parliamentary secretary has said that there is a possibility that he has misled the House inadvertently.

An hon. Member: He did not say that.

Mr. Baker (Nepean-Carleton): A "possibility". He was just talking about that.

Mr. Harquail: You said that.

Mr. Baker (Nepean-Carleton): Let us look at the real issue, Madam Speaker. The real issue is these statements. First, the parliamentary secretary said, as reported at page 995 of *Hansard*:

> The move was first initiated by a Liberal administration. It was deferred by a Tory administration and it was rescinded by the present Liberal administration, the present Minister of the Environment (Mr. Roberts).

The second statement that the hon. member for Peterborough (Mr. Domm) takes objection to is that it was the administration of which he, the hon. member for Peterborough, was a part which, the parliamentary secretary said—

> —deferred the move for ten whole months—ten painful months for the people of Canada. They had it in their hands to go ahead with the move but they did nothing about it. They only deferred it.

I want to quote from a letter which the former minister of the environment, the hon. member for Vancouver South, wrote to the member for Stormont-Dundas, the Minister of State for Trade (Mr. Lumley), dated December 31, 1979. This is the letter which the hon. member for Vancouver South alluded to in terms of the final decision. The letter is available to members of the House; there is nothing to hide, but in the interests of time I shall quote only part of it. Referring to the hon. member for Stormont-Dundas, he wrote:

> You have consistently with both the former government and this government—

By "this government" he was referring to the Conservative government.

> —opposed the move on economic arguments. You well know that the former minister, who represented Peterborough—

That was the Hon. Hugh Faulkner.

> —was in favour of the move and only delayed because he did not want it to appear to be politically motivated. I understand this, but it should also be understood by yourself, the media, and the citizens of Cornwall. I was not persuaded, and am not now persuaded, that it is in the interest of Parks Canada or the public to delay the move any longer.

I am not persuaded by your economic arguments. I believe that the decision to move is the correct one from an administrative point of view, and will prove to be correct on economic grounds. The question of the move has been causing a good deal of uncertainty for a number of years. A decision had to be made, and I have made it, and, I believe, for sensible reasons.

The decision he made was to confirm the decision that had already been made by a predecessor minister and which had been deferred because of the understandable representations by the hon. member for Stormont-Dundas. The important thing, Madam Speaker, is that this decision had been made, not by the government of the right hon. Leader of the Opposition (Mr. Clark), but that the statement had been made by a former government. It had merely been carried out and confirmed by the then minister of the environment on the grounds which the letter sets forth.

It could be, as the parliamentary secretary has said, that he was put in the position of inadvertently leading the House because his statement, which he has just told us was based on information from officials, is completely the reverse. His statement is as follows:

The move was first initiated by a Liberal administration. It was deferred by a Tory administration—

That is absolutely wrong according to the statements that we have, so we have a conflict. He continued:

—and it was rescinded by the present Liberal administration—

I respectfully suggest, Madam Speaker, that if you read the complete statement made by the parliamentary secretary, you will see that there is an implication in it that somehow or other the hon. member for Peterborough was involved in a way in which he says he was not involved.

I think it is important that we find the facts, particularly in view of the final statement made by the parliamentary secretary about what officials may have told him and which may have given rise to the question of privilege in the first place.

On those grounds, Madam Speaker, I think it is important that we go to the Standing Committee on Privileges and Elections so that the matter can be settled, and if the Minister of Public Works (Mr. Cosgrove) has information which is relevant, that he be brought to the committee. Also if the President of the Treasury Board (Mr. Johnston) has information that is relevant, that too should be brought to the committee; and documents which are now with the Department of the Environment and which have been referred to by the parliamentary secretary to the present minister and by the former minister should be laid on the table so that we can get at the truth of what has occurred.

I suppose if questions of privilege mean anything at all with respect to members of the House, they mean searching for the truth when there is a difference of such an important dimension. I should like to commend to you with respect, Madam Speaker, that you consider that and that you look at the statement made by the parliamentary secretary last night, the questions answered by the minister today, and that you defer your decision with respect to this question of privilege.

Hon. Donald J. Johnston (President of the Treasury Board): I rise on the same question of privilege, Madam Speaker. The hon. member for Vancouver South (Mr. Fraser) suggested that I was intentionally or unintentionally misleading the House with respect to my statement regarding the costs of cancelling the move from Cornwall to Peterborough. If I may, I will take a moment to clarify the statement I made to the hon. member as I intended to make it, and I undertake to the hon. gentleman to provide him with the information to which I was making reference. If I was wrong, I apologize, but these are the costs I was talking about and I thought I made it clear in my response.

I was talking about the costs of that move in terms of the lease cancellation in Peterborough, in terms of basically dealing with mortgages on homes, in terms of dealing with employees who had to be moved and relocated; in other words, the direct costs of that move. I thought my answer was clear on that point.

The hon. member says that his officials advised him that it was cost advantageous to the public, and so on, for Parks Canada to be situated in Peterborough. That, Madam Speaker, I did not intend to include in my response. That is a judgment that obviously his officials made and gave to him. I would presume that is prospective in terms of whatever advantages, in their view, might accrue to Parks Canada from being located in Peterborough.

My comment was limited to the cost of that move and its cancellation, Madam Speaker. The hon. member may wish to raise some doubt with respect to that statement and I would be happy to verify that that is my recollection of the numbers which I examined, and which I do not, unfortunately, have with me today.

Hon. Sinclair Stevens (York-Peel): Madam Speaker, if I may also join in support of my colleague's question of privilege, I think it is most important when an allegation is made by a member of the government against a member on this side, or in fact against any member of the House, that is so obviously untrue, that the motion of my hon. friend be granted and that there be a proper referral to the Standing Committee on Privileges and Elections.

I say this because I am most startled to hear a serious suggestion in this House that it was our administration that deferred the decision to move the Parks Canada office from Cornwall to Peterborough. Madam Speaker, it was our administration that agreed to the move, and up to the time that we left office that move was to go ahead, was to progress at a priority rate and was hopefully to be completed by September 1 of this year.

In support of what I am saying, I think it is perhaps wise to review the background of what led up to our decision last fall to approve the move from Cornwall to Peterborough. I would point out that, speaking historically, the proposed move of Parks Canada from Cornwall to Peterborough was not, for example, part of our decentralization program. I think at the time there was some confusion on that, but this move was

deliberately not referred to in my statement of July 27, 1979, at which time we reversed certain decentralization moves that the previous government had put in place.

● (1530)

The proposed move resulted from a Parks Canada administration decision that its Ontario regional operations would be more efficiently handled and its clients better served from a more centrally located regional office.

Prior to 1973, the Cornwall office served as regional office for the combined Ontario and Quebec regions, and as such it was centrally located. In 1973, however, a Quebec regional office was opened in Quebec City. As Cornwall was no longer centrally located, a study was undertaken and a cabinet document prepared in 1975 proposing that the Cornwall operation be relocated in Guelph. Cabinet approved that plan but postponed that actual move.

In 1977, in order to minimize the economic impact on Cornwall, the move was postponed until the new Transport Canada training facility became operational in Cornwall.

A second study was undertaken in 1978 in collaboration with the Ontario government which resulted in the suggestion that Peterborough should be the new location. The move, however, did not go ahead at that time, and I stress that. That was the former administration's decision, notwithstanding the recommendation from the province of Ontario that the move go ahead.

In August, 1979, the minister of the environment, and my colleague from Peterborough at that time, announced that the relocation would in fact go ahead on schedule, and that was to be completed by September 1, 1980.

As a former president of the treasury board I feel that I have a duty to this House to rise and state that there has been a totally untrue allegation made. There is misinformation before the House at the present time, and I hope, Madam Speaker, that in your wisdom you will have this matter referred to the appropriate committee so that my hon. friend's position can be clarified and substantiated. It was our decision to make the move to Peterborough. We did not defer that decision. It is the present government's decision to reverse that.

[*Translation*]

Hon. Yvon Pinard (President of the Privy Council): Madam Speaker, you are being presented with two versions. On the one hand, the hon. member for Peterborough (Mr. Domm) and his colleagues claimed that there has been a sequence of events. On the other hand, the parliamentary secretary exposed his views; as a matter of fact, the opinions of both parties differ, and I respectfully submit that this issue should not be referred to a committee of the House and that there has been no abuse of privilege.

Madam Speaker, this is not the first time that the Progressive Conservative Party claims that it has not delayed anything, while in fact I could mention a whole series of projects which were delayed during the period that party was in power a few months ago, and I feel that the remarks made today by the parliamentary secretary deserve consideration. What he suggested, Madam Speaker, is to verify again the previous denial. It is the hon. member for Peterborough himself who, on August 3, 1979, announced the intention of his government to postpone the move. He generously offered to check that allegation and even correct it should it turn out that the information was wrong.

I think that he is open-handed, that there is no question of privilege, that the House has enough work to do without wasting its time further and that owing to that difference of opinion, even if you could generally reject outright the question of privilege, it would perhaps be advisable to wait until tomorrow when the parliamentary secretary may provide further particulars about the matter.

[*English*]

Madam Speaker: The hon. member for Peterborough (Mr. Domm) is obviously not satisfied with the several answers that he has received on the matter which has been brought up in this debate. He is not satisfied, and that is a legitimate complaint, of course. But I must remind him that it is a complaint.

The question which we are now debating under a question of privilege was raised originally as a question in the House and resulted in a question of privilege on which I have ruled. Then the hon. member brought the matter up in an adjournment debate of the House, and now again he has brought it up as a question of privilege.

The fact that many of the procedures used by the hon. member did not succeed in satisfying him in the answers that he has received, of course, does not automatically qualify the matter for a question of privilege. There have been several differences of opinion and attempts on both sides to try to clarify the facts, and perhaps these facts do need to be clarified further.

Members at this point have had quite a lengthy debate on the question, but it can be pursued. There are several other avenues where debate can take place in this House. The hon. member, if he is still not satisfied with the explanations that he has received, might, for instance, put a notice of motion on the order paper, he could use the supply procedure, or bring it up on one of the days which are reserved for the opposition.

There has been reference to some documents which might help to enlighten members on the question that has been debated. There are also procedures to obtain those documents, under certain conditions, of course. But if those conditions are met and the minister is capable of tabling those documents, I suppose that they could be obtained through the normal procedure.

I have already ruled, therefore, that there was no privilege in the circumstances, and unfortunately I have to rule again that there is no question of privilege at this time.

MR. RAE—LETTER CIRCULATED BY ROYAL BANK OF CANADA

Mr. Bob Rae (Broadview-Greenwood): Madam Speaker, earlier today I gave you notice and sent you a copy of a letter which, in the view of our party, raises a prima facie case of privilege on which I would like you to rule. In the event that you do so find that there is a prima facie case, I would then move a motion that it be referred to the Standing Committee on Privileges and Elections.

Some time last week the provincial office of the New Democratic Party in Manitoba received a photocopy of a letter under the signature of a Mr. D. H. Beattie, manager of consumer and commercial banking services for the Royal Bank of Canada. This letter was drawn to my attention. I have spoken with Mr. Beattie and he confirms that this is in fact an authentic copy of a letter which he sent out. It bears the date February 22, 1980, and is addressed to the managers of all Winnipeg branches. It concerns members of Parliament.

With your permission, Madam Speaker, I would like to read the letter into the record.

> Last year, we, along with the other banks, were asked to provide information concerning close contacts which members of the banking industry had with members of Parliament. As a result of the February 18 election, the Canadian Bankers' Association is updating their information and have again solicited our support.
>
> Accordingly, we should appreciate hearing whether you or, where applicable the assistant managers have any business or personal contact with the two newly elected federal members of Parliament for Manitoba, Messrs. Cyril Keeper and Laverne Lewycky.
>
> In your reply, it would be appreciated if you could elaborate on the extent of the relationship, if any. In the event the manager of one of the other chartered banks in your area, in your opinion, has a better or closer relationship with the member involved, please so indicate. If you know where the MP in your area conducts his banking, this information would also be helpful.
>
> A reply by March 10, 1980, is requested, if you have any information regarding these new members.
>
> Yours truly,
> D. H. Beattie
> Manager
> Consumer/Commercial Banking
> Services

Earlier today I took the opportunity of giving copies of this letter to the House leaders of the other parties and I gave them notice of my intention to raise this as a matter of privilege. I do not intend to make a lengthy representation but I would just point out one or two things.

First of all, the categories of contempt or of privilege are not closed. While I have been unable to find a precedent in either Erskine May or Beauchesne which would make a prima facie case of privilege, I wish to quote from page 136 of May's where it reads:

> ● (1540)
>
> It may be stated generally that any act or omission which obstructs or impedes either House of Parliament in the performance of its functions, or which obstructs or impedes any member or officer of such House in the discharge of his duty, or which has a tendency, directly or indirectly, to produce such results may be treated as a contempt even though there is no precedent of the offence.

I would point out that under the provisions of the Bank Act—the one still in force, not the one which is yet to be born—section 68(2) which deals with the statutory rights of the Inspector General of Banks reads:

> The inspector or any other person appointed or employed under section 64 or any person to whom any powers are delegated under subsection 65(4) shall not disclose to any other person, except the minister, the Deputy Minister of Finance or the governor of the Bank of Canada, or a representative of the latter if authorized by him in writing, any information regarding the business or affairs of a bank.

It would seem that the Standing Committee on Privileges and Elections would like to hear from the writer of this letter and indeed the Canadian Bankers' Association, which is apparently compiling information on members of Parliament. They would like to hear precisely what information they are compiling. Why do they need to know, for example, in which area or in which bank a member conducts his banking, and precisely what information on the financial relationships between a member of Parliament and his bank are now going to be subject to the lobbying activities of the Canadian Bankers' Association and its member organizations, fed into the computers and who knows where it will go?

It is obvious that systematic information on members of Parliament is being compiled. I do not think it is an exaggeration or an exaggerated extrapolation from this letter to question the extent of these lobbying activities and the way in which systematic information is being gathered, particularly at a time when matters of such importance to the people of Canada as well as to the banks of Canada are being discussed in this House.

Madam Speaker will know that our chartered banks have a long history of lobbying in this city. The Canadian Bankers' Association is a very old organization. It has been heavily involved in the lobbying behind each and every decennial review of the Bank Act. Indeed, at one time many observers thought it was the bankers themselves who were writing the legislation and not the members of Parliament.

Whether that be the case or not, I respectfully submit this does raise a prima facie case of privilege and, if you so find, Madam Speaker, I would then move:

> That the subject matter of this letter and indeed the lobbying activities of the Canadian Bankers' Association and their compiling of information on members of Parliament be referred to the Standing Committee on Privileges and Elections.

Mr. Bill Kempling (Burlington): Madam Speaker, I want to say a few words on the question of privilege raised by the hon. member. To my knowledge, and I will have to defer to the record, when we were going through the Bank Act I do not believe anyone from the NDP attended any of the meetings. There were members of the Canadian Bankers' Association sitting in the audience. I do not know whether they were monitoring what was being said, but certainly any information they took down was available in the public record that was kept of those meetings. They certainly were not included in any of the meetings that were held in camera.

As far as the members of the banks gathering information on members of Parliament is concerned, I am sure anything they took down there was readily available in the public record and other records of information on members. In fact, if

someone would like to consult the committee records, I had occasion during consideration of the Bank Act to comment on the fact that members of the Canadian Bankers' Association were sitting in the audience when we considered a certain part of the Bank Act.

When I went home on the weekend, I received a call from my friendly banker who informed me that I was wrong on some comments I had made in the committee. When I came back, I commented on this at the next meeting of the banking committee. Therefore, I do not see that there is a matter of privilege in so far as members of the Canadian Bankers' Association being at the meeting and taking down information that is readily available in the public record is concerned.

An hon. Member: You missed the whole point.

Mr. Laverne Lewycky (Dauphin): Madam Speaker, as one of the members specifically mentioned in this letter, I rise on the same question of privilege. This is a rather lamentable and questionable practice that seems to have been in existence, according to this letter, since at least 1979. It appears there is a file on all members of Parliament and systematic surveillance of all MPs. I feel this matter should be examined by the Standing Committee on Privileges and Elections so that representatives from the Canadian Bankers' Association and the banks can appear before that committee.

What we need to know is why there is such a list. What is the purpose of its compilation? What is its intended use and why was it originally initiated? What letters have been written by the Canadian Bankers' Association, to which financial institutions, what other kinds of dossiers are being kept on members of Parliament, and what is their intended use?

I am somewhat concerned that attempts might be made by the Canadian Bankers' Association to influence members through such dossiers. Perhaps we might want to consider whether consideration of the Bank Act should be held up until this question is reviewed and cleared up. I consider this a serious matter of privilege. I hope it receives the appropriate serious consideration from you, Madam Speaker.

Mr. Cyril Keeper (Winnipeg-St. James): Madam Speaker, I rise on the same question of privilege. I too was mentioned in the letter. The part that concerns me most is the reference to "where the MP in your area conducts his banking." I suggest at one level my concern might be more by way of potential embarrassment. Perhaps I may not have the assets or sufficient liabilities to qualify for the new high status I now have and for the new interest in my financial affairs.

On a more serious note, clearly it is important to know just how much information is being asked for. A lot can be read into this letter. What we really need to know is whether the fears that can be read into this letter are justified. There is no way we should sweep this under the carpet and not take a serious look at it.

[*Translation*]

Hon. Yvon Pinard (President of the Privy Council): Madam Speaker, I did read a few minutes ago the letter addressed by Mr. Beattie to all managers of Royal Bank of Canada Winnipeg branches. There are two things to be considered. First, the letter indicates that the banks are gathering information, in this case on two members of Parliament. So we are in a situation where we know that some banks are collecting and sharing information about hon. members. I suggest this in itself is not enough to justify the question of privilege. However, there is still a second question to be raised, and that is what do banks use this information for, or what did they use it for in the case of the two hon. members concerned in the letter.

Of course, this second aspect of the matter could be clarified by a committee, but I must admit the decision Your Honour will have to make is not an easy one. The situation in which you find yourself, from a procedural point of view, is not to decide whether or not there is a matter of privilege, as you are well aware, but rather to decide whether there is a prima facie question of privilege, and then it is up to the House to decide whether privilege is involved or not.

Is there a prima facie case of privilege here or not? In the fifth edition of Beauchesne, in citation 18 on pages 11 and 23, we find a rather precise though brief definition of what constitutes violation of a member's privilege, and we see that there is violation of this privilege when certain matters "involve a member's capacity to serve the people who have chosen him as their representative" and when something is "contrary to the usage" and "derogatory to the dignity of the House of Commons."

Just before this in Beauchesne, it is said that:

> A question of privilege ought rarely to come up in Parliament.

It is also said that:

> As Parliament has never delimited the extent of privilege, considerable confusion surrounds the area.

This does not make matters any clearer, Madam Speaker. The author then adds:

> Recourse must therefore be taken, not only to the practice of the Canadian House, but also to the vast tradition of the United Kingdom House of Commons.

In this case, the hon. member who raised the question of privilege admitted with his usual honesty that there was no precedent. I do not know whether after my comments he will be able to say that there is a precedent or not, but I must repeat for your information, Madam Speaker, that we are discussing a letter circulating among banks. It is, therefore, not a letter which is being distributed among the public, at least according to present evidence. What we have to determine is whether this internal distribution constitutes or not a prima facie case of privilege. On this point, I consider that there is no violation of the members' privileges.

However, there is the second point that I have mentioned. This letter makes us wonder about the use that banks make of this information. A committee investigation could throw some light on this matter, but are we going to order investigations in all areas where there is a fear that there might be a violation of members' privileges without the House having at least serious grounds for believing that there has been a specific violation of a member's privileges or that this information now circulating among banks has been misused?

It seems to me that according to the facts which have been stated until now, there is no indication, not even a slight one, that the rights of the hon. member have been infringed upon by the internal circulation of this information. But whatever the case may be, I am very liberal when it comes to interpreting the privileges of members of Parliament. I believe that these privileges are of major importance. Your decision will not be easy to make, Madam Speaker. However, I wanted to make these few comments to show what principle Beauchesne suggests we should follow in such a matter.

● (1550)

[*English*]

Hon. Walter Baker (Nepean-Carleton): Madam Speaker, I should like to make a brief comment. I think the essence of the question is whether the information has been used to intimidate members of Parliament. If that is the case, then definitely it is a question of privilege; if not, there is no case at this time.

I understand that the Bank Act will shortly be going to committee where, I am sure, the hon. member can pursue this matter and there will be ample opportunity for it to be ventilated appropriately to ascertain the facts.

You may wish to defer your decision, Madam Speaker. It is a wonderful thing sometimes to defer decisions on whether there is a prima facie case of privilege; it is a power that the Chair has. You may want to defer your decision until there is evidence brought out before the committee, at which time it might be appropriate to raise it again. However, although there is concern, I do not see a question of privilege at this time. It could very well be that we are not under surveillance, as one hon. member indicated we are. It could be that we would be subject to a marvellous lobby. All of us are subject to lobbies from time to time. I have been lobbied by the Canadian Consumers' Association and the Canadian Chamber of Commerce. Other members have been lobbied by the Canadian Union of Public Employees, the Canadian Labour Congress, the Canadian Teachers' Federation, the Anglican Church and the Kiwanis Club. If it is that, it is innocent. But if there is other evidence which should come out before the committee, then it is not innocent and I think it might be appropriate if your Honour deferred your decision until the case develops.

Mr. Ray Skelly (Comox-Powell River): Madam Speaker, I should like to lend my voice for whatever assistance it might bring in considering this question of privilege. I suspect from the context of this letter that the two members who are mentioned are not the only ones who have been scrutinized by the Canadian Bankers' Association. It is indicated in the letter that this practice has gone on for a period of time. I suggest that the letter presents a threat to members of Parliament in carrying out their duty, and therefore constitutes a breach of privilege.

What concerns me more than anything else is that information which I have discussed with my banker concerning my financial past and future may be available to those who lobby me and to other members of the House. This is dangerous. It has gone one step beyond what other members have suggested is a simple lobby. The fact that my banker might be privy to discussions with other members of the banking community about the advisability of my contributions in the House is of concern to me. I would see this as an attempt to coerce, for lack of a better term, the outcome. I consider this to be a very serious matter.

In my opinion it is fairly significant that this letter comes from the Royal Bank of Canada. I happened to be glancing through a record put out by a Philip Agee concerning the Central Intelligence Agency and I find that in the record he suggests that the Royal Bank of Canada was a funding agent for that organization. So I think we should all be vitally concerned about what happens to information given in trust to bankers regarding the activities of members of Parliament.

Hon. Bud Cullen (Sarnia): Madam Speaker, I would have to dissociate myself in this instance from the government House leader. It seems to me—and this has been conceded—that in all probability this is not a question of privilege. However, it is certainly a matter of serious concern, and when the Bank Act is discussed in committee obviously this question will be raised. I think it is incumbent upon the government not to wait for a question of privilege to arise. I think the government is in a position to make an order of reference to the committee to have this specific matter considered exclusive of the Bank Act.

Some hon. Members: Hear, hear!

[*Translation*]

Madam Speaker: The question is indeed a difficult one, nobody doubts that, but it is also very important because it could affect, it seems, the privileged communications and conversations that members can and should have with their constituents or other people, besides their constituents, who may have to provide them with information on certain issues. Since this question is not an easy one but rather a complicated one, because of prevailing trends in modern countries whereby information of this nature circulates rather freely and generally, we must, in light of these new facts, examine whether or not this constitutes a breach of members' privileges. This is, therefore, an important question and I thank the hon. member for Broadview-Greenwood (Mr. Rae) for raising it and especially for providing a copy of this letter to the leaders of the other parties who were thus able to provide me with informative arguments on the matter. But I will not rule today on

whether or not there has been a prima facie breach of privilege. I will instead take the matter under advisement.

ROUTINE PROCEEDINGS

● (1600)

[*English*]

INDUSTRY

CHRYSLER CANADA—STATEMENT REGARDING AGREEMENT REACHED WITH FEDERAL GOVERNMENT

Hon. Herb Gray (Minister of Industry, Trade and Commerce): Madam Speaker, I wish to inform this House in a formal way of the agreement reached between the federal government, Chrysler Canada and the Chrysler Corporation following extensive negotiations.

Chrysler Canada has presented to the federal government its corporate financing and investment plan for the years 1980 to 1985. This plan calls for an investment of approximately $1 billion to convert and expand certain of its existing Canadian facilities. This investment will enable employment in Canada to return to historic levels. The average annual employment levels included in this plan are 9,800 in 1981, 10,100 in 1982, 11,300 in 1983 and 15,900 in each of 1984, 1985 and 1986.

The government recognizes the difficulty of projecting with absolute precision employment levels that are in large part dependent on economic and market conditions, particularly in the automotive industry. As a result, one condition insisted on by the federal government is that Canadian employment will be maintained at no less than the historical average of 11 per cent, expressed as a ratio to United States employment, for the years 1982 through 1986. During 1980 and 1981, recognizing that Chrysler is now in a restructuring process, the figure shall be maintained at no less than an average of 9 per cent.

Deviation from the investment, financing, facilities or products outlined in the plan or from the proportional employment commitments will occur only with the consent of the minister.

In return for these investment and employment guarantees, the Government of Canada will guarantee loans to an amount of $200 million by financial institutions in support of Chrysler Canada's investment of about $1 billion in its operations. These loan guarantees will not begin to come into effect until 1982.

The government's offer to Chrysler Canada is also conditional on the successful achievement of the over-all financial package now being sought in the United States by the parent company, Chrysler Corporation.

Before elaborating on additional conditions and safeguards that the federal government has attached to its assistance, I wish to outline the background and considerations that were taken into account.

Chrysler Canada's difficulties arise primarily from the plight of its parent, which has been well publicized. Chrysler Corporation, until recently the tenth largest company in the United States, has suffered proportionately more than any other auto company as a result of the dramatic switch of consumer preference to smaller cars.

In 1979 Chrysler Corporation approached the United States government for help to meet the very large program of investment necessary to convert its plants to smaller car production and to meet engineering and design costs of these new products. These costs will amount to about $9 billion in the period 1980-85.

The United States government's response was to pass the Chrysler loan guarantee act, which will make available to Chrysler Corporation up to $1.5 billion in United States loan guarantees, provided comparable amounts of credit can be raised by others with a stake in the future of the corporation. These others include banks, suppliers, dealers and state, local and other governments.

Chrysler Canada approached the Canadian government last year for assistance. Although not in as serious a financial situation as its parent, Chrysler Canada sells about 80 per cent of what it produces in the United States market. It is thus unable to finance by itself the necessary investment to modernize its facilities to take part in building the next generation of vehicles needed to re-establish itself in the market.

In weighing the Chrysler request, the government had a number of considerations in mind. First, a refusal by the government to assist Chrysler Canada would have had an adverse effect on the ability of the United States parent to achieve the over-all financial package it requires. Chrysler Canada is integrated so closely to its parent's activities that demise of the parent would inevitably lead to termination of Chrysler activities in Canada.

Chrysler Canada is our country's seventh largest company of any kind. The impact of its failure on Chrysler dealers, suppliers and their employees as well as on the entire economy would be such that the government cannot ignore the implications for the country. Estimates of direct jobs at risk if Chrysler were to fail run as high as 40,000 across Canada. These include 14,000 jobs in Windsor, Ajax and Mississauga prior to recent lay-offs, close to 10,000 parts supplier jobs nationally, and some 16,000 jobs in more than 600 dealerships across the country. For example, more than 4,000 people are employed by the 160 Chrysler dealers in Quebec. There are 1,700 such jobs at stake in Alberta, 600 in Nova Scotia and some 1,200 in British Columbia. The costs of these direct job losses in terms of taxes forgone and unemployment insurance payments alone would be considerable.

These are the direct jobs at stake. Also, if a company having 40,000 employees directly depending on it should fail, the impact on indirect jobs and the economy generally would be equally substantial.

Arriving at the $200 million level of guarantees for third party loans is the result of an extensive period of negotiating

with Chrysler Canada and the parent corporation. Their original request was much higher.

In addressing the question of how much assistance is appropriate, the government had specific objectives in mind. We, the federal government, wanted our contribution to ensure that Chrysler would make investments in Canada so that a new product line competitive in the market of the eighties and beyond in terms of size and fuel efficiency would be built. We wished to restore employment over time to a level comparable to that before the recent lay-offs. We felt that the federal government assistance should not be out of proportion with that being offered by the United States government. Also, we wanted Chrysler's commitments to cover its entire operations in Canada. Our objectives have been met.

In considering the form of our assistance, the government did not feel that the solution would rest in taking an equity position in Chrysler Canada. It is not a stand-alone company and is dependent on its parent and the United States dealer network for its survival. Equity participation also implies other obligations which, as a government, we do not consider appropriate to take on.

The Government of Canada will, however, receive warrants to acquire shares of Chrysler Corporation common stock in the same proportion to those received by the United States government, on the same terms and conditions. In this way, Canada will have the opportunity of sharing in the future success of the corporation whose Canadian subsidiary it is assisting.

The federal government decided against making a grant. Our assistance will, therefore, only be in the form of loan guarantees.

The money will come in the form of loans to Chrysler Canada from the private sector and not the government, but the government will insure those loans to make them possible. Obviously, some risk is involved or guarantees would not be required. However, the government has minimized its risk in the following ways.

First, the guarantees will not be drawn down until January 1, 1982, at the earliest, and thus the government is not at risk during the early stages of Chrysler's recovery. Second, the guarantees are tied to investment in Canada only. Third, conditions involving the company's entire operations in Canada, including appropriate security, have been obtained.

Repayment of the insured loan by Chrysler will be over a five-year period in equal quarterly instalments commencing six months after the launch of the van-wagon, which I will describe in a moment, but not earlier than June 30, 1984.

A specific project to which the loan guarantees will be tied is the production in Canada of an all-new, small, fuel-efficient vehicle. The vehicle is the T-115 van-wagon aimed at the market now supplied by large passenger cars, station wagons and lighter compact vans. Chrysler Corporation has granted Chrysler Canada, until the insured loan is repaid in full, an exclusive worldwide mandate to produce this vehicle. The agreement provides that, where practicable, research and development activities, including engineering support for the production of the T-115, will be conducted in Canada.

Upgrading and expanding the existing van facility in Windsor will require some $400 millions of the total of some $1 billion in investment. The Government of Canada's $200 million of loan guarantees in 1982 are to make this investment possible, but our loan guarantees are conditional on Chrysler's proceeding with its full $1 billion investment program for Canada.

In addition to the investment for the van-wagon, Chrysler Canada will spend about $250 million to improve its existing facilities for car production and to build one of the new lines of small, front wheel drive cars to be introduced in 1983. Also more than $300 million will be invested to expand and improve several existing assembly and manufacturing operations, including the Etobicoke aluminum casting plant.

● (1610)

The government, as a condition of assistance, has required that Chrysler Corporation restructure its operations so that Chrysler Canada operations are in large measure autonomous with respect to purchasing, marketing and production while remaining cost-effective with its competitors. This would help carry out another condition agreed to, and that is that Chrysler Canada will make every reasonable effort to source materials and components in Canada. Of course, Canadian suppliers will have to meet normal competitive requirements.

Also we have required in the agreement that Chrysler Corporation transfer pricing practices will not work to the detriment of Chrysler Canada. Under the agreement the minister has the right to appoint a director to the board of directors of Chrysler Canada Ltd. In addition, the Government of Canada will be supplied with the same reports that Chrysler Corporation has to provide to the United States Chrysler Corporation loan guarantee board.

The details of these and certain other financial conditions will be set out in formal documents. As I informed the House yesterday, I will be tabling these documents following their signing, and I will be tabling in the House the Chrysler Canada financial and operating plan, to which I referred previously in my remarks, at that time. During the negotiations the views of the Canadian director of the United Automobile Workers were obtained on certain matters relating to the agreement.

Finally, I should like to emphasize three important aspects of this agreement. We have as a government for the first time, as far as I am aware, insisted on a condition that none of the facilities of Chrysler Canada can be closed permanently without obtaining the approval of the minister. Also we have insisted, again, as I understand it, for the first time, upon a condition that employment levels in Canada will be maintained at levels at least proportional to those in the United States. Third, the Chrysler Corporation has agreed to review with the minister, once the van-wagon plant is in operation, the concept of moving the relationship between employment in

Canada and the United States closer to the relationship between sales in Canada and the United States.

In addition to the federal package I have just outlined, the Ontario government has obtained the agreement of Chrysler Canada to establish a research and development facility related to aluminum and plastic applications. This facility will represent an investment of $20 million, of which Ontario will provide $10 million in the form of a grant.

[*Translation*]

In short, Madam Speaker, the federal government's decision to grant Chrysler loan guarantees of $200 million in return for investments of about $1 billion before 1985 will help save 40,000 jobs distributed across Canada. For example, at least 4,000 people are employed by Chrysler dealers in Quebec only, not counting the employees of Chrysler parts suppliers in that province. This decision fits into a national industrial policy which emerged recently in the electronic and aeronautical sectors and of which one of the main objectives is to ensure balanced development of all areas of Canada.

Although some risk remains I believe that on the whole the result of our negotiations with Chrysler is an equitable arrangement for Canadian workers and for the economy of the whole country.

[*English*]

I want to repeat that, while an element of risk continues to exist and while there are serious problems of adjustment in the entire North American automotive industry, I believe our negotiations have resulted in a fair deal and, therefore, a good deal for Canada's economy and Canadian workers.

Some hon. Members: Hear, hear!

Mr. Bill Kempling (Burlington): Madam Speaker, the minister has just taken 15 minutes to read into the record a press release that was made last Saturday. I wonder, other than wasting the time of the House, why he did this.

Mr. Laniel: So that you would have all the facts.

Mr. Kempling: The facts were available in the minister's statement on Saturday. They were covered in the Saturday, Monday and Tuesday newspapers. I am quite amazed that the minister would rise today and make the statement he did. In fact, we did not get a copy. We were not made aware that he would make a statement in the House until question period had begun. Usually it is courteous to inform members in other parties ahead of time that a statement will be made.

What the minister reviewed in his statement to the House is the sad state of the automotive industry in Canada. He said to the House in fact that the difficulties at Chrysler resulted from the difficulties of its parent in the United States. But the fact is that there are difficulties in the Ford Motor Company, and General Motors have difficulties this year as well. The minister knows those facts as well as I do.

We are the only country I know in the western world that produces automobiles which does not have an annual report on its automotive industry. In fact, we get most of our information on the Canadian automotive industry from the report produced by the secretary of commerce of the United States for the President of the United States. I recall this matter was discussed in 1974 in the House of Commons with the minister of industry, trade and commerce of the day. He told us that a committee of the Department of Industry, Trade and Commerce and American automotive officials were getting together to try to rationalize the figures, because each year when the report was produced for the President there was a rhubarb in the House of Commons because of a difference in the figures that were presented.

Indeed, when one looks at how this information is gathered, one finds some very strange things. For instance, one finds that automotive parts are produced and brought into Canada in bulk. They are then broken down at the Livingston company facilities in southwestern and central Ontario. Those parts that are required for production in Canada are sent to the respective automotive plants, and those that are not required are exported out of the country. Those exports are shown on the figures from Statistics Canada as the export of an automobile when in fact they are not. In fact, the figures shown in Statistics Canada for exports and production of automobiles in Canada are quite false. Of course, this has not been attended to. We know of other instances where cars produced in the United States have been brought into Canada, the wheels are removed from them, they have been crated, exported out of Canada and are shown as a vehicle produced in Canada. We know that that is wrong.

The point I am getting to is. Had the government in 1974 put together a means of gathering the information on the automotive industry in Canada, perhaps we would not be in this position today. Perhaps the trend to which the minister referred of the Canadian consumer moving to a smaller, lighter, more fuel-efficient vehicle would have become apparent long before now. We know—everyone in the country knows—that the difficulties the Chrysler Corporation in the United States ran into were just bad management decisions. I do not have too much sympathy for bad management decisions.

I appreciate the fact that we cannot allow the number of workers involved to be thrown out on the streets, which is what would happen if Chrysler went bankrupt. I respect the fact that we have to take some move to help alleviate this situation. But the reality is that there has been talk and talk and talk for eight years about the auto pact, about the automotive parts industry, about straightening out the figures and the numbers, but virtually nothing has been done as far as I can find out.

● (1620)

We know, for instance, that 75 per cent of the operations of automotive parts manufacturers in Canada are American owned, yet I do not see anything in the statement made by the minister that indicates we are going to move in any way to see that the new van and the new fuel-efficient car Chrysler is going to produce will have some sort of North American

content, so the aid package for Chrysler is totally North American. We do not know, for instance, whether Chrysler in its decisions will find that it can buy certain component parts cheaper outside of North America, and then come back to the government saying that is the fact of life. In fact, that is more or less confirmed in the minister's statement when he says that, of course, Canadian suppliers will have to be competitive, which we expect they will.

Looking at the employment side, the minister has tied his guarantee of employment here to a percentage of the employment in the United States, and the numbers beyond that are not too firm. The key element or key operating point is the fact that we are going to tie the employment of Chrysler Canada to a percentage of what it is in the United States.

Reading through the press release and articles that have been written about this matter, we notice that when the United States president of Chrysler and Mr. Iacocca announced that they could not guarantee job levels in Canada as Ottawa, Ontario and Chrysler officials had previously understood, they sat down on May 1 and federal officials assured Chrysler that guarantees were needed, that Ottawa would not unreasonably withhold ministerial approval if Chrysler could not approve the jobs because of the general downturn in the automotive industry. I do not think that is really a guarantee at all.

The minister has given us some numbers. He has thrown some percentages at us. In fact, what he has done here is say that we are really not going to give Chrysler anything until 1982. I assume that when the contract comes out it will indicate the terms, but in fact this world marketing facility we will have in respect of the van-wagon will end, as I understand from the statement, when the loan is repaid. I suppose we will find out, when the contract is tabled, what that term in fact will be.

The minister did not say in his statement whether the financial institutions that are to be guaranteed by the Government of Canada will in fact be Canadian institutions, institutions in the United States, in Japan or elsewhere.

We believe that some action had to be taken. In spite of the fact that my remarks have been somewhat critical, more of the way the automotive industry has been kicked around by the Department of Industry, Trade and Commerce for a number of years, I think probably this was about the least that could be done, and in all probability exposes Canada to the least possible risk.

I do not think the guarantees that have been put forth as far as employment is concerned are really worth very much in the final analysis. We hope, of course, that Chrysler with this assistance and the assistance that will be given by the government of the United States and the province of Ontario, which is giving a sizeable $10 million grant rather than more loan guarantees, will help Chrysler find its way back into the marketplace.

The world automotive industry is in a very serious competitive position. We find that most European manufacturers are getting together and talking about using a common engine and common components. In fact, the projections in the industry indicate that in the next decade we will see about five major manufacturers of automobiles in the world. We will have to wait to see whether Chrysler will be one of those. I certainly hope that Ford, Chrysler, General Motors and American Motors will form part of that complex.

The fact is that they are all moving toward world cars or a world car design. If you consider the Chevette today, the components in that vehicle are supplied by 32 different countries in the world. The same applies to the Fiesta being made by the Ford Motor Company. In other words, the automotive industry is moving toward a car that can have components supplied by several countries. The companies go to those countries and get a duty remission, and if the market is large enough to support an assembly plant they will put one in there for this type of world car.

This is something we will have to address ourselves to when we look at the automotive parts industry, because that industry should be moving toward supplying that world market. We should not fetter that prospect in any way. We should allow them to develop and encourage them to go after the world market for some of the offshore manufacturing of automobiles in order to assure ourselves that we will have a fair share of the world market down the road.

Let me conclude my remarks by saying I am sorry that the minister chose to do things in this way. We had this statement last Saturday. I gather that what he is trying to do is get two or three kicks at the cat. Probably when the contract is made public in due course, he will make another statement and get a third kick at the cat, and in that way get the maximum publicity.

Mr. Ian Deans (Hamilton Mountain): Madam Speaker, first of all I want to clear up an obvious misunderstanding on the part of the hon. member for Burlington (Mr. Kempling). I asked the minister if he would make a statement in the House and he said he would. I asked him because I thought it was appropriate that, on a matter of importance such as this, he should put on the record of the House of Commons the position of the government with regard to the expenditure, in one way or another, of considerable sums of money. This is a matter that has significant impact on a very large part of the Ontario economy, if not the economy of the whole country. I thank the minister for making this statement. I think this is a much more appropriate way to deal with this matter, and I am pleased to have it.

I also want to say something to the minister lest he misunderstands. I do not for a moment downgrade or depreciate the problem that he must have had in trying to get a settlement of this matter. I do not envy him a bit, in fact, for having to deal with Chrysler. Chrysler is not one of my favourites to begin with because its record over the years has left a lot to be desired. I do not think it was an easy task for the minister. I make that point because I also do not think that what we got was very good, and that poses a problem for me.

Let me say to the minister that on a matter of principle I am becoming increasingly more concerned about the tendencies that are developing in North America whereby major corporations who, up until this point in time, have been telling us that they knew how to run everything, that if left to their own devices they would manage just fine, telling the government to keep its nose out of their affairs year after year, are now standing in line, nose to the trough, trying to get at the taxpayers' money. It concerns me, frankly. It is a very bad state of affairs.

I hope at some point we will be able to rationalize all of this, and that what we are now doing is not just simply laying the groundwork for further raids on the public treasury. The people of Canada cannot afford either to underwrite or to give by way of gift or loan to the major corporations from their tax dollars. Those tax dollars just do not go far enough. The very people who are standing in line asking for the money are the same people who were, not many months ago, screaming very loudly about the size of the deficit in the Canadian economy and about government spending. I suggest that there is an inconsistency in the way the corporate sector views its responsibility to the communities of Canada and to the people of Canada, and in the way the government views its responsibility to develop an over-all industrial strategy dealing with a major industry.

● (1630)

I do not like giving to one company in this way. I do not like this isolated, piecemeal approach. I did not like it in the case of Michelin, and I do not like it in the case of Chrysler. I do not think that this is how a government should be run. Having set up this loan guarantee operation based on a number of factors, the government has now established, I am sure, in the mind of Ford what it will have to do when it comes to get its share.

At some point the people of Canada will suddenly wake up and realize that they are paying not only for the product when they buy it, but also to finance the company when it is being developed, and that they get nothing from either one because these companies up and leave when there is a downturn in the market.

The minister said some two or three months ago that the three major items which he wanted to see in any agreement were an increased R and D component, that parts manufacturing should take place in Canada, and that employment levels should be guaranteed.

With regard to employment, I wish that simultaneous with the tabling of this document the minister could have tabled a document which set out quite clearly how this government intends to live up to its obligations to the many thousands of workers who are presently laid off in the auto industry and who are likely running out of unemployment insurance benefits.

I am not at all impressed with the proposal made by the Minister of Employment and Immigration (Mr. Axworthy) that his department will shorten the work period in order that a person may requalify for unemployment insurance. There is no point telling someone in a community which has something close to 20 per cent of its work force unemployed that all they have to do is to find a job for a few weeks and they will be able to go back to unemployment insurance. The fact of the matter is that with an employment rate of 20 per cent they are not able to find a job at all and, therefore, that program is of very little consequence and does nothing to help people who must be helped.

It is also interesting to note that discussion is taking place in the United States at the moment with regard to assistance to workers who are laid off during this transitional period. Again, I would have hoped that the minister could have made, as he often did during the election, a statement about the need for a TAB program like the one which was in place some years ago, that he might have seen such a program as one of his priorities and made sure that it was in place at the same time as the contract was being negotiated for aid to the Chrysler Corporation. That did not happen and it disappoints me.

I have some questions, Madam Speaker. I think the easiest way to deal with them would be if the minister were perhaps to note them, and then he could respond to them. The statement which the minister tabled today and which I have had for two or three days raises more questions than it provides answers. It may well be that the answers to the questions asked in these documents will ultimately be tabled, but I hope that we can get a handle on them between now and that time so that we may better understand the document.

The minister has indicated that he is happy that some of the R and D will be done in this country. I do not read the document in the same way the minister reads it. I do not know what emphasis one puts on the words "where practicable", but I have read them so many times in so many documents, and I am not at all sure who it is who will determine what is practicable. I suspect that it will be Chrysler. If that be the case, then the term "where practicable research and development activities, including engineering, will be conducted in Canada", is not really of any major benefit to us unless we are sure that we can enforce that term.

Initially, I would like to know how the minister intends to enforce this clause. My experience in dealing with the auto pact tells me that the companies provide no more than is absolutely required and, in most instances, considerably less. If we do not have clearly set out exactly what it is that we propose should be done in Canada—for example, where it should be done and how we will monitor what is being done—then I can almost assure the minister, as I stand here now, that "where practicable" will become the operative phrase and will prove never to be practicable.

I am bitterly disappointed that we did not get a share of the K car for Canada. I have some serious questions, which I have expressed before, about the saleability of this van-wagon affair that they are talking about building. Incidentally, this promise is very much like the promise that Chrysler made to the United Kingdom in 1975 when it was looking for loan guarantees and grants from the British government. They promised to

build a van then, and Britain is still waiting for it. I suspect that we might be waiting a while too. I would rather have had as significant share of the manufacturing of the K car with a mandate to move out into the world to sell that car, to source the parts for the manufacturing of that car and to tie the research and development of that car, rather than to saddle us with something that may or may not sell.

In addition to that, I notice that the front wheel drive operation offered by Chrysler Canada, as I understand it, is to be something called a down-sized Cordoba. I see the minister is shaking his head. If it is not the case, then I am delighted to hear it. I hope that when the minister rises he will tell us what it is. Is it in fact to be a down-sized Cordoba, which is what my colleague from Broadview-Greenwood (Mr. Rae) and I were told by the president of Chrysler Canada about six or eight weeks ago? We were told they intended to build this down-sized car here, and we were also told that they intended to build a V-6 engine, but that has gone by the wayside as well for some reason. I would like to know more about this down-sized car and what it is we will be building. If we will be building part of the K car, then I think that we can be happy; but if that is not the case, then we must take a very serious look at what it is we will be getting. I do not see Chrysler being able to market a car in Canada other than a small car.

On page 8 of the document there is an indication that Chrysler Canada will make every reasonable effort to source material and components in Canada. I suppose one could interchange the wording and say "where practicable", because that is the same phrase. They are just new words with the same meaning. I would like to know what will be the term in the contract, that will be the proportion and what are the parts that they intend to source in Canada. Has a listing been made of the parts which Chrysler will be able to source in Canada? Has anyone looked at the various suppliers that they presently have in place, and has Chrysler suggested to the government in the course of the deliberations how much of the car in total, either in terms of dollars or numbers of parts, will actually be sourced in Canada, and where?

There is a grand opportunity here, if this car were to be successful, for the manufacturers to be successful and for the development of manufacturing processes right across this country. This car or its parts could be manufactured in any part of the country—for example in Alberta or on the east coast—where we might not have to put money into Michelin but instead into the sourcing of parts, thereby diversifying the economy of Nova Scotia, which would not be such a bad idea.

With regard to autonomy, I would like the minister to tell the House how Chrysler intends to establish this autonomy. He will remember, I am sure, that when I made my statement a week ago about how I thought we might deal with the Chrysler matter, I suggested that Chrysler Canada should be set up at arm's length from the parent company and should issue new shareholdings in Canada, and that the company should be given a mandate to operate here independent of the parent company. This would be in order that the benefits of the great expertise of Canadian workers could flow to Canada; in order that there could be some pride in the vehicle produced; in order that we could take full advantage of the opportunity; and not only that, but also in order that we would not be tied to whether or not the company is successful in the United States.

● (1640)

I think the minister knows, as I do, that there is very little in the way of an indigenous manufacturing process that goes on within the Chrysler Corporation. They buy most of what they use for the manufacture of cars from outside sources in any event. The tie-in between the parent company and the subsidiary operation in Canada could therefore quite easily have been set up at arm's length. They could then have purchased from the same sources because the sources are independent operations in most instances.

I think the minister might address himself to why that did not happen. Before he says it was too difficult, I want to point out that Chrysler Canada told my colleague and me at the meeting that although it would be difficult it certainly was not impossible. They said that not only was it a sensible suggestion but one which they did not find offensive, and that they might have enjoyed the independence which would have resulted from that kind of structural change. We might even have ended up with something that could be identifiably Canadian. It does not have to have—

Madam Speaker: Order, please. I can hardly allow the hon. member to make his statement in reply to a statement longer than the statement itself of the minister. The hon. member has been speaking for 15 minutes, as did the Minister of Industry, Trade and Commerce (Mr. Gray). I would therefore ask him to conclude his remarks very briefly.

Mr. Deans: I will go through the other points but not deal with them right now, Madam Speaker.

I want to go to the matter of employment very quickly. What is contained in this document is really a farce. It is simply a statement of what ought to take place as a result of the auto trade pact in any event. If the auto trade pact section 1(d) had been enforced over the years, we would have had a higher level of employment in any event. If Chrysler hopes to take advantage of the auto pact provisions, they have to provide employment in Canada.

If Chrysler does not want to pay duty on the sale of its cars in Canada, they have to provide employment in Canada. The levels of employment set out in this document provided by the minister are even lower than the levels of employment they would have had to provide under the auto trade pact in any event. The fact of the matter is that this is not a commitment from Chrysler but simply a restatement of what would have taken place even if we had never entered into any agreement. I suggest to the minister that there is something farcical about that aspect of it. It does not speak to what could have been done here.

There are many other things I should like to talk about, Madam Speaker, but perhaps the minister could answer those questions. I will be happy to hear his reply.

Mr. Gray: Madam Speaker, the hon. member for Hamilton Mountain (Mr. Deans) has made some very interesting comments by way of questions on various parts of my statement. I am glad he confirmed that I made it in the House at his specific request so that it would be formally on the record of the House of Commons. I offered to do this if the House leaders agreed. I gather there was agreement just before question period, which is why the hon. member for Burlington (Mr. Kempling) did not receive the statement earlier, although, as he said, it was identical to the statement I made to a rather interested and attentive audience of journalists last Saturday afternoon here in Ottawa after the agreement with Chrysler had been confirmed that morning in Toronto.

The hon. member for Hamilton Mountain has asked in particular who will define, for example, what "where practicable" means in the clause regarding research and development, where this development will be done and the nature of it. I want to say, first of all, as the statement points out, that it will be done in Windsor in connection with the production of the new T-115 van-wagon. It will certainly include engineering support activity. The definition of what is sufficient to meet requirements, in short, who will decide whether what is being done is practicable will be up to me or the minister of the day.

With respect to this clause and the other clauses dealing with sourcing and autonomy, if what Chrysler is doing or intends to do is not to my satisfaction or the satisfaction of the minister of the day, Chrysler will not get the loan guarantees if we are talking about what is being done prior to 1982. If we are talking about the period after 1982, since the loan guarantees are to be drawn down in instalments linked with the pace of the drawing down of loans for the construction and equipping of the van-wagon plant, if what is being done with respect to any and all clauses in the agreement does not satisfy me or the minister of the day, then the instalments of the loan guarantees will not be allowed to be put in place and those portions of the loan guarantees already there can be withdrawn. I or the minister of industry, trade and commerce of the day will certainly have a very powerful weapon to ensure that those clauses have real meaning for Canadian workers and the Canadian economy.

With respect to carrying out the agreement generally, there will be a special group of officials very closely monitoring the activities of Chrysler Canada in carrying out the agreement, an additional source of access to information will be available to us. We will be appointing a member of the board of directors of Chrysler Canada and will have exactly the same reports as Chrysler Corporation has to give under American law to the U.S. federal loan guarantee board which is responsible for administering the loan guarantees to the parent corporation under that law.

The hon. member for Hamilton Mountain asked a question about the small front wheel drive car referred to in my statement. It is my understanding that it is to be built on a K car platform. I would be happy to get further information for my hon. friend. Whatever the car ends up being called, I understand it is to be built on the K car platform.

In our negotiations I pressed Chrysler very hard about having small front wheel drive cars in production in the assembly plant in Windsor prior to the date mentioned in my statement. They replied that they had already begun retooling two plants in the United States and that the production of those plants would meet the estimated market demand, that the production of those plants was, in effect, tied to the availability of the power train components. They said to have made changes would mean, in effect, losing the investment that Chrysler had already made in beginning the retooling of those two plants in the United States. I hope that demand for these cars will grow so that we can validly raise again with Chrysler the matter of advancing the manufacture of a small front wheel drive car in the Windsor car assembly plant.

My hon. friend also asked about the matter of autonomy for the Canadian company. This will be pursuant to a restructuring plan which has to be worked out in a form regarded as suitable by me or the minister of the day. I want to repeat that this gives us a tremendous leverage to have real meaning in these clauses because, without such meaning the loan guarantees will not be available in 1982, as I have said; or if instalments have begun to be drawn down over 1982, further instalments do not have to be drawn down if the requirements of the minister are not met and existing instalments could be revoked.

The hon. member has suggested that the figures in the statement which will be in the operating plan of Chrysler for Chrysler Canada regarding employment would be lower than those they would have to meet in any event under the auto pact. I would say that the hon. member is quite wrong in this. In order to meet the requirements of the auto pact, it would be possible for Chrysler Canada to do just about what it is doing now, or less. Without the investment plan to which Chrysler is committed of $1 billion and the product mix also outlined in the financing, facilities and operations plan, we would not have the opportunity—indeed, more than the opportunity—to have employment at Chrysler Canada at the level of close to 16,000 by 1984.

● (1650)

It is quite possible and would be very easy for Chrysler to operate indefinitely at levels where they are operating now and meet the requirements of the auto pact, which are essentially that Chrysler produce finished vehicles in Canada at the same ratio as their sales in Canada.

I would say to the hon. member that, as far as the government and I are concerned, what we have negotiated would enable the restructuring of Chrysler Canada to take place, not simply to keep them afloat, not simply to enable operations to continue at present levels, but to enable Chrysler Canada to have products on the market that will be competitive in terms of fuel efficiency and size to meet the demands of consumers in the 1980s. This would therefore enable the restoration of

employment in Chrysler plants in Canada to above pre-layoff levels and to a level of close to 16,000, with all that means in terms of employment in supplier firms, in dealers and employment in an indirect way in all sorts of other companies in Canada.

To conclude, while my hon. friend suggests that the job guarantees were—I think the word he used was farcical—this is certainly not the view of the Canadian director of the United Automobile Workers of Canada, Mr. Bob White. I see he is quoted by the Canadian Press as having praised my efforts in achieving job and investment commitments from Chrysler. I do not think that Mr. White, being a tough and skilled negotiator and a very outspoken person when it comes to putting his views on the public record, would have said that if he did not believe that the agreement was a lot better than what was suggested in the remarks of my hon. friend. In fact, I could be mistaken, but I recall a radio report indicating that Mr. White had said that the agreement which the federal government negotiated with Chrysler Corporation and Chrysler Canada was the best agreement that could have been achieved under the circumstances.

These circumstances are very important. They involve the present situation of Chrysler Canada and the situation of the parent, as well as the reality of the very uncertain automotive market, not just now but for a number of years to come.

I say that on balance, and again repeating the words of the Canadian director of the UAW who represents the interests in terms of collective bargaining of the workers at Chrysler and its supplier firms, that this is a fair deal, and therefore a good deal for Canadian workers and the Canadian economy.

[*Translation*]

Hon. Roch La Salle (Joliette): Madam Speaker, I would like to make a few comments. First, I greatly appreciate the efforts of the government. I said so during oral question period and the minister has surely received, as I did, the views of dealers in our respective constituencies who surely welcome the agreement, the government proposal which will finally allow us, as he said, to maintain 6,000 jobs, especially in Quebec.

I refer now to page 8. I hope that Chrysler Corporation will be in a position to find a source of materials and components in Canada. My question this afternoon—I now take this opportunity to refer to it—dealt with supplies and the minister will understand that we are talking about 6,000 jobs in Quebec, jobs which are directly or indirectly related to Chrysler Corporation. He also speaks of saving 40,000 jobs across Canada. Granted that is a high figure for the province of Quebec but it is still relatively low compared with the over-all Chrysler work force. I wondered to what extent representations were made to the minister. I should like to take this opportunity and ask him about the possibility of perhaps giving some consideration to subcontracting industries because, as the minister knows, where Quebec is concerned, there is very little direct participation in the manufacturing industry. I should like to know, in view of that $1 billion investment, just what could be considered as a legitimate and reasonable share of those investments for Quebec, in terms of manufacturing parts, if not the whole automobile.

Mr. Gray: Madam Speaker, I trust one of the results of the agreement between Chrysler and the federal government will be a sharing of the opportunities to manufacture parts throughout the country. Of course, that will depend in a way on the willingness of suppliers to tender for making such parts. Once again I want to mention to my hon. friend that Chrysler Canada already has important suppliers in the province of Quebec. For instance, Goodyear Canada Inc., at Valleyfield, supplies tires to Chrysler; Waterville Cellulose Products of Waterville, in the province of Quebec, supplies parts to Chrysler. I must not forget, above all, to mention Firestone Canada Ltd. which also manufactures tires for Chrysler and is operating out of the city of Joliette in the very riding of my hon. colleague.

[*English*]

Madam Speaker: It being so late, perhaps we could terminate the questioning after the hon. member for Broadview-Greenwood. I see there is another member rising, and I will recognize just one more after the hon. member for Broadview-Greenwood.

Mr. Bob Rae (Broadview-Greenwood): Madam Speaker, I have three brief questions for the minister.

Could the minister confirm my understanding that up until this time there were in fact three major plants in Windsor, a van plant, an engine plant, a V-8 plant, and the Cordoba-Newport car assembly.

With respect to the van plant and the transfer to the new T-115, the world product mandate for the van, according to the minister's statement, runs out as soon as the company pays back the loans which the government is guaranteeing. Can the minister tell us whether he tried to get the world product mandate extended beyond that time so that Canada would be producing at least one world product, not just for a short period of time but for a longer period of time? Could he tell us why he was unsuccessful in that regard?

Second, can the minister confirm that, as of August, 1980, there will be no engine production in Canada?

Third, I noticed that he tells us with respect to the car assembly plant that none of the facilities of Chrysler Canada can be closed permanently without obtaining the approval of the minister. Now, the question as to what is a permanent closure will be an interesting discussion. For example, when one looks at permanent lay-offs in an industry under the employment standards act of Ontario, this is a subject which has gone all the way to the Supreme Court of Ontario. It has been ruled that a permanent closing can be one that lasts for as long as a year, or even two years, under certain conditions.

If the market for larger cars continues to collapse the way it has collapsed, will the minister agree that there is a possibility

that there will be very dramatic lay-offs in the car assembly plant until the time, 1983, for the construction of the K cars? Those are my three questions, Madam Speaker.

Mr. Gray: Madam Speaker, the world product mandate will extend not simply to the period of time ending when the plant is in production, but during the time of repayment of the loan, which I believe is at least five years after the plan begins operation. I think that that is quite an extensive period to market several models of a product of this type.

It would seem to me that if this product is successful, Chrysler would be most unlikely to discontinue the world production mandate for this van-wagon in the Windsor plant. As to whether anything additional could be obtained, there were very arduous negotiations and I can tell the House that if it were left up to Chrysler there would be no job guarantees whatsoever in the agreement. The words "jobs" would not have appeared anywhere in the agreement. There would have been no employment figures in it whatsoever. I refused to accept that on behalf of Canadian workers and the Canadian economy. In spite of what Mr. Iacocca was saying at that press conference in Detroit the other week that there would be no job guarantees, we have job guarantees which the Canadian director of the UAW said were the best that could be obtained under circumstances that we are all so aware of in the North American automotive market.

● (1700)

With respect to engine production in Canada, it happened that before a final decision was made by the government of the nature and extent of aid to Chrysler Canada, Chrysler Corporation decided not to make the V-6 engine, which had been contemplated for the Windsor plant, anywhere in its operation. It decided it would purchase that engine elsewhere. The reason was it felt that to stay alive it had to cut $1 billion from its investment plans for North America, and the engine plant was included in that. I suppose that if the government had wanted to put up a couple of hundred million dollars more, it is theoretically possible that the plant might have stayed. But once—

Madam Speaker: Do I have the consent of the House not to see the clock for a few minutes so that we can hear the answer of the minister and entertain a question from the hon. member for Burlington (Mr. Kempling)?

Some hon. Members: Agreed.

Mr. Gray: I thank the House for its courtesy. I will conclude my answer in a couple of minutes. Once the government had decided that our assistance to Chrysler should be in the same form as, and generally proportional to, the kind of assistance provided by the U.S. federal government—that is to say, loan guarantees in the amount of $200 million—then I had to negotiate to get the best possible deal within that mandate for Canada and Canadian workers.

Frankly, what we have here will create, if everything works out and the products are accepted in the market, more jobs for Canadian workers in total than if the package had been built around the engine plant. On balance, I have to opt for restoration of jobs and for better, if everything works out, than simply some obviously interesting form of technology that would not have provided the jobs which, in my view, have to be our first priority and were my first priority at the outset.

To conclude, I want to answer my hon. friend's third question about the closing of plants. As I said in my statement, for the first time in any agreement that I am aware of between the government and a company, the agreement covers all the facilities of the company. It is not like the Ford agreement which applied only to the new Essex engine plant; it applies to all the facilities. I said when the content of the Ford engine plant agreement became known that there were lessons in that which I was trying to apply to the Chrysler situation, and it is obvious that I did so.

As to the definition of the word "permanent", I would again say that in my view that is up to the minister because it is the minister who decides whether the company is living up to its agreement such that it can get loan guarantees, or whether loan guarantees will remain in place.

The agreement has two very important aspects—and I am just coming to my conclusion, Madam Speaker—that will prevent that clause from, in effect, meaning a permanent closure of any plant. In fact, first of all there is the requirement to maintain employment in Canada proportionate to the employment of Chrysler in the United States. If a product, in my view, that is being manufactured in a Canadian plant is not selling and, as a result, it would mean that the employment in that Canadian plant would not be proportional to employment in the United States, the minister could require that steps be taken by Chrysler to have products in that plant to bring employment back to the proportional level, or he could refuse to authorize the loan guarantees to be put in place or remove them.

There is another very important aspect in the agreement, and that is that it is based on the total product facilities and financing plan which deals with product mix. There is no way that Chrysler could meet the obligations it has entered into by committing itself to the operating plan with respect to product mix if it did not use generally over the period of time covered by the agreement, in my view at least, all its facilities. This does not mean there could not be lay-offs or even temporary closings in response to market conditions, but in my view it would not be possible for Chrysler to meet the requirements of the plan with respect to product mix and the requirements of the agreement with respect to proportional employment if it intended to close permanently the plants that are covered by the agreement.

I repeat, in conclusion, Madam Speaker, there are many points that could be debated in this agreement. One could always argue that one clause might have been better or another clause might have been better; but looking at the balance of the agreement, after very arduous negotiations on behalf of Canadian workers and the Canadian economy, I

repeat that I believe we have a fair deal, and therefore a good deal for the Canadian economy and for Canadian workers.

Mr. Kempling: Madam Speaker, I just have one and a half short questions. The part of the minister's statement that has really concerned me, and I raised it as part of a question the other day, was the statement on page 8 where he says: "Of course, Canadian suppliers will have to meet normal competitive requirements." I believe the minister is aware that about 75 per cent of the automotive component producers in Canada are subsidiaries of American companies, and those companies in many cases have no sales staff. They merely have a production facility here. They build upon demand order from their parent company in the United States.

Under those circumstances, I do not see how they can possibly be competitive. If the minister had said in his statement that they were going to encourage the Canadian automotive parts industry to move into a large orbit so that they could have larger and longer production runs in order to be competitive, that would be something else again. I am concerned about that.

Secondly, I am still not happy with the suggestion here that we also required in the agreement that "Chrysler Corporation transfer pricing practices will not work to the detriment of Chrysler Canada." I question why that statement is in there. There is a lot of hanky-panky can go on in transfer pricing. There are a lot of head office charges that can be transferred from the United States to Canada. Almost every component that goes into an automobile bears part of the cost of research and development, part of the overhead, part of advertising and a myriad of other charges.

I want the minister to comment on this. Transfer of pricing practices is something that is going to have to be watched very closely, because therein lies whether or not this company is going to fly or fall down the tube in Canada.

Mr. Gray: Madam Speaker, the hon. member is quite right when he says the transfer pricing practices between Chrysler Corporation and Chrysler Canada will have to be watched very carefully, because there are various ways that transfer prices with respect to goods and services between a parent company in another country and a subsidiary in Canada can be adjusted—I was going to say manipulated. Perhaps I will. I will say manipulated in a way that is adverse to the interests of the subsidiary. It is because of these considerations that we insisted that a clause that transfer prices could not be developed in a way adverse to the interests of Chrysler Canada be put in the agreement. This is one aspect along with all the other aspects that will be monitored very closely.

● (1710)

My hon. friend has raised an interesting point with respect to purchasing by Chrysler Canada from Canadian parts manufacturers. I think that the aspects about which he is concerned will be dealt with in two ways. First of all, the restructuring plan on which we will be insisting under the agreement to make Chrysler Canada more autonomous will have in it the requirement for a Canadian-based purchasing department which will be in a position to seek out more actively than is the case at present Canadian suppliers for the production of Chrysler Canada, and that of the parent corporation for that matter.

Second, this agreement is not intended to cover the whole range of improvements we want to see in the Canadian automotive industry. This deals with what is almost an emergency situation, but obviously we have a number of other objectives we wish to accomplish for the Canadian automotive industry as a whole, for the Canadian parts industry in particular and its Canadian-controlled component.

We intend to have in place measures to make it easier for Canadian parts manufacturers, whether they are subsidiaries of foreign parent companies or Canadian-controlled firms, to be more competitive in terms of longer production runs, in terms of having the capital necessary to take advantage of sourcing opportunities to be made available as automobile manufacturers, including Chrysler, retool in order to meet product demands of the eighties. It is in this direction that we will respond to concerns raised by the hon. member which are the concerns raised by myself on a number of occasions which form part of my priorities for the Canadian automobile industry.

Madam Speaker: Order, please. I said previously that I would recognize only the hon. member for Burlington (Mr. Kempling). It being so late, I must keep to that. Now I am in the hands of the House as to whether we should continue with routine proceedings or proceed to private members' business, or whether we should defer it until eight o'clock.

Mr. Knowles: Do it now.

Madam Speaker: Is that agreed?

Some hon. Members: Agreed.

* * *

[*Translation*]

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. D. M. Collenette (Parliamentary Secretary to President of the Privy Council): Madam Speaker, the following questions will be answered today: Nos. 53, 330, 400, 564 and 565.

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

[*Text*]

ORDERS IN COUNCIL

Question No. 53—**Mr. Cossitt:**

1. Between April 20, 1968 and the date the former government resigned from office, how many orders in council were passed?

2. (a) How many are available for public scrutiny (b) how many are in any way classified?

Mr. D. M. Collenette (Parliamentary Secretary to President of the Privy Council): 1. 37,535.

2. (a) Except for pardons, all orders in council are available for public scrutiny. In the case of salaries, the salary range is public information but the actual salary of the incumbent is not made available.

(b) One.

NORDAIR LIMITED—NUMBER OF EMPLOYEES

Question No. 330—**Mr. Herbert:**

How many (a) permanent (b) other employees were on the payroll of Nordair Limited as at March 31, 1979?

Mr. Robert Bockstael (Parliamentary Secretary to Minister of Transport): The management of Air Canada advises as follows: (a) 1,113; (b) 71.

YELLOWKNIFE TRANSPORTATION COMPANY LIMITED—REVENUE

Question No. 400—**Mr. Herbert:**

1. For the fiscal year (a) 1977 (b) 1978, what was the total revenue and net earnings or deficits of the Yellowknife Transportation Company Limited?

2. For each year, what was the total (a) of direct or indirect subsidies or other benefits conferred by the government on the corporation (b) of loans, advances or guarantees extended by the government to the corporation (c) investment by the government in the corporation both before and after any write-off?

Mr. Robert Bockstael (Parliamentary Secretary to Minister of Transport): 1. Yellowknife Transportation Company Limited has been inactive since 1966.

2. Nil.

ROUMANIA—DIPLOMATS IN CANADA

Question No. 564—**Mr. Cossitt:**

1. What are the names, job designations and dates of arrival in Canada of all persons who are accredited diplomats from Roumania?

2. What are the names, job designations and dates of arrival in Canada of all persons serving the Roumanian diplomatic service who are either non-Canadians or Roumanian Nationals?

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

Accredited Diplomats from Roumania

Name	Title	Date of Arrival
Barbu Popescu	Ambassador	November 30, 1975
Gheorghe Baltac	Counsellor	September 29, 1979
Iaon Sebastian Anastasescu	Second Secretary	October 31, 1974
Vasile Trandafir	Third Secretary	December 30, 1977
Colonel Nicolae Calin	Military Naval and Air Attaché	August, 1972
Gheorghe Zamfirescu	Counsellor	March 15, 1979
Constantin Gingasu	Second Economic Secretary	November 25, 1979

Members of the Staff—Roumanian Nationals

Gheorghe Mrvu	September 6, 1978
Ion Bria	November 3, 1977
Ilie Teodorescu	February 15, 1978
Tudor Vasile	July 30, 1976
Niculae Moise	December 6, 1978

BULGARIA—DIPLOMATS IN CANADA

Question No. 565—**Mr. Cossitt:**

1. What are the names, job designations and dates of arrival in Canada of all persons who are accredited diplomats from Bulgaria?

2. What are the names, job designations and dates of arrival in Canada of all persons serving the Bulgarian diplomatic service who are either non-Canadians or Bulgarian Nationals?

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

Accredited Diplomats from Bulgaria

Name	Title	Date of Arrival
Stefan Todorov Stanev	Ambassador	February 26, 1980
Ivan Nedelev	Counsellor	June 13, 1975
Christo Banov	Second Secretary	September 9, 1978
Andrey Transki	Second Secretary	June 13, 1979
Branimir Handjiev	Second Secretary	December 30, 1979
Strahie Tchervenkov	Consul-General	December 12, 1979
Atanas Vlahov	Consul	June 17, 1979
Milcho Nentchev	Consul	August 11, 1979
Borislav Georgiev	Consul	September 13, 1979

Members of Staff—Bulgarian Nationals

Nladen Gueorguiev	November 12, 1979
Valentin Tanev	April 14, 1979

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

Madam Speaker: Order, please. It is my duty, pursuant to Standing Order 40, to inform the House that the questions to be debated at the time of adjournment are as follows: the hon. member for Hamilton-Wentworth (Mr. Scott)—Airports—Campaign promise to improve facilities at Mount Hope; the hon. member for Halifax West (Mr. Crosby)—Energy—Assistance program for Atlantic region; the hon. member for Winnipeg-Birds Hill (Mr. Blaikie)—Employment—Summer youth employment projects—Reason for delay in approving applications.

[*Translation*]

Hon. Yvon Pinard (President of the Privy Council): Madam Speaker, since the first item on the agenda is an order of the House without debate or amendment, perhaps we could, with the agreement of all parties, dispose in a minute or two of this first item before starting members' hour so that tonight we can proceed with the second reading of the Bank Act.

Madam Speaker: The House has heard the suggestion of the President of the Privy Council. Is there agreement?

Some hon. Members: Agreed.

GOVERNMENT ORDERS

[*Translation*]

SUPPLY

MOTION FOR CONCURRENCE IN SUPPLEMENTARY ESTIMATES (A)

Hon. Donald J. Johnston (President of the Treasury Board) moved:

That Supplementary Estimates (A), 1980-81, laid upon the Table, Tuesday, April 22, 1980, be concurred in.

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

Some hon. Members: Agreed.

Motion agreed to.

* * *

INTERIM SUPPLY

Hon. Donald J. Johnston (President of the Treasury Board) moved:

That a sum not exceeding $20,003,428,213.05 being the aggregate of:

(*a*) nine-twelfths of the total amounts of the items set forth in the Estimates for the year ending March 31, 1981, laid before the House of Commons on April 22, 1980, with the exception of Social Development Vote 1, $18,701,054,379.72;

(*b*) an additional three-twelfths of the total amounts of Energy, Mines and Resources Vote L35, External Affairs Votes L35, L40 and L45, Regional Economic Expansion Vote 30, Transport Vote 35 and Treasury Board Vote 10 (Schedule A) of the said Estimates, $77,607,000.00;

(*c*) an additional two-twelfths of the total amounts of Agriculture Vote 10, Employment and Immigration Vote 30, Energy, Mines and Resources Votes 1 and 15, External Affairs Vote 15, Finance Vote 5, Indian Affairs and Northern Development Votes 15, 30, L35 and L40, Industry, Trade and Commerce Votes 10, L30 and L40, Justice Vote 5, Labour Vote 5, Public Works Vote 35, Secretary of State Votes 20, 55, 80 and 105, Transport Vote L95 and Treasury Board Vote 5 (Schedule B) of the said Estimates, $675,361,325.00;

(*d*) an additional one-twelfth of the total amounts of Communications Vote 10, Employment and Immigration Votes 15 and 20, Energy, Mines and Resources Vote L80, Environment Vote 30, External Affairs Vote 25, Indian Affairs and Northern Development Votes 20, 45 and L50, National Defence Votes 1 and 5, National Health and Welfare Vote 10, Privy Council Votes 1 and 20, Public Works Vote 30, Secretary of State Votes 15, 30, 50, 65 and 85, Supply and Services Vote 1 and Veterans Affairs Vote 25 (Schedule C) of the said Estimates, $549,405,508.33;

be granted to Her Majesty on account of the fiscal year ending March 31, 1981.

Madam Speaker: Is it the pleasure of the House to adopt the motion?

Some hon. Members: Agreed.

Motion agreed to.

Hon. Donald J. Johnston (President of the Treasury Board) moved that Bill C-29, for granting to Her Majesty certain sums of money for the public service for the financial year ending March 31, 1981, be read the first time and be printed.

Madam Speaker: Is it the pleasure of the House to adopt the motion?

Some hon. Members: Agreed.

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

Mr. Johnston thereupon moved that Bill C-29 be read the second time and referred to Committee of the Whole.

Motion agreed to, bill read the second time and referred to Committee of the Whole.

[*English*]

Madam Speaker: It being five o'clock, the House will now proceed to the consideration of private members' business, namely, public bills, private bills and notices of motions.

Mr. Collenette: Madam Speaker, on a point of order, I ask that all bills preceding Bill C-209 be allowed to stand.

Madam Speaker: Is that agreed?

Some hon. Members: Agreed.

Byelections

PRIVATE MEMBERS' PUBLIC BILLS

[*English*]

HOUSE OF COMMONS ACT

AMENDMENT TO SHORTEN PERIOD WITHIN WHICH BYELECTIONS TO BE HELD

Mr. Arnold Malone (Crowfoot) moved that Bill C-209, to amend the House of Commons Act (vacancies), be read the second time and referred to the Standing Committee on Privileges and Elections.

Mr. Collenette: Madam Speaker, in all fairness to the hon. member for Crowfoot (Mr. Malone), and if there is unanimous consent, we should allow private members' hour to continue after six o'clock.

Madam Speaker: The House has heard the suggestion. Is that agreed?

Some hon. Members: Agreed.

Mr. Malone: Madam Speaker, the intention of Bill C-209 is to bring some order to the calling of byelections where there is the appearance of there being no order. At present the situation is such that not only members of the House but also their constituents are led to believe that there might be some playing around with the calling of byelections.

It happens that from time to time an extraordinarily long time elapses, sometimes exceeding three years, before a vacancy in the House is filled. At other times there would appear to be a parallel between the calling of a byelection by the government and the result of a Gallup poll which might be favourable to the government party and thereby trigger the initiation of a signal for a byelection. It is certainly not for me to impute motives to the government in the calling of a byelection at a given time, but so long as that suspicion remains among members or, what is more important, among constituents, it behoves us as members of Parliament to establish a system whereby byelections are called in accordance with an organized plan rather than at the whim of a government, whichever government it might be.

The intention of my bill is that, in the case of a resignation, a byelection would be called no later than 90 days following the resignation; and in the case of a death it would be called no later than 135 days following the death of a member. The reason for the difference in the number of days is that it seemed prudent, as well as courteous, in drafting the bill to ensure that in the case of a death a period of mourning be allowed for in a constituency. This would allow constituents to have a period of mourning prior to the calling for nominations before a byelection takes place.

● (1720)

The intent of the bill would be nullified six months prior to the normal termination of a Parliament.

I think it is fair to say that byelections should be for the benefit of constituents who are without representation. They ought not to be for the purpose of serving a government in power, whatever its motives might be. In moving this motion I want it to be understood that our first and primary concern—and I hope it would be that among members of all parties in this chamber—should be the citizens of Canada who in some instances have gone unduly long without representation.

I bring this bill forward as a result of some personal experience.

Mr. Benjamin: Don't talk out your own bill.

Mr. Malone: When I was first elected to this House by the constituents of Battle River, I came here following the unfortunate death of my predecessor, Harry Kuntz. For more than a year his riding was without representation. I recognized the great frustration there was in my constituency when constituents did not have a member to whom they could go or someone upon whom they could call.

Because I come from a province which has traditionally voted for a party not aligned with the government of the day, the appearance was that the reason my constituents did not have representation was that such representation would not be of assistance to the government. Therefore, a byelection was held off.

In Canada presently the writ must be announced within six months of the time a seat is declared vacant. The unfortunate part is that even if that were adequate, the government could announce the byelection for any date, including four or five years down the road. That means that we could wait as long as six months to hear when a byelection would take place. That can and does happen, as it did in the case some years ago when the hon. member for Winnipeg North Centre (Mr. Knowles) came to this House. He came following a byelection which was the result of the passing of his predecessor, but the byelection was called for a date which would have to be at a time in which a general election would already have had to have been called.

Under today's parliamentary system the government is not bound at all ever to fill a vacancy if it should so choose. I think that leaves us in a position where our citizens are not well served. They are given no assurance or guarantee of their parliamentary system, and I think it behoves us to take into account the fact that constituents across Canada require a greater guarantee.

I have been a member of Parliament for six years. I have reflected for that period of time upon bringing some information to this House with respect to byelections. During the time I have been a member of Parliament 18 constituencies have been without members of Parliament for more than 200 days. In that same six-year period seven constituencies were without members of Parliament or representation for more than 300 days, and five were without representation for more than a year.

We should take into account the frustration there is in constituencies. All of us here need simply to reflect upon our own workloads to know the number of people who contact us

each day and the sense of frustration there must be among constituents who have the same concerns as any other citizens in Canada but who have no one to whom to turn or relate.

That is why this simple amendment to the House of Commons Act would provide that, in the case either of a death or a resignation, there would be a period of not more than 90 days or not more than 135 days in which a byelection would be called.

It is also interesting to note that the average number of days before elections were held in ridings which were held by Liberal members was 205 days. This is during the period of time I have been here. When a Progressive Conservative, New Democratic Party or Social Credit seat was vacant, the period was 287 days. When we consider that, we can say that it took longer for an opposition member to have his byelection called. I do not think the number is significant enough to reflect a charge that it was purely for partisan reasons that a government would call a byelection at some particular time, but the fact is that, be it for government members or opposition members, the time is simply far too long to allow a constituency to be without a member. When we combine the figures both for the government side and for the two opposition parties and average them, it should be noted that seats have been vacant before byelections an average of 251 days. There have been some 27 byelections in that six-year period, 23 the result of resignation and four the result of death.

By contrast, we should look at other democracies around the world. In the United States, upon the death or resignation of a senator or congressman the governor of the state affected is empowered to appoint someone immediately to fill the vacated position.

In Great Britain the Speaker issues a warrant to the clerk of the Crown, who immediately issues a writ for byelection as soon as the Speaker notes that the seat has been vacated, and nomination papers must be filed—and this is interesting—no later than nine days after the writ has been issued.

In Sweden every member has an alternate candidate who immediately takes the seat as soon as it is declared vacant.

In The Netherlands the seat is immediately filled by the first person who is priorized on the list of the party which forms the government. As soon as a seat is vacant the other person on that alternate list takes his place.

In countries such as Australia and New Zealand, when a seat is vacated it is almost immediately filled so that constituents can have representation.

When a bill somewhat similar to the one I am presenting today was proposed on November 25, 1977, the hon. member for Trinity (Miss Nicholson) responded in part with the following words: "The cost of byelections is something which has to be taken into consideration because they are extremely expensive." Surely that is one argument we can dispel. Considering the money spilled every day in the operation of government, surely it does not make any sense to leave a seat vacant and people without representation for more than 200 days. In my six years the average has been 251 days. It should not make sense to us as parliamentarians to say to constituents that we would like to give them representation but it costs too much, because I do not think that washes in a democratic society, nor with the constituents who are without representation.

Further, the hon. member for Trinity argued against the bill on the basis that, without the government's prerogative of flexibility, we might be forced into a winter election, and how could we hold an election in places such as Yukon? If that was a valid argument in 1977, surely after the experience of 1980 it no longer is valid. Otherwise, members of the Liberal party would say that the last election should be thrown away because it was a winter election.

If we held an election again this summer, I think we would get better results. Nevertheless, we have had winter elections in Yukon and in the two Northwest Territories constituencies. In most of those northern provincial ridings, they all had elections this past winter. Simply I would say that when the argument comes as to representation versus whether you hold it at some time of the year, the fact of the matter is we are Canadians and we have winter every year. That is something which should not bother us. It might be chilly, but nevertheless the ink still goes on the ballot.

• (1730)

My good friend who is a member of the government party now, the hon. member for York East (Mr. Collenette), in that same debate of November, 1977, indicated that one of the advantages of the present system is that it allows the government to call byelections in a group which affords the government and opposition parties an opportunity to sound out public opinion. I think it is a blatant use of the byelection to say that we will hold them off and have them all in a group and that, when we hold them in a group, it will be some signal to the government or the opposition as to what some feeling or mood is out among the constituencies of Canada. The purpose of Parliament is to give a representation to the citizens of Canada. The purpose of holding byelections is to allow those citizens to continue their representation. The purpose of byelections is not to serve government or opposition parties, because there are other means and mechanisms for doing that.

If any members of this House, in reviewing the bill I have drafted and presented to the chamber, find that in some way they want to make some amendment to it in time or in some choice, I would be agreeable to that. But I am sure that on principle virtually all Canadians feel this is the kind of system we ought to lock into our parliamentary forum for the purpose of giving some sense of continuity and some sense of order to the calling of byelections, so that at least there will be the belief in the public that those byelections were called for the needs of the constituents and not for the purpose of a government holding on to power, extending its power, or doing whatever it might that would appear to be self-serving, even if that were not the motive of the government of the day.

With that in mind, I would simply want to say that there are other advantages to this bill which I could extend. There are

many other countries we could reflect upon that have systems in place which assure that seats do not go vacant for extraordinary periods of time. I have had some private conversations with members of all parties in this Parliament. At least I know there is a private desire among many members of different political persuasion that such a bill be passed. I hope and urge that members will not talk this bill out until 6.15 p.m. or whatever time is allotted.

Mr. Rose: That is what you are doing.

Mr. Malone: I hope this bill will pass and go on to committee stage, so that whenever there is a vacancy the constituents will be assured, by the guarantee of Parliament, that they will have the right very quickly to have representation in a continued way, rather than this appearance at the present time that it is simply the will of the government that calls the date of a byelection.

Some hon. Members: Hear, hear!

Mr. Doug Frith (Sudbury): Mr. Speaker, I am pleased to have the opportunity to speak on the bill before us, Bill C-209, an act to amend the House of Commons Act with regard to vacancies.

The present law with regard to the timing of the issuing of a writ for a byelection to fill a vacancy in the House of Commons is set out in subsection 13(1) of the House of Commons Act, which stipulates the following:

> In the event of a vacancy occurring, a writ shall be issued within six months after receipt by the Chief Electoral Officer of the warrant for the issue of a new writ for the election of a member of the House of Commons.

It should be noted that the six-month period referred to in subsection 13(1) is the maximum amount of time within which a writ must be issued. Although the writ must be issued within that six months, there is no limitation on when the polling day specified in the writ must be.

Subsection 13(1) does not apply where the vacancy, in respect of which the warrant has issued, occurs within six months of the expiry of the time limited for the duration of the House of Commons.

Section 107 of the Canada Elections Act provides the following:

> Notwithstanding anything in this or any other act, where a writ has been issued ordering a byelection to be held on a date subsequent to the dissolution of Parliament, the writ shall, after a notice to that effect has been published in *The Canada Gazette* by the Chief Electoral Officer, be deemed to have been superseded and withdrawn.

A final provision of the Canada Elections Act that should be kept in mind in any discussion on the timing of byelections to fill vacancies in the House of Commons is rule 27 of Schedule A to section 18 of the act which, by prescribing by statute that the ex officio revising officer must, not later than the forty-fifth day before polling day, appoint substitute revising officers, requires that the length of a byelection campaign must be a minimum of 45 days. The bill now before us would reduce the time within which a writ for a byelection to fill a vacancy in the House of Commons must be issued from six months to 45 days. It would also require that the polling day specified in the writ be within a certain time after the happening of the event causing the vacancy.

Subsection 2 of the proposed new section 13 of the House of Commons Act would require that the polling day named in the writ be no more than 90 days after the day a member tenders his resignation or accepts an office under the Crown. Subsection 3 would require that the polling day named in the writ be no more than 135 days after the date of the death of a member.

Similar bills to the one now under consideration have been introduced in every session of Parliament since the opening of the Thirtieth Parliament, particularly in the fourth session of the Thirtieth Parliament. The need for such legislation to require that vacancies in the House of Commons be filled in the most expeditious manner in order to ensure that all Canadians are properly represented in the House, is best illustrated by examining the vacancies that occurred between June 25, 1977, and May 2, 1978, which in turn were filled by byelections held on October 16, 1978. The usual practice is that when the Speaker of the House of Commons is notified of a vacancy in the House of Commons, he immediately addresses his warrant to the Chief Electoral Officer for the issue of a new writ for the election of a member to fill the vacancy. The Chief Electoral Officer usually receives the warrant on the same day the Speaker has been notified and has issued his warrant.

The writ specifying polling day for the byelections must be issued within six months after the receipt by the Chief Electoral Officer of the Speaker's warrant. However, in the case of the vacancy in the electoral district of Lotbinière in the province of Quebec, although the vacancy occurred on June 25, 1977, the Speaker was not officially informed of the vacancy until October 27, 1977, on which date he issued his warrant which was received by the Chief Electoral Officer on the same day. The writ for the byelection in Lotbinière was issued on March 1, 1978, and specified October 16, 1978, as polling day. Therefore it is evident that in the case of the vacancy which occurred in Lotbinière, there was a time period of approximately 18 months in which the people of that constituency were without representation. It can be seen that although the writ was issued just over four months after the Chief Electoral Officer received the Speaker's warrant, it was issued just over eight months after the seat actually became vacant. That is far too long for the people of Canada to be without representation in this House.

If we examine the other 14 electoral districts where byelections were held on October 16, 1978, we find that writs of election for Lotbinière and eight others were issued on March 1, of that year. The relevant dates with regard to the eight electoral districts other than Lotbinière are as follows: Fundy-Royal, New Brunswick, the date of vacancy was September 1, 1977; Burnaby-Richmond-Delta, British Columbia, September 5, 1977; Hamilton-Wentworth, Ontario, September 14, 1977; York-Scarborough, Ontario, November 9, 1977; Halifax-East

Hants, Nova Scotia, December 9, 1977; Westmount, Quebec, January 27, 1978; and Rosedale, Ontario, March 1, 1978.

On September 1, 1978, writs of election were issued for seven additional electoral districts, with polling day to be on the same day, October 16, 1978. The relevant dates with regard to those seven electoral districts are as follows: St. Boniface, Manitoba, the date of vacancy was March 23, 1978; the date of the warrant was April 3, 1978, rather quickly again, and the warrant was received by the Chief Electoral Officer on April 3 as well. For Humber-St. George's-St. Barbe, Newfoundland, the relevant dates were March 23, April 3, and April 3 respectively. Likewise for Parkdale, the relevant dates were March 23, April 4, and April 4; for Saint-Hyacinthe, Quebec, the date being April 21, and so on down through to Eglinton, Ontario, the date being May 2, 1978.

● (1740)

It can be seen from the above that in the case of the last of the 15 vacancies to occur, in Eglinton, in Ontario, the writ of election was issued almost exactly four months after the vacancy occurred, and the byelection was held approximately five and a half months after the seat became vacant.

It should also be pointed out that in the case of the last seven vacancies referred to earlier, the byelections were held within the absolute minimum amount of time after the writs were issued, namely, 45 days. The last seven writs were issued on September 1, 1978, and the byelections were held on October 16, 1978.

Even though seven of the byelections were held within the minimum possible time after the writs were issued, the minimum amount of time between the date of the vacancy and the date of the byelection, in the case of Eglinton, was approximately five and a half months. That again is still far too long for people to be without representation in this House.

Bill C-209 would reduce the length of time which an electoral district may remain without representation from an indeterminant time to a maximum of 135 days in the case of the death of a member of Parliament and a shorter time of a maximum of 90 days in other cases such as a vacancy occurring as a result of the resignation of a member or by his accepting an office under the Crown. Those time limits seem reasonable to me.

Therefore, Mr. Speaker, although there is always room for discussion of what precisely the limits on the discretion of the government in regard to the timing of byelections should be, I would like to indicate my support for the principle expressed in this bill put forward by the hon. member opposite.

Mr. Les Benjamin (Regina West): Mr. Speaker, I only want to rise briefly to support the bill of the hon. member for Crowfoot (Mr. Malone). I hope the government will accept it. We have had crazy situations occur in respect of byelections when vacancies resulted in this House. I remember that in 1971 almost six months elapsed, and finally a colleague of mine gave official notice to the Speaker of the vacancy. Then the government had six months more, or longer, to call the byelection.

Many of us have felt for a long time that when a vacancy occurs it should be the responsibility of the Speaker to give notice of the vacancy, because the Speaker and the administration of the House of Commons know when the pay allowances stop and a pension starts. That should be sufficient notice of the vacancy, and the Speaker could so advise the House. The government would then have a very limited period of time in which to call a byelection.

We agree with the legislation and hope the government will accept it so that it can proceed to the committee where, I am certain, it will be dealt with quickly. It can then come back here and become the law of the land. We will then no longer have those spectacles which have occurred in previous decades, resulting from the playing around with the calling of byelections to fill vacancies in this House. I agree with what both previous speakers have said. Every constituency in the country is entitled to representation full time in this Parliament. While I might feel that the length of time the hon. member's bill provides is a little bit too long, we will not argue over details. Let us get it done.

Mr. Roger Simmons (Parliamentary Secretary to Minister of State for Science and Technology and Minister of the Environment): Mr. Speaker, I too would like to say a few words on Bill C-209. The sponsor of the bill, the hon. member for Crowfoot (Mr. Malone), has cited a number of precedents in other jurisdictions, giving examples of how it is done elsewhere. I want to respond quickly to one or two of the points he has made before addressing myself to the substance of the bill.

He cites what is the practice in the British system, and, while that certainly has some merit from his point of view, I would caution him about the British system where the calling of a byelection is automatic, with the result that there is no interference or decision required by the government of the day or the prime minister. Because of the automatic nature of the British proceeding it is possible for a member to be returned in a byelection, as ludicrous as it sounds, after the House has been dissolved. Indeed, that very circumstance happened in a most recent case where the Labour government fell and there was a member returned three days after the government had been defeated in the House and a date has been set for a new election. While he may see some merit in systems elsewhere, he should be aware of the weak points of those practices.

An hon. Member: We can fix that up in committee.

Mr. Simmons: I am sure we can fix it up in committee.

I find members of the NDP suddenly very co-operative. They are in a co-operative mood and are suddenly for something. They suddenly have a position on something, and that alone makes history in this particular chamber. I am not sure what it is they are for. They are for more talk in committee, and they are very good at that. They have often come down on both sides of things. I advise the hon. member for Crowfoot

not to hold his breath in terms of getting support from the NDP on this particular issue. All they are saying now is that they will talk about it, but they may come down on both sides of it as they did on the guns and butter issues last February, and as they are doing on the referendum issue right now. Unfortunately they are on both sides of that one too. They will help the hon. member in committee. They will do some talking for him, but I hope he does not count on their vote.

I say to my hon. friend, the hon. member for Crowfoot, that he can count on my vote if it comes to the committee because I support the principle of the amendment he proposes in this chamber today. The principle is good, and I agree with his sentiments that the people of any particular constituency in this country should not be victimized by being without representation in their Parliament because of circumstances beyond their control, such as the death of the incumbent or the resignation, for whatever reason, of the incumbent. I do not think anybody in this chamber can dispute the principle of his bill.

I want to raise with the hon. member one other matter. I listened very carefully to what he had to say in respect of Bill C-209, and he did not say where his party stood on this particular piece of legislation. I waited to hear that. We all know what happened to the gentleman who rose to speak at the same time I did, that hon. member who sponsored what may well be, or would have been but for his leader, a history-making resolution in this chamber late last week.

Those two members, the hon. member for Crowfoot, and the hon. member who proposed the resolution the other day, ought to get together, because I suggest to my friend, the hon. member for Crowfoot, that his colleague had a very bitter experience the other day. He moved a resolution which had the unanimous support of those in the chamber at that particular time, and I say to him that is what is important. Those who were in the chamber at that time, including the Prime Minister (Mr. Trudeau), the opposition House leader and the House leader for the New Democratic Party, supported the resolution unanimously. However, the hon. member's mistake, and I wonder if it may also have been the mistake of the hon. member for Crowfoot is that he did not check with his interim leader.

● (1750)

His mistake is that he did not ask the interim leader, the hon. member for Yellowhead (Mr. Clark), where he stood on the issue. But then he found out, to his sorrow, where his interim leader stood. Not only did he find out, but the whole country found out that the hon. member for Yellowhead wanted to bog the issue down further. He, too, wanted to be on both sides of the issue. With that kind of unqualification, the Leader of the Opposition should be leading the NDP.

What I would like to ask the hon. member for Crowfoot, who sponsored this very commendable piece of legislation, is where does his party stand on this bill? Is it unanimously for his bill? Does that unanimity include the Leader of the Opposition? The hon. member nods in agreement.

Mr. Malone: You will recall that he called the last two byelections.

Mr. Simmons: I am glad that the hon. member for Crowfoot has reminded us of the two byelections. I, together with my good friend, the hon. member for Prince Albert (Mr. Hovdebo), was involved in those byelections. The hon. member has done his homework on those points very well. I was very impressed with his knowledge of who had died and when, and why they died. One thing which the hon. member avoided saying was that in the one or two cases where, during a Tory government in this country, there were byelections in this country one of them was in the riding of Burin-St. George's, which I have the honour to represent.

The byelection was made necessary by the resignation of the Hon. Don Jamieson on either May 29 or May 30, as I recall. The election took place fully six months later. I say to the hon. member for Crowfoot that if he has the unanimous backing of his party now, including the backing of his interim leader from Yellowhead, congratulations, because he has arranged for the member for Yellowhead to have yet another about-face. It will pale into insignificance in terms of the Jerusalem about-face, the flip-flop on the embassy.

The other flip-flop which we could talk about is the flip-flop on no tax increases. Indeed, that party intended to cut taxes by $3 billion until "merchant John" for St. John's West (Mr. Crosbie) got hold of the Department of Finance and threw all of the budget cuts out the window. Instead of the $3 billion in cuts, we were suddenly hearing about great tax increases. That party is good at flip-flops, but that is another issue.

An hon. Member: What does it have to do with the issue?

Mr. Simmons: It does not have a lot to do with the issue. It is just a simple little example for simple little people so that they may understand what I am talking about, particularly the people in the NDP. Sometimes one must talk in parables in order to get one's point through to certain people, and if that becomes necessary I will do so. I am making the point that if the hon. member for Crowfoot has indeed succeeded in getting unanimity within his party on this matter, then I say congratulations to him, because he has done something which the people of Canada could not do with this particular leader of that party.

Last week I and everybody in this chamber were party to what could have been a history-making resolution. But then outside this chamber the hon. Leader of the Opposition scuttled the entire action of this Parliament. Before I can vote for this bill before us today, I would like to know whether he intends to continue that kind of despicable practice. The hon. member is not here to speak to the bill. Is he conveniently absent? Does he agree with it? I know what the Leader of the Opposition did in the case of the Burin-St. George's riding—he held off for six months, and all the time I was itching to get here. For six full months he held off.

Now what are we told, that he has had another change of heart, another Damascus Road experience? Has he suddenly

seen a blinding light? Has he suddenly been awakened to what is the right thing to do? Where is the hon. member? Is he in the environs of the House? Could he come into the House and tell us where he stands? We have learned a lesson in the last week, that in so far as the official opposition is concerned, it is not enough to have the hon. member for Edmonton West (Mr. Lambert) tell us where he stands on banking definitions, because that is not necessarily where his party stands at all. It is not enough to have the hon. member who sponsored the resolution last week about patriating the constitution tell—

Mr. Yurko: Edmonton East.

Mr. Simmons: I thank the hon. member for letting me know his constituency. I apologize to him for not knowing it. It is not enough for the hon. member for Edmonton East (Mr. Yurko) to tell us where he stands on patriating the constitution, unless we know where his party stands. It is the same with this particular case.

An hon. Member: Let's get it to committee.

Mr. Simmons: What goes on in those committees, Mr. Speaker? This gentleman down here is all excited about getting this bill into committee. He just had his chance. We have heard his views, such as they were. He supports the bill. The hon. member probably did not hear me, but I said that I support the bill.

Mr. Benjamin: Then sit down.

Mr. Simmons: In order for this bill to get through this House, I want to know where the official opposition stands. The hon. member for Crowfoot, who is in the caucus of the official opposition, avoided saying where his party stands. I do not suggest that he avoided saying so deliberately, but he did not say where the official opposition stands. Perhaps he, like I, learned a valuable lesson last week, thanks to the hon. member for Edmonton East, that if one wants to know where the official opposition stands on any particular minute—and it may change from minute to minute—the very least one should do is insist that the Leader of the Opposition be dragged into the chamber, and dragged to his feet to tell us where he stands.

The Leader of the Opposition is at that point in time where he is concerned, as we all are from time to time, about security of tenure. He is not sure how long the job will last. But in the interest of making it last as long as possible, the hon. Leader of the Opposition is doing some fairly unpredictable things these days. The one place where the hon. member knows that he can have the undoubted support of his caucus is in this chamber when he stands up to say something. For that reason hon. members will notice that he is not saying much in the chamber these days. Could we have the Leader of the Opposition come into the chamber and tell us where he stands on Bill C-209? Is he for it? Can the member for Crowfoot indicate that he is for it? Let the records show, Mr. Speaker, that the hon. member for Crowfoot has informed this House that his leader, the hon. member for Yellowhead, is in favour of this piece of legislation.

Now we should all watch, with bated breath, the television news tonight because, even as I talk, the Leader of the Opposition is probably out there undercutting his friend from Crowfoot, just as he undercut the hon. member for Edmonton East, all in the interest of getting his face on television and having another television interview.

An hon. Member: Oh, oh!

• (1800)

Mr. Simmons: He is back—no, that is not the leader, it is the gentleman from Alberta, but not at the moment at least, the leader. I am sure he is aware of it. I am talking about the present Leader of the Opposition. I would note that at this moment he is for the legislation; that is good news indeed, but I warn the hon. member for Crowfoot that as we speak, as he rises and supports the bill, his leader is out there somewhere, wherever he can find a camera, doing something to cut the very legs from under the hon. member. I hope not, because this bill is a commendable piece of legislation and I invite all hon. members of the House to give it their vigorous support.

Mr. Bill Yurko (Edmonton East): Mr. Speaker, this bill brings back some memories, particularly the fact that the first time I was elected it was in a byelection held on the resignation of one of the most distinguished senators in this country, Senator Manning. That happened in a winter when we had the coldest period in the province of Alberta on record. So, Mr. Speaker, there is nothing to suggest that there cannot be a byelection in the wintertime.

Bill C-209 is, I believe, sound in principle. It can be applied administratively without difficulty. Therefore, I move, seconded by the hon. member for Bow River (Mr. Taylor):

That the question regarding second reading of Bill C-209 and referral to the Standing Committee on Privileges and Elections be now put.

Some hon. Members: Question.

Mr. Deputy Speaker: Order, please. It is moved by the hon. member for Edmonton East (Mr. Yurko) and seconded by the hon. member for Bow River (Mr. Taylor):

That the question regarding second reading of Bill C-209 and referral to the Standing Committee on Privileges and Elections be now put.

Is it the pleasure of the House to adopt the said motion?

Some hon. Members: Agreed.

Mr. Collenette: A point of order—

Mr. Deputy Speaker: The motion is debatable. I recognize the Parliamentary Secretary to the President of the Privy Council (Mr. Collenette).

Mr. Collenette: Mr. Speaker, this is highly irregular.

An hon. Member: No, it is not.

Mr. Collenette: If we get down to brass tacks, we made a special order in this House less than an hour ago out of courtesy to the opposition and the hon. member for Crowfoot

(Mr. Malone) to allow him extra time. Most of the afternoon was taken up on motions, routine proceedings, statements by ministers, and the question period was an extremely long one, so we sought unanimous consent to continue until 18 minutes past six and we are proceeding—

Some hon. Members: Oh, oh!

Mr. Deputy Speaker: The hon. parliamentary secretary has the floor for a point of order. When I have heard him I shall listen to any other points of order.

Mr. Collenette: We are proceeding in the normal way for private members' hour. If hon. members on the other side do not agree with remarks made by members on this side or of any other party, that should not enter into the question at all.

I would say it is only natural courtesy that we continue until we dispose of this question, either by referring it to the committee for second reading or by the expiry of the hour. That is the way we do business around here, Mr. Speaker. If the opposition is going to come forward with motions at private members' hour—and I am not sure whether this motion is in order and can be put at this time and I would ask you to rule on that—then the whole complexion of private members' hour debate will be changed.

Private members' bills and motions are not always talked out. Some of them reach committee. In fact last week we dealt with a motion or a bill of the hon. member for Vaudreuil (Mr. Herbert) on the question of Canada Day, which in the Thirtieth Parliament had been sent to the standing committee for consideration. Yet, when it was brought back last week hon. members on the other side talked it out. It works both ways, Mr. Speaker.

If there is a fundamental disagreement it is sometimes the government that talks the motions out. That is not to say that this particular bill would be talked out. I think it is an extreme discourtesy in this House, after we have made a special order—

Mr. Yurko: Mr. Speaker—

Mr. Collenette: —in deference to the—

Mr. Deputy Speaker: Order, please. The parliamentary secretary has risen on a point of order and I recognized him. I am inviting him to comment on the motion which is before us. I have accepted the motion; it appears to be in order according to the rules and it is a debatable motion. If the parliamentary secretary has any further comment, I would be interested to hear.

Mr. Collenette: Mr. Speaker, I think there are many members on this side of the House who will want to speak to the motion now that you have accepted it. If you have accepted it, obviously I do not have a point of order because I was really arguing about the whole question of its admissibility at this point.

If you wish, I shall now sit down and rise again and speak on the motion.

Mr. Deputy Speaker: The hon. member for Edmonton East (Mr. Yurko) is rising on a point of order. Does he want to state his point of order?

Mr. Yurko: Yes, Mr. Speaker. I find that the procedure in the House is somewhat irregular according to my understanding of procedures in legislatures and the House of Commons. You were in the middle of a vote, Mr. Speaker. You asked for "yes" and we responded, and in fact we voted. In fairness to everyone concerned—

An hon. Member: Mr. Speaker, a point of order—

Mr. Deputy Speaker: Order, please. The Chair had a motion placed before it. The Chair has ruled that the motion is in order. The Chair is recognizing those who want to speak to the motion. I will call it again.

Mr. Simmons: I should like to speak to the motion, Mr. Speaker.

Mr. Deputy Speaker: The Parliamentary Secretary to the Minister of State for Science and Technology and Minister of the Environment (Mr. Simmons).

Mr. Roger Simmons (Parliamentary Secretary to Minister of State for Science and Technology and Minister of the Environment): Mr. Speaker, as I understand it, the motion now before the House is that the question be put. That is a debatable motion. I want to speak to the merits of putting the question at this time and I submit that is my prerogative.

I happen to know that there are at least two other members on this side of the House—

An hon. Member: Three.

Mr. Simmons: I am now informed there are three members. Do I hear four?

Mr. Knowles: Sold!

Mr. Simmons: There are three or four members on this side of the House who have made exhaustive preparations in order to address themselves to Bill C-209. For some reason an effort is being made through this motion to apply a guillotine and force a vote. We all know that is perfectly legitimate. I submit it is railroading, but it is a legitimate motion under the rules of this House. We have a legitimate option in this chamber to vote against the motion that the question now be put. That is our right, and I give notice now that although I have spoken in the debate I have enough loyalty to my colleagues that I would like to hear what they have to say.

For that reason, Mr. Speaker, I intend to vote against the motion now before the House, the motion that the question now be put. I do not think it is fair. We have only been discussing the bill for 50 minutes or so and it involves a fairly important change in the legislation. It is a change with which I

agree and I said so, but nevertheless I do not think we do justice to this piece of legislation if there are others who want to speak to it.

We ought not to apply a guillotine and deprive members of this chamber of the opportunity of addressing themselves to Bill C-209. I would therefore invite my colleagues on all sides to vote against this guillotine motion and allow other members of the chamber to be heard on the subject. There are three or four members on this side who wish to speak, and I am sure there are others on the other side who would like to address themselves to the resolution.

I invite members of the chamber to vote against the motion now before us that the question be put, in order that we may hear our colleagues.

● (1810)

[*Translation*]

Mr. Ray Chénier (Timmins-Chapleau): Mr. Speaker, it seems to me that private members' hour is an opportunity for us to present suggestions and to move private bills and that it allows members who want to take part in the discussion to do so. That is why today, because I am in favour of the bill before us, I spent long hours preparing what I would say. But if at every debate during private members' hour there is a proposal like the one made tonight I think it will become quite dangerous because whenever a member wants his bill to be passed all he will have to do is to propose it.

That will end the debate and will force a vote. But I think that limits the freedom of members of this House to take part in an extremely important and legitimate debate. It is our role to participate in debates. I think that the hon. member for Crowfoot (Mr. Malone) indeed tried to impose on us a system which, to my mind, is not democratic because it is precisely our role to consider bills and to try to weigh all the pros and cons. Today, we find out that we cannot speak in this House which is supposed to be a place for debates. For this reason, Mr. Speaker, I find I must reject the proposal put forth by the hon. member for Crowfoot.

[*English*]

Mr. Maurice A. Dionne (Northumberland-Miramichi): Mr. Speaker, I am one of those other members who wish to speak on the bill, but now I will have to address myself to the motion. The first thing I must say about this motion is that it strikes me as being one of the most hypocritical acts I have seen in this House in a long time. As the parliamentary secretary to the government House leader said, we agreed to extend the sitting hours this evening in order that the hon. member for Crowfoot (Mr. Malone), who introduced a very worth-while bill, would have the full hour to discuss this bill. Then we had a stunt pulled on us, a swifty.

On various occasions between 1974 and 1979 when the government brought in rule 75 to limit the time of debate, I recall the howls of outrage, the wringing of hands, the crocodile tears, the screaming of "guillotine" from the other side of the House, were something that would bring tears to the eyes of a blind sow. But now we have the very same people, or at least one of them, doing what they condemned over and over again when we were in power for doing it in a legitimate fashion after many hours of debate in every case. Yet in the last parliament we saw the government of that day bring in the guillotine rule, or limitation of debate, at the very moment of introducing a bill.

There is just no consistency in the way that party behaves. Not only is their interim leader inconsistent, but it seems that many of their members are inconsistent as well. This is an outrage against this House after the House agreed to an extension of time.

Some hon. Members: Hear, hear!

Mr. Dionne (Northumberland-Miramichi): It is a discourtesy to the members of this House. This should not go unchallenged, and I will now have to vote against this motion even though I had intended to speak briefly on the bill and to support the principle in the bill presented by the hon. member for Crowfoot.

Mr. Yurko: Mr. Speaker, I think it should be made very clear that the motion is perfectly in order. The motion was put after two members—

Mr. Deputy Speaker: Order, please. The hon. member cannot speak again on the motion that he has placed before the House.

An hon. Member: Learn the rules.

Mr. Deputy Speaker: Order, please. The House has a motion before it. The House is debating the motion, as is its right to do. I will now recognize another speaker. In this case I am recognizing the Parliamentary Secretary to the Minister of Industry, Trade and Commerce (Mr. Laniel).

[*Translation*]

Mr. Gérald Laniel (Parliamentary Secretary to Minister of Industry, Trade and Commerce): Mr. Speaker, I would like to follow up the remarks just made by the hon. member for Northumberland-Miramichi (Mr. Dionne). Having been here for 18 years I have heard the Tory opposition and even sometimes the NDP complain about the arrogance of this government which on a few occasions, to run the business of the country, had to resort to Standing Order 75C or what the other side used to call closure to make progress in the government's business. Here they are now, unexpectedly, at the last minute, without any warning, calling for the question early in a debate interesting all members.

I would like to point out to the hon. member that even in the case of Standing Order 75C, the rules call for notice to be given, and if the hon. member wants to refer to Standing Order 33 and read it carefully, even then, a minister must rise to give notice of closure, and I want to quote Standing Order 33, at page 26, which reads as follows:

Immediately before the order of the day for resuming an adjourned debate is called, or if the House be in Committee of the Whole, any minister of the Crown who, standing in his place, shall have given notice—

—he has to give notice at the previous sitting—

—of his intention so to do may move that the debate shall not be further adjourned, or that the further consideration of any resolution or resolutions, clause or clauses—

Mr. Deputy Speaker: Order.

[*English*]

Order, please. It being 6.15 p.m. and the hour provided for the consideration of private member's business having expired, I do now leave the chair until eight o'clock.

At 6.18 p.m. the House took recess.

AFTER RECESS

The House resumed at 8 p.m.

GOVERNMENT ORDERS

[*English*]

BANKS AND BANKING LAW REVISION ACT, 1980

MEASURE RESPECTING BANKING INSTITUTIONS

The House resumed, from Wednesday, May 7, consideration of the motion of Mr. Bussières (for the Minister of Finance) that Bill C-6, to revise the Bank Act, to amend the Quebec Savings Banks Act and the Bank of Canada Act, to establish the Canadian Payments Association and to amend other acts in consequence thereof, be read the second time and referred to the Standing Committee on Finance, Trade and Economic Affairs.

Mr. Svend J. Robinson (Burnaby): Mr. Speaker, I rise to take part in this debate on perhaps one of the most important pieces of legislation which is facing this Parliament, recognizing full well that this is not the first Parliament that has dealt with this particular piece of legislation. Many of my constituents, both individuals and small businesses in the municipality of Burnaby have expressed their serious concerns about a number of aspects of this bill. I hope to deal with some of those in the course of my remarks this evening.

There have been a number of important points made by previous speakers in this debate, and a number of statements which I feel I should make some reference to in the course of my remarks. I should also indicate, in view of the proceedings earlier today and the letter which was sent out by the manager of Consumer and Commercial Banking Services of the Royal Bank of Canada, that I do not have any bank accounts. I conduct my financial transactions through the Vancouver City Savings Credit Union.

Referring to some of the remarks made earlier in this debate, in particular certain remarks made by the hon. member for Mississauga South (Mr. Blenkarn), I believe he was attempting to skate around a very important point which was made by my colleague, the hon. member for Broadview-Greenwood (Mr. Rae). I would like to clear up that particular concern briefly.

My colleague reported quite accurately that since 1976 the Canadian chartered banks have doubled their assets and profits. The member to my right, in each sense of the word, tried to obscure this by declaring that the increased profits of the banks was due to inflation, and stated that all prices had doubled since 1969. In the meantime, he claimed "that profits of the major banks have in fact declined in the past year." The hon. member might be forgiven his inability to hear or understand my colleague's argument, but his claim with respect to bank profits must certainly be corrected. In fact, as my colleague pointed out, bank profits have increased by some 480 per cent since 1970.

In our consideration of this bill we have to address ourselves to a number of important questions, including the scale of banks, their crucial role in the Canadian economy, the effects of their overseas operations and their conduct in this country. It is important that the economic power of these institutions must be employed in the interests of all of the people of Canada and not merely in the interests of a few large corporations and their controllers. We should press for a significant public presence in the banking field. We should press for responsible disclosure of the activities of the banks, both at home and abroad. We should require the banks to conduct themselves more equitably in their relations with their employees.

Let us look for a moment at these institutions to see what an important part of the Canadian economy they represent. The Canadian chartered banks held among them assets of more than $235 billion on February 29 of this year. The five largest chartered banks had among them about $212 billion of these assets or more than 90 per cent of the total. I might point out that this has increased from some $163 billion that the five banks held in assets in 1978.

These same five banks, the big five, have increased their profit position, in contradiction to the statements made earlier in the House by the hon. member for Mississauga South. In 1979 the profits of the big five banks increased by 21.9 per cent over the preceding year. I might point out that is an increase in total profits from $904 million in 1978 to $1.102 billion in profits last year.

The Toronto-Dominion Bank, for example, raised its profits by 24.1 per cent, the Bank of Nova Scotia by 17.5 per cent, the Bank of Montreal by 18.5 per cent, and the Royal Bank by 15.7 per cent. The only one of the big five to have an off year was the Canadian Imperial Bank of Commerce. Its profits increased by only 4 per cent over the $193.5 million it had earned in 1978 when it was second in profits only to the Royal Bank's $233.9 million. Not only have these firms amassed great reserves of wealth, but very importantly they are also

able to affect which spending projects will go ahead and which will not. This directly affects the futures of Canadian small businesses, farmers, working people and their families.

The banks control the future of these people, not only because of very large cash reserves in investment portfolios, but also because of the very carefully placed directors whom they share with the nation's large resource, manufacturing and agricultural corporations.

As one diligent Canadian sociologist points out, and I quote:

> The boards of all the major banks consist of representatives of all the top 100 corporations. The Royal Bank includes members from Abitibi Paper, Algoma Steel, Asbestos Corporation, Canadian Pacific, B.C. Forest Products, Imperial Oil, Imasco and Noranda.
>
> The Canadian Imperial Bank of Commerce includes representatives from Bell Canada, B.C. Telephone, Canada Cement Lafarge, Canada Packers, Crown-Zellerbach, Domtar, Falconbridge Nickel, Hollinger Mines, MacMillan Bloedel, Massey Ferguson, Noranda, Simpsons, TransCanada Pipe Lines; and the Bank of Montreal includes representatives from Alcan, B.C. Sugar Refinery, Bell Canada, Brinco, Canada Cement Lafarge, Canadian Forest Products, Canadian Pacific, Eatons, Seagrams, International Nickel, Molsons, Rothman's and the Steel Company of Canada. In addition, other financial corporations, such as Power, Argus, Brascan, the insurance companies and other financial institutions are well represented. Indeed, each is many times represented both through the main holding company and through the subsidiaries.

● (2010)

It is through this network of companies and through their own subsidiaries and connections with foreign banking firms that the big Canadian banks channel funds into some very dubious activities indeed, both in this country and abroad.

Before I mention some of the activities of Canadian banks in countries overseas, I should like to point out some of the dubious places where bank funds are being channelled right here in Canada, and I am referring specifically to the Liberal and Conservative parties.

Some hon. Members: Oh, oh!

Mr. Robinson (Burnaby): In 1978, the last year for which records are available—I will be looking with interest at the updated figures this year—the following contributions are recorded in the Liberal party receipts. These are gifts to our friends on the other side of the House. The Bank of Montreal, $25,000; the Bank of Nova Scotia, $20,000; Canadian Imperial Bank of Commerce, $25,000; the Royal Bank, $25,000; Toronto-Dominion Bank, $20,000—all five of them in the pockets of the Liberal party. We have all heard the tale that he who pays the piper calls the tune.

Not to leave the Conservatives to one side, let me point out that these gifts matched almost exactly those that were received by the Tories from the same sources. The only difference was that the Conservatives received $20,098.75 from the Bank of Nova Scotia and $25,351 from the Bank of Commerce. All the rest were the same. So now perhaps we understand somewhat more clearly why both the Liberals and the Conservatives are conspiring to push this legislation through the House as quickly as possible. I do not have to add that there are no such receipts from the banks in the records of the NDP, which is a party which is democratically financed.

It is worth keeping these investments by the banks in mind when we hear the government and Tory members in the House eagerly calling for rapid passage of this legislation and telling us how many times it has been before committees and before the House.

Let us look at some of the many investments that Canadian banks have made beyond this nation's borders. Earlier in the discussion of this bill we heard the hon. member for Saskatoon East (Mr. Ogle) describing vividly some of the effects of Canadian bank loans in a country like Jamaica. Although the banks are extremely reluctant to release information about their overseas loans, they have certainly been active in some of the more, shall we say, interesting parts of the world. Tonight I will mention only two, namely, South Africa and Chile. In the latter country, researchers have turned up a number of recent loans by Canadian banks acting as members of international consortia. Canadian banks are known to have participated in some 68 consortium loans to Latin American countries in 1978, and 75 in 1979. Of the $10.6 billion and $13.9 billion lent in those respective years, the Canadian component is difficult to determine. However, we do know that there have been recent Canadian loans to Chilean agencies, for example, the Bank of Nova Scotia's recent participation, a $70 million loan, to the Compania Manufactura Papeles y Cortones, CMPC, advertised in the periodical Chile *News* in October, 1979.

Others include the Bank of Montreal's participation in a consortium that lent $81 million to the Chilean national electrical company, ENDESA, advertised in Chile *Economic News* in August, 1979. Another one is to the National Bank of Canada and the Toronto-Dominion Bank, members of a consortium which lent $105 million to the Banco de Chile.

An hon. Member: What are banks for?

Mr. Robinson (Burnaby): I hear some speakers for the banks in the Tory party who are attempting to justify these loans. If they would stand up and do that, they will have their chance, Mr. Speaker. The same two banks, namely, the National Bank of Canada and the Toronto-Dominion Bank, were also members of a consortium which lent $53 million to the Banco de l'Estado de Chile, reported in the *Financial Times* of London on December 13, 1979. These are only a few of the recent loans that Canadian banks have made to the bloody, repressive Pinochet regime in Chile.

I should like to point out that earlier, in 1976, the Royal Bank on one occasion made a $125 million loan to a Chilean agency, even though British and European banks had refused to make a similar loan.

Efforts to find out the extent of bank dealings in foreign countries have not been very fruitful. The Parliamentary Library, the Bank of Canada, and the Inspector General of Banks all reported that they could not say how much money Canadian banks have invested in individual countries overseas. A member of my staff, for example, was told by an official in the Inspector General's office that even though such information had been compiled, the statistics cannot be made public.

Indeed, he said that the Bank Act prohibits the release of such information. I do not see anything in this bill being defended so vociferously by my friends to the right which would lift this cloak of secrecy surrounding the lending policies of Canadian banks.

Information about South African investments has been particularly difficult to obtain. However, the Montreal *Star* reported on May 19, 1979, that:

—since 1970 South Africa has borrowed more than $7 billion from western banks, but the extent of the financial role played by Canadian banking institutions is cloaked in secrecy.

The Montreal *Gazette* reported in March of the same year that during 1976 banking consortia with Canadian participants lent about $250 million to South Africa, and by the end of that year outstanding loans to South Africa totalled about $2 billion.

On February 27, 1978, the Toronto *Globe and Mail* reported that:

—secret documents released in the United States . . . show that three Canadian banks lent a total of $19.5 million to the South African government and two of its agencies in the early 1970s. The Bank of Commerce lent $6 million, the Bank of Montreal, $7.5 million and the Toronto-Dominion, $6 million as participants of banking consortia.

The task force on churches and corporate responsibility estimates, in a brief it submitted to the Standing Committee on Finance, Trade and Economic Affairs in November, 1978, that between 1972 and 1976 private Canadian financial aid to the South African government—the estimate does not include loans to private firms—amounted to approximately $684 million to that government which is promoting apartheid and which is condemned in other forums by the present government and, indeed, by representatives of the previous government.

In March of this year the same organization reports that the Toronto-Dominion Bank lent $2.68 million to the South African State electrical sytem, ESCOM. As my friend, the hon. member for Cowichan-Malahat-The Islands (Mr. Manly) stated earlier in this debate, the bank has since said that it will not renew this loan or any other similar loans to South Africa. So far it is alone in that policy. However, this loan was made without any sort of review of its effect on South Africa, on Canadian foreign policy or on the Canadian economy.

That is the point, that the banks are taking decisions of this sort in secret without any review by the Government of Canada, the representatives of the people. The evidence at hand points not only to the bad effects that some of these loans have on the people of the receiving countries, but also to the bad effects they have on the Canadian economy. The effects of Canada's bank investments overseas and their effects on the Canadian economy go hand in hand. They can be seen right at the core of the act that the Liberal government and its Tory predecessor have placed before the House. The bill will allow foreign banks to compete with domestic banks. It will speed up the process of penetration of the Canadian financial market, which my Conservative friend is supporting, by foreign banks, which was begun after the 1967 Bank Act revision.

The government has justified this penetration in the name of increased competition. I submit that this is just so much veneer, that the real reason for the government's and the private banks' willingness to open the door to foreign banks is what is known as reciprocity. What this means is that the Canadian banks, which do about one-third of their business outside the country, want to get more leeway to operate in foreign countries, and to do that they are offering the Canadian national market as a bargaining token.

● (2020)

I refer to the *Canadian Business* magazine supplementary "Focus" for April, 1980, which states that the five major Canadian banks operate more that 300 branches, agencies and controlled subsidiaries in about 60 countries. The same article quotes the Royal Bank head and outgoing president of the Canadian Bankers' Association, Mr. Frazee, as saying that the big banks' "appetites are clearly growing" for foreign investments.

Banks that were once merely national players are now being catapulted into international competition because the world opportunities for business and the needs of their customers force them to move out—

So, and I quote:

—Canada as the most trade-dependent of the industrialized nations, has no other realistic alternative.

This places the question in a somewhat different light. What the Liberals are asking us to do is to approve and make legal the banks' own rationalization for the necessary evil of letting foreign banks have the same rights here that our banks want to obtain in other countries. You will note that the reasoning so far is not made in terms of the interests of the Canadian people or the interests of the Canadian economy but, rather, in terms of the increased profitable operations of the Canadian banking system. This does not look particularly good for the banks or the government, so we are slipped the guise of improved competition. Foreign banks, we are told, will increase the competitiveness of the Canadian financial system. The fact of the matter is that the Canadian banks' foreign operations will not help the performance of the Canadian economy, nor will the invasion by the foreign banks themselves.

Canada is already in the peculiar situation of having large financial outflows which are severely damaging our balance of international payments. Even though the large banks are able to channel large amounts of investment capital into overseas investments, Canada continues to experience a chronically severe balance of payments deficit. For example, during the period between 1976 and 1978 this deficit averaged $4.48 billion on current account, and of this deficit business services such as insurance premiums, other insurance transactions, consulting and other professional services, commissions, scientific research, product development, equipment rentals, franchises and similar rights and other services accounted for a net average outflow of over $1 billion annually.

Even more serious is the outflow, averaging more than $3.5 billion annually, of interest and dividend payments. The fact is

that even though we have in this country some of the world's largest banks, Canada's local, regional and provincial governments and firms have to go outside the country to borrow.

The Canadian chartered banks are asking for increased leverage to expand their foreign operations at a time when the cost in terms of the balance of payments of Canadian borrowing outside our country has reached almost $4 billion a year, up substantially from approximately $3.5 billion last year and $2.7 billion in 1977, according to statistics just released by Statistics Canada. These are interest payments. Between 1976 and 1978 Canadian governments borrowed an average of $5 billion on international—mainly New York—money markets. Even though the banks claim that there have been compensating returns from foreign loans, this does not appear to be the case so far. Over the same three years the balance of payments statistics reveal that inflows of interest payments, that is, flows into Canada, totalled only $230 million, $224 million and $266 million in the three preceding years, so there has been an actual decline in the amount of the inflow of interest payments. The outflow of funds for foreign borrowing and the outflow of funds for the establishment of bank branches and subsidiaries in other countries do our country no good whatsoever.

What we do need is significant public involvement in banking itself and in the regulation of banks' lending and investment policies, and I am pleased to see the hon. member for Nepean-Carleton (Mr. Baker) is supporting that policy. This would ensure that these large financial intermediaries are channelling funds not merely for the sake of their own private profit but also in the interests of all Canadian people who depend on their investing and lending decisions. What is needed is not increased participation in the Canadian economy by foreign multinational banking operations. Such firms will only duplicate the services already offered by Canadian banks and squeeze existing competitors such as caisses populaires and credit unions. What is needed is government support for caisses populaires and credit unions. These are responsible local and community-controlled organizations.

Statistics from the Bank of Canada show that in 1979 foreign banks already operating in Canada concentrated their activities in the high profit business loan area. Some 51.6 per cent of their loans were of this nature, while only 16.9 per cent were in short-term paper, 10 per cent in leasing, and 8.8 per cent in real estate and construction loans and a similar amount in loans to their foreign parents and affiliates.

Because of their connections with other foreign firms in their home countries, the foreign banks are likely to win the business of foreign firms away from the Canadian chartered banks. This would increase the strength and size of foreign owned capital in this country if this particular provision in the bill were permitted.

Foreign banks are not likely to create any more business in this country, and what they are likely to do is compete with the Canadian banks, but there is not much possibility or hope that new Canadian banks are going to be growing in the already overcompetitive soil not taken up by the big foreign and chartered banks.

In fact in some financial markets the big banks are already being pressed by domestic competitors. As of December 31, 1979, Canadian credit unions and caisses populaires numbered 3,693 with 4,477 branches across the country. Their savings totalled $25.51 billion; loans, $21.24 billion; and assets, $27.73 billion. The growth of credit unions and caisses populaires has been dramatic. In 1967 their assets stood at only $3.382 billion, so this means that these co-operative financial institutions have expanded their holdings more than eight times in the intervening period.

Mr. Baker (Nepean-Carleton): Very healthy.

Mr. Robinson (Burnaby): Absolutely. The credit unions of British Columbia introduced daily interest rates more than ten years ago, something some of the chartered banks only began last year as a result of competition. Some still do not offer these daily interest rates and, rather than allowing foreign banks to come into the country in a big way, surely what we should be doing is promoting these indigenous financial institutions as models of co-operative Canadian economic development.

There have been some other areas in which the record of the chartered banks has certainly been less than impressive and which the new Bank Act would do absolutely nothing to rectify. I would like to turn for a moment to the labour relations practices of the banks. Banks have been consistently intransigent in dealing with employees seeking to unionize. Most bank workers in Canada are not unionized, despite the poor working conditions and low pay. The reason is that the banks have resorted to force and manipulation in trying to discourage union organizing. In a decision of last November 30, members of a Canada Labour Relations Board arbitration board ruled that the Canadian Imperial Bank of Commerce had contravened several sections of the Labour Code in its dealings with unionized employees in St. Catharines, Ontario, and Creston, British Columbia.

Mr. Baker (Nepean-Carleton): A good ruling.

Mr. Robinson (Burnaby): In its decision the board reported, and I quote:

> It has become apparent throughout the organizational attempts at various branches of the employer across the country, by various unions, that this employer has embarked on a campaign designed to discourage its employees from exercising their rights under the code. Some attempts were blatant blundering, others more sophisticated and subtle.

In the matter under review by the board, a system-wide general salary increase that was withheld from unionized workers, the board observed that the bank's unfair labour practices were not attributable to overzealousness on the part of lower level managers but were, rather, decided at the very highest level. These were the same levels which decided how much money to give the Conservative and Liberal parties in preceding years.

The board went further, finding that the bank's labour relations practices had had "disastrous results". The board members reported, and I quote:

Besides the chilling effects on the union's organizational campaign, the parties, including the employees, are living in an impossible labour relations atmosphere.

Although the board did not find that the specific complaints brought by the Union of Bank Employees against the Bank of Commerce necessarily applied to the Bank of Montreal and the Bank of Nova Scotia, its members said they would be willing to hear submissions from workers employed by those companies as well. That is hardly a vote of confidence in the Canadian banking system.

The November decision was not the first time that the chartered banks had been found in contravention of the Canada Labour Code, either. In her report to the Canadian Advisory Council on the Status of Women released last month, staff member Julie White notes that the banks have been found in violation of the code for firing workers for union activity and transferring staff involved in a union from one branch to another. They have been found in violation of the code by denying promotions to union members for union activity, having additional workers at a branch in the process of unionization in order to undermine the majority of union members required for union certification, holding both group and individual meetings during working hours to apply pressure on employees to prevent them from unionizing—at these meetings were unknown, high-ranking officials of the bank involved whom the workers had not known before the meetings—requiring workers at unionized branches to make up cash shortages at the end of the day out of their own pockets, contrary to practice in non-union branches.

● (2030)

If Conservative members want to justify this kind of conduct, they will have their opportunity shortly. I see that they support it. That is very unfortunate. This is hardly the conduct of organizations which we should allow to operate in secrecy and confidentiality. We should be requiring the banks to provide more information about their activities, and we should subject them to more public scrutiny.

As noted earlier, it is very difficult to obtain information on the foreign operations of Canadian banks. Even highly-skilled analysts, who make it their business to know about such matters, have reported that they have difficulties getting such information and, when they do, it more often comes from American or host country sources than from the chartered banks themselves.

I might just pause to say that I hope the freedom of information legislation, which has not yet been tabled in this House, will be tabled very shortly to assist us in dealing with this veil of secrecy surrounding the banking system in this country. The banks should be made to own up to their foreign lending because this lending often vitally shapes the *de facto* foreign policy of this country and shapes Canada's overseas image. I do not believe that our image is particularly good in the Caribbean, where the chartered banks have been so active; in Chile, where their loans help support a regime that has been twice denounced by the United Nations for human rights violations; or in South Africa, where a United Nations Commission on Human Rights study reported in 1978 that four of the Canadian banks are active supporters of the apartheid regime.

One other area I should like to mention is that of profit rates. A recently released Economic Council of Canada study reported that the chartered banks had earned excess profits during the study period, 1968 to 1973, of between $219 million and $425 million, depending on the method of calculation. Certainly if my friend on my right in the Conservative party who has been defending the anti-union practices of the banks wants to defend the excess profits as well, he will have that opportunity at the conclusion of my speech.

Some hon. Members: Oh, oh!

Mr. Robinson (Burnaby): If these excess profits resulting from the monopoly organization of the banking system had not been gained, this objective report by the Economic Council of Canada argues that more firms could have entered into the banking field to compete for the available share of the market, and banking services would have been less costly.

If the government really wants competition, I suggest that regulation of the banks and competition with them will do more good than allowing foreign, oligopolistically-organized corporate banks to enter the country. Along the same vein was the Bryce commission report. The hon. member for Burlington (Mr. Kempling) will recall well the Bryce commission report, this whitewash of corporate concentration, because when it came out he said proudly that it was Tory blue, that it was their report. That is the kind of corporate concentration they support. He recalls that well, no doubt.

Some hon. Members: Hear, hear!

Mr. Robinson (Burnaby): The Bryce commission report even suggested that the oligopolistic banking system does not achieve any significant economies of scale whatsoever. In its discussion of the chartered banks, the commission noted that the five largest banks control more than 90 per cent of all banking business in the country. Also it reported that the banks had rates of return between 1968 and 1975 that were larger than those of non-financial industrial firms in this country and of the banks in the United States. The Economic Council of Canada study comes to the same conclusions. Also the Bryce commission points out that the banks enjoy the blessing of a self-correcting mechanism which allows them to profit in times of both slow and expanding economic conditions. It indicates the following:

Bank profit performance over the past decade has not been exceptional in good times.

The commission report indicated that it has been much better than average in bad times because of the following:

In a buoyant economy the banks make money on volume, while in a declining or stagnant economy they make money on spread.

That is the difference between interest rates received on loans and paid out on deposits. So, while ordinary working people, small business people, are hurting as a result of these

interest rate policies, it is the banks that are profiting. This is not a built-in stabilizer that is enjoyed by these workers, small businessmen and farmers of Canada. Perhaps what we should be doing, rather than debating giving away more of the shop to the chartered banks, is aiding workers and small business people in this difficult time.

Another pertinent finding of the Bryce commission was that there are no noticeable economies of scale which attach to the size of Canada's chartered banks. In other words, the banks have not improved their service to customers noticeably, even though they have greatly expanded the size of their operations.

I hope I have given the impression that there are serious problems with the Canadian banking system, its effect on the workings of the Canadian economy, and with the bill which is attempting to defend the status quo in the banking system. Surely the approach we should be taking is this: the large chartered banks must channel the reserves of finance capital they have at their disposal into projects which benefit the national interest, not just those firms with which the shareholders and directors happen to be involved. This most certainly would require much increased regulation of the investment planning and lending policy of banks and financial institutions, both at home and particularly abroad. Also it would require the development and creation of federal government financial institutions, both to plan and co-ordinate banking procedures and to ensure a public presence in this most crucial of economic sectors.

Governments are already involved in protecting the interests of their citizens in a number of countries through their involvement in banking. In France, for example, public and semi-public financial institutions already handle about 85 per cent of all bank deposits. The Japanese Trust Fund Bureau collects a major part of all savings and life insurance payments, which are redistributed through government financial institutions according to a government loans and investments plan, reflecting the priorities of the people of that country and not of the shareholders of the banks. The Italian state holding company, IRI, controls three of the country's largest banks and has holdings in a number of local banks as well. Co-operative banking, much like our own caisses populaires and credit unions, is a major part of the public banking systems in West Germany, Belgium, Denmark and The Netherlands. Of course in Norway there have been some sweeping changes to the structure of boards of directors of banks, reflecting the importance of public involvement in this critical economic sector.

I do not produce these countries as any particular example of socialist economies. Indeed, for the most part, they are dominated by production by large corporations. But in each of these nations the state has accepted a degree of responsibility on behalf of its people for ensuring that the public interest is represented in the banking system. And so it should be; financial institutions should be required, by public ownership where necessary, to be made more responsive and more accountable to meeting needs in capital availability.

A responsible government in this country would control and direct investment through a combination of stringent regulations and public ownership of financial institutions. A prerequisite of national planning must surely be a firm grasp on the financial mechanisms of the country. This must include control over major investment decisions of large corporate interests. Public ownership should be an important tool in national development. Public ownership and solid support for the co-operative and credit union movement and stringent control of the banking system should be a major first step in such development now. Canada's banking system must serve not just the narrow and increasingly concentrated corporate sector, but all of the people of Canada. As New Democrats we are committed to fundamental changes in the economic and social fabric of our society.

I can do no better than to quote from the words that were first written down in July of 1933 in Regina by a group of people who founded the Co-operative Commonwealth Federation. They said the following:

> We aim to replace the present capitalist system, with its inherent injustice and inhumanity, by a social order from which the domination and exploitation of one class by another will be eliminated, in which economic planning will supersede unregulated private enterprise and competition, and in which genuine democratic self-government, based upon economic equality will be possible.

Those words ring as true today as they did in 1933. In conclusion, I should like to say that it is imperative we bring our banking system under control.

Mr. Deputy Speaker: Order, please. The hon. member for Okanagan North (Mr. Dantzer) on a point of order.

Mr. Dantzer: Mr. Speaker, I wonder if the hon. member would entertain a question.

Mr. Deputy Speaker: That is not a point of order, but will the hon. member for Burnaby (Mr. Robinson) entertain a question?

Mr. Robinson (Burnaby): Mr. Speaker, I will proceed with my speech, and if there is time for questions at the end I will attempt to deal with them.

In concluding, then, we must bring our banking system under public control if we are to pursue and realize these essential goals, goals which more than any other constitutional changes or tinkering with the constitutional system will surely help in this critical period in our history to keep Canada a strong and united nation.

Some hon. Members: Hear, hear!

Mr. Deputy Speaker: The hon. member for Burlington (Mr. Kempling) on a point of order.

Mr. Kempling: Mr. Speaker, the hon. member who has just spoken made reference in his remarks to comments which he alleged were made by myself at the time the Bryce commission report was tabled. I would just like to correct the record. He was not here, so he does not really know. I cannot say that he did it purposely, but let me say that the colour of the book was blue. I was asked what I thought of the Bryce report and I said that it was blue, because I had not read it. I didn't say it was

Tory blue, navy blue, little boy blue, Fauntleroy blue, or anything else.

● (2040)

Mr. Deputy Speaker: Order. The hon. member has not made a point of order. Is the House ready for the question?

Some hon. Members: Question.

Mr. Deputy Speaker: I recognize the hon. member for Kootenay East-Revelstoke.

Mr. Sid Parker (Kootenay East-Revelstoke): Mr. Speaker, I welcome the opportunity to speak about the Bank Act. As a former administrator and mayor of a municipality for eight years I saw what has happened to small communities. When people try to bring industry into the area, the first thing they do is go to the community and look at the number of banks to determine what banking facilities are available. In my riding the Canadian Imperial Bank of Commerce gave notification last year that it was closing its branch at Radium. This is a heavily touristed and industrial area. It has a large lumber mill. Had this happened, these workers and small businessmen would have been forced to bundle their money each day and travel to another community to deposit it. The workers would have gone to the other community to cash their cheques and purchase their goods there.

Members of the Conservative and Liberal parties stood up at election time at meetings of chambers of commerce and told these small businessmen they were there to protect their interests. They said they were the ones who were fighting for the free enterprise system.

There are no regulations in this Bank Act which would stop this kind of centralization of the banks. These banks in small communities have a responsibility to those communities whether they are making a profit or not, because these banks are given special banking privileges throughout Canada. They must fulfil those responsibilities in those communities.

I should like to touch upon another matter as I do not think we have paid enough attention to it, and that is in relation to the organization of bank workers. This is a very serious matter. In 1977 the Canada Labour Relations Board ruled that banks could be organized on a branch by branch basis. Since that time banks have vigorously opposed any move to unionize their workers. Only 65 of the 7,500 branches in Canada have been organized. Most of the workers in banks are women, and the banks have successfully used that fact to intimidate those workers. They have intimidated them in a way they would never have dared had they been dealing with seasoned industrial workers.

Some 67 complaints of unfair labour practices have been registered with the Canada Labour Relations Board against banks. Banks have more complaints against them than any other industrial sector. In 1977-78 complaints against banks comprised one-third of all those received by the Canada Labour Relations Board. It is a disgrace for any elected member who establishes regulations for banks without setting the working conditions for the people working in those banks.

The hon. member for Burnaby (Mr. Robinson) has touched upon some of the tactics these banks rely on, including the firing of staff for union activity. Can you imagine going to work in the morning and finding that because of some of your activities you are no longer employable? Some banks transfer their workers who are involved in union activities, from one branch to another. The hon. member for Burnaby has said this already, but I think it is worthy of repeating because these things happen in banks, and we cannot allow them to continue.

Banks hire additional workers at branches involved in certification, in order to increase the number of votes, thereby stopping any certification program. The banks hold group and individual meetings during working hours to apply pressure on the workers not to unionize. Often those meetings are attended by high ranking officials of the bank. Some branches require the workers at unionized branches to make up cash shortages at the end of each day, a practice not followed in non-unionized branches. Can you imagine going to work and finding that you have to make up a shortage at the end of the day? Banks have withheld annual pay increases at those branches which have been organized, or branches that are awaiting a first contract, and the banks have been careful to inform all employees of this distinction.

Let me quote from a recent report on women and unions issued by the Canadian Advisory Council on the Status of Women:

> While these employer tactics are not unfamiliar in any union organizing attempt, the banks have applied them in a particularly centralized and co-ordinated manner with obvious co-operation between different banks. Extensive legal advice has been obtained and profitably used, so that proving illegality is very difficult. The banks have the time, money and personnel not only to mount a strong anti-union campaign, but to maintain the opposition for years if necessary. Needless to say branch workers feel that it is difficult to oppose these wealthy and monolithic institutions. They are right.

The banks do not stop their intimidation once a branch has been certified. As I have already pointed out, they were found guilty of withholding pay increases to unionized workers and forced to pay them back wages. That is not all. I should like to recount the history of the bank workers' struggle at a branch right here in Ottawa.

In February, 1979, Local 2104 of the Union of Bank Employees was certified at the Commerce Bank on Carling at Preston. After certification the bank began to apply what a former shop steward described as subtle pressure. The bank was sticky about time schedules and converted to an hourly wage from a weekly salary so it could dock pay for lateness and absences for such things as mid-day doctors' appointments. In March the bank was decertified by the workers. The workers could not take this kind of harassment any longer and decertified themselves. It is shocking for any of us to stand here and discuss the Bank Act while allowing the workers of that kind of an institution to be dealt with in that way. The women workers simply did not feel they could successfully compete against one of the largest corporations in the world.

Many of my colleagues have already spoken of the incredible profits being collected by Canada's chartered banks. In the three months immediately prior to January 31, all five of the major banks registered after-tax profits in excess of $40 million. The Royal Bank registered profits of nearly $80 million. The banks are very reluctant to share this wealth with their women employees, but they are not hesitant to give it to the other political parties represented in this House. In 1975 three of the five big banks donated $60,000 to the Liberal party and three of the five banks donated nearly $70,000 to the Conservative party.

• (2050)

What can this government do if it is at all interested in living up to the lip service which it has so far provided to women's issues during this Parliament? First, it should immediately launch an investigation of the anti-union tactics being employed by the chartered banks of this country. Such an investigation has recently been called for by the National Advisory Council on the Status of Women, and it is long over due. The investigation must have some teeth and the government must be willing to take some positive action once the investigation is complete.

This morning I asked the Minister of Labour (Mr. Regan) if he was prepared to do something about this matter. As a result of the negative response which we received from that minister, I would strongly urge every member of this House to assure that something is put in the Bank Act that will bring the standard of working regulations for employees in the banks to a level that can be respected in Canada.

Some hon. Members: Hear, hear!

Mr. Parker: Second, Mr. Speaker, the government should live up to its commitment under the Canada Labour Code, to promote the organization of workers. Some of the women who work in the banks have been quoted as saying that they were led by their employers to believe that belonging to the union was practically illegal and most certainly disloyal. The government has a responsibility to make these women aware that unionization is not only legal but that it is actively encouraged.

In this speech I have raised two issues which at first glance might seem unrelated. I have said that the banks must not move out of the small towns, and I have said that the banks should cease and desist from their active union busting campaign. But these issues are not unrelated. They both point to the fact that the banks in Canada have become the robber barons of the twentieth century. They have no sense of decency or fair play. It is time that this government sends the banks a message. The banks must clean up their act.

The banks in Canada are in a very lucky position because Canadian governments have refused to encourage the type of anti-trust laws which are prevalent in the United States. They have very little competition. They must not abuse this special privilege. They must think a little bit more about the people who keep them in business and who work for them, and a little bit less about establishing the highest corporate profits in recorded Canadian history.

Mr. Ian Deans (Hamilton Mountain): Mr. Speaker, I will only take a few moments this evening to talk about banking, a subject with which I am very familiar. I suppose that it could be said that I am almost expert because no one has been to the bank more often than I. The problem is that I am usually taking money out. Rarely am I ever saving it, and it is getting worse.

It seems appropriate to talk about the Bank Act because it will be a number of years before I will have another opportunity. In fact, knowing politics, one can never tell. One may only get four chances such as this during one's terms of office. I know that the hon. member for Winnipeg North Centre (Mr. Knowles) has only had about seven chances to speak on the Bank Act, which says something about his longevity.

This is a very important piece of legislation, perhaps the most important piece of legislation with which this House will deal. As one looks around at what is happening to the economy, at the people in the economy as they are affected by the changes in interest rates and by the dramatic shifts in credit, and at the changes in the way society is developing, one can appreciate that unless we pay far more attention to the financial institutions, particularly the banks, it could well be that the lifestyle to which most of us have grown accustomed, with which most of us have grown up, and which we look forward to passing on to our children, will not in fact be available.

We are about to give, once again, a right by charter to a half dozen privately-owned institutions. We are about to give those institutions the right by law to manage the economy of the country, to establish, for all intents and purposes, the way in which credit will be meted out, to establish the interest rate policy, and to determine the cash flow for the greater number of people in this country. We are allowing the banks to do all that for profit.

Anyone who looks at the banking system will appreciate that there must be careful regulation governing that industry. If it was ever more evident than it is today, I cannot imagine when that might have been. Banks must be regulated carefully. They must be made to behave because of something called national interest. Banks of late have a poor public image. Many people are very skeptical of the way in which banks have behaved over the course of the last three or four years.

The government has an equally poor public image because of the operations of the banks and of the way in which the banks have behaved; and the government's reluctance to come to grips with the problems of banks. As many of my colleagues have said, the banks have made massive profits, profits that are bordering on usury. Therefore it is time that we in this House of Commons make some very careful decisions about the role which the banks are to play from now until the next time this legislation is brought before the House.

We have elevated banks to a status far in excess of what they deserve. As a child, I did not go to the bank very often,

but my grandfather owned a public house, a drinking establishment.

Some hon. Members: Hear, hear!

Some hon. Members: Oh, oh!

Mr. Deans: In another period of his life my grandfather owned a dairy, so he tried to satisfy both ends. My grandfather often went to the bank, and he talked about his banker in terms which most people reserve for discussions about their priests. It was just about that level. One can almost imagine the kind of sense that he had about his banker. Quite frankly, he was probably more afraid of his banker. I think that that feeling persists today. We are afraid of the banks. We are afraid to demand that they exercise some caution and discretion. We are afraid of the banks in terms of the way in which they implement policy. Most of us do not understand the workings of the banking community.

● (2100)

I think you cannot talk of the banks without talking about the central bank, the Bank of Canada, the bank that should be setting policy, the bank that was established for the very purpose of providing some over-all policy. Unfortunately the Bank of Canada has not been responding well to the needs of the country as a whole. The Bank of Canada has not been responding to the domestic requirements of Canada, and for some reason or another up until the last few days, and even now, I suppose, is following policy that is not established in this country. It is following policy that was established in other parts of the North American continent—Washington and New York. The establishment of bank rates and interest rates for the Bank of Canada, which are passed down through the chartered banks to the consumers in Canada, was almost in locked step with the banking interests of the United States.

As we look at that situation we have to try to understand the problem it creates. We had an opportunity in Canada to use a very strong banking establishment to develop, in social and economic terms, the kind of economy we would like for ourselves. We could have had interest rate policies that were, as my leader said during the election campaign, "made in Canada." We could have had interest rate policies that reflected the needs of Canada; interest rate policies that recognized the problems of families with mortgages that had to be renewed; interest rate policies that understood the dilemma the small businessman faces as he attempts to maintain some kind of equity in his business. We could have had interest rate policies that took into account the distinctive difference in lifestyle and goal of the Canadian population compared with that of the United States. We could even have had, maybe, an interest rate policy that was humane, an interest rate policy that showed understanding.

For reasons that escape me entirely, the governor of the Bank of Canada, Mr. Bouey, never seemed to sit down and determine what was best for Canada and the Canadian people. His interest had something to do with cash flow; his interest had to do with strengthening or weakening the dollar; his interest had to do with matters over which he really exercised very little jurisdiction; yet in matters where he could have had jurisdiction and have made an impact, he refused to take action.

When we talk about what banks are supposed to do, Mr. Speaker, we should realize that they are supposed to be an instrument of economic and social policy. They are, perhaps, the single most important instrument. With careful direction the banks could be used as a means of stimulating the economy; they could be used as a vehicle for the development of Canada; they could be used to unite the country in terms of the creation of economic opportunity all across the land, yet they have not been so used for a number of reasons. In the majority of cases there is no evidence from the banks that they care very much about impact. In the main, they have been a major contributing factor to the ever-increasing credit problems that confront people.

From the time we gave the banks the power to advertise and encourage direct lending, they have in fact encouraged people to go into debt. They have not taken the time to try to establish a counselling service that would keep people from running up charges on credit cards to three or four times their limit. They have not taken the time to understand that there is nothing within the educational system that enables people to learn how to handle money.

As you drive down the street you see the sign on the bank window which reads, "Come on in and borrow; we have the lowest rates in town."

An hon. Member: Seventeen per cent!

Mr. Deans: The lowest rates in town are still out of reach of the majority of people. The bank tells you how much it is going to cost if you want to borrow money and spread the payments over 18 months, 24 or 36 months. "It is only" going to cost you, is the way they put it, without any consideration of whether or not you can afford to pay it.

My colleague has handed me a letter from the Bank of Nova Scotia.

Some hon. Members: Oh, oh!

Mr. Simmons: Where do you stand on the referendum?

An hon. Member: Is that a note from Mr. Nystrom?

An hon. Member: Take it easy; keep your trousers on.

Mr. Simmons: Where do you stand on the referendum?

The Acting Speaker (Mr. Ethier): Order, please. I would expect hon. members to show the usual courtesy that is extended to members who are addressing the House.

Mr. Deans: Mr. Speaker, I really desperately require your intervention to keep hon. members opposite from heckling me so.

Some hon. Members: Oh, oh!

An hon. Member: For a leadership candidate you are not putting on a very good show.

Mr. Deans: The Bank of Nova Scotia decided it is not making enough money so it has to solicit some additional customers. It sent out letters and, of course, they all do it. I have had them and I am sure Your Honour has them too. This one states:

If your ideas are bigger than your bank balance, we might be able to balance things out for you.

A low cost Scotia plan loan lets you keep your savings intact for emergencies and get the things you want now, without waiting any longer. That car, television, boat, snowmobile, furniture—

See how far down the list furniture is.

—or holiday idea could become reality.

Borrowing money makes good sense when you can repay a loan regularly and a Scotia Plan Loan costs less than many other loans—

That does not say what those interest rates are, of course. The letter continues:

—in fact, 50 per cent less in some cases. It's fast too, and life-insured at no extra cost.

So if it's cash you need, just drop in and see us about a low-cost Scotia plan loan.

It is signed "Sincerely, Scotia plans."

An hon. Member: I am sold! I am sold!

Mr. Deans: At a time when people are struggling, the banks dangle out, "If you need a boat or car, don't use your money, don't save money and buy it—no, no, come in and borrow from us."

Mr. Simmons: At least a bank keeps a promise.

An hon. Member: You guys should take your straitjackets off.

Mr. Deans: Then we wonder why so many families are facing personal bankruptcy. Why is it that so many families—

Mr. Simmons: On a point of order, Mr. Speaker—

The Acting Speaker (Mr. Ethier): Is the hon. parliamentary secretary seeking the floor on a point of order?

Mr. Simmons: Yes, Mr. Speaker. I am trying desperately to hear what the hon. gentleman has to say. I wonder if you would restrain his NDP colleagues so that I can hear what is going on.

The Acting Speaker (Mr. Ethier): The hon. member for Hamilton Mountain.

Mr. Deans: I am glad the hon. member is interested. I will do my best to say it all in single syllable words so that it will get through.

What I am saying, Mr. Speaker, is that with this kind of letter it is no wonder that families are being faced with personal bankruptcies; it is no wonder that their standards of living and expectations have been raised in excess of their ability to meet their obligations; it is no wonder that you can go into a bank and get a Visa card, into another bank and get a Bank Americard, you can take your Esso and Shell credit cards, you can go and get an Eaton's card, you can go and get a Simpsons-Sears card, you can have a card from any number of the other chain stores—so is it any wonder that people are having a very difficult time trying to manage their own economics? Is it any wonder families are being faced with problems? Credit is too damned easy to get. Then, once you get it, up go the interest rates.

● (2110)

Whatever happened to the day when people used to save a few dollars and then use that as collateral to go out and to purchase? Whatever happened to the day when being in debt over the top of your head was considered to be something unusual and unacceptable? And yet the banks, the very institutions to which we give the power to manage the affairs of the country, are encouraging people day after day to go out and borrow and become part of the debt-ridden society. The end result of it all is, of course, larger and larger profit margins year after year for the same banks, without any consideration for the people and whether they have the means or the ability to meet the obligations thrust upon them.

I think credit counselling must go along with credit. Along with the extension of credit, the banks have an obligation to make sure that the people who borrow the money have the ability to repay it. We have to find ways to have some control over the amount of credit people are able to get, because the majority of people cannot manage credit.

There is no point in allowing this situation to continue as it is, and in encouraging more and more people to the point of bankruptcy. That is what the banks are doing. That is partly what is wrong with the banking system. It is about time that we took a serious look and called upon the banks to answer for their actions because they have to answer for them. They, and they alone, have the power to redirect the kind of purchasing that has taken place in the last few years.

In any event, what I am saying is that I see the banks in a little different way from the majority of people, it is not that I see them as an enemy necessarily, although some people might wonder at that. Frankly I think they could provide a great deal more. I think they could be a much more important part of the economic policy-making process in the country if only they were not so interrelated.

I heard my colleague, the hon. member for Winnipeg North (Mr. Orlikow), outlining last week the directorships and the interrelationship between directorships and the major corporate sector. When the board of directors of a bank is meeting, and the directors there represent the major corporate sector of the country and they are talking about consumer interest rates, and they are trying to encourage people to buy the very products the firms that they represent manufacture and sell, I ask hon. members would they not think that there might be a conflict of interest there as these directors set rates and policy for the consumer borrowing that takes place? Would hon.

members not think there is a conflict of interest there as these people encourage more and more people to borrow more and more to buy the products which they, in their own private companies, manufacture? I ask hon. members whether they do not see some room for a conflict of interest in that situation?

Quite obviously if the director involved is in a company manufacturing durable goods and is then faced with a decision of sitting down and establishing consumer borrowing for the bank, he is going to encourage a more open and freer consumer borrowing policy in order that he can sell more of his goods. Therefore we will have to look at how directorships are set up in banks because that conflict carries right through the system. It carries right through in the decisions as to whether or not money will be loaned to major developers in order to develop, and where that development takes place. It carries right through in terms of whether they want to encourage development to take place where their competition might get the inside track or the upper hand. It carries right through in terms of whether they themselves want to see expansion take place in one part of the country over the other, or whether their primary company, the one from which they come to sit on the board of directors, will make decisions in the best interest of the economy as a whole, given that their own private company may suffer some detrimental effect as a result of policy established at the bank level.

There is something wrong with the relationship between the way we establish directorships in banks, and the tie-in of those directorships with the private operations they conduct on a day to day basis. I want to suggest, as we go into committee, that we take a serious look at severely restricting who can sit on boards of directors of banks. It is about time that we understood just how boards can in fact manipulate the policy to the advantage of the companies represented on the boards. If hon. members do not believe this, I would suggest they sit down over the weekend and give it some thought.

In addition to that, I think we have to try to get the banks to understand where their primary obligation is. As they would tell you, it is to their own shareholders. This is wrong in a private system like this where that becomes the area to which the directors and the banks must answer. It is not merely enough to do that because the bank and the banking institutions together probably control most, if not all, of the opportunities for development; or most if not all of the opportunities for growth; most if not all of the opportunities for balance in terms of the economy of the country. Therefore we must try to write into this legislation the terms and conditions under which the banks will act in the best interests of the country as a whole; what kind of social and economic responsibility they have; what kind of social responsibility to parliament and to the direction set by parliament, and also what kind of social responsibility they have to the communities all across this country.

With respect to mortgage rates, the banks could quite easily, with the direction of the central bank, have had a major influence in bringing mortgage rates to a level that people could afford. We said in January that the interest rates could have been dropped 2 per cent right there on the spot. People now in the government and some in the Conservative party thought it ridiculous at the time. I remember statements such as "it could not happen, it would be outrageous, it would destroy the system." But it has happened. Had it happened in January untold numbers of people would not have faced the kind of hardship that they have faced in the intervening months. The interest rate could drop by another 2 per cent right now without detrimentally affecting the economy of the banks. It could be done tomorrow morning with a direction. It is time it was done. It is time that we understood that the welfare of people and their families is as important, if not more important, than the unusually high profit margins being enjoyed by the banks.

When I was speaking in the House the other night I mentioned that I was in the bank cashing my cheque and I was talking to a friend of mine who owns a business. On that day I told hon. members he had told me that he was becoming desperate because he did not know how he was going to finance his business over the next month or two. He said that, as he carried his inventory, the carrying cost of the inventory has reached a point of almost 20 per cent. That is 20 per cent in addition to the value of the inventory.

He put it to me that it made it almost impossible for him to compete with the larger operations. He did not understand why it was that the government, a government that pays lip service to small business, could not find a way to establish some reasonable interest rates that he could use for short-term borrowing, in order to maintain the inventory he must carry to serve the public, to create and maintain the jobs that he had.

Mr. Corbett: What about the small business development bond which you defeated?

Mr. Deans: The small business development bond which we defeated? Unfortunately, it would not have been of help in this instance.

• (2120)

What he asked me was why is it, since it is generally recognized that small business employs by far the vast majority of people, that the government does not seem to be able to direct, either through the institutions or directly, the interest rates in order that he, and many like him, can take advantage of it in order to maintain their business?

This is when we were talking about giving Chrysler $700 million. He said, "I do not understand. How can the government find $700 million to give to a company that is damn near on the verge of bankruptcy and cannot find $20,000 to loan a guy in a little business that employs five people and maintains an operation in this community?"

I met another man the other day. He came to see me last weekend when I was home in my constituency office. He had the same kind of problem. All he needed was $4,000. That is all he needed. He had inventory valued at $44,000. This man had a loan from the Federal Business Development Bank of $8,600 and an overdraft of about $5,000. He needed this

because of some changes he wanted to make in his business. It would have returned for him probably 30 per cent more than he was currently making. He needed some capital just to tide himself over. He cannot get it.

He cannot get it at the bank because he cannot get any more on his overdraft. Do you know why he cannot get it at the bank? Because the Federal Business Development Bank has attached all of his assets, all $44,000, for the $8,600 loan. When he went to try to borrow the additional amount that he needed, he could not get it. The government could find $200 million to put up for loan guarantees for Chrysler, but for $4,000 this man will lose his business.

That is a reflection of a lack of policy on the part of the government. It is a reflection of the inability of the banking institutions to recognize the problems that confront small business people and to deal with them in an adequate, sensible, and sensitive way. That speaks volumes of what is wrong with our system.

Our system turns on credit. The banks have decided that they are going to get everything they can out of the system. They do not have any sense of responsibility in terms of trying to make sure that the people who are coming to them can, in fact, meet those obligations, and that that obligation heaped upon the other obligation will not finally sink them.

The banks are so interrelated with so many of the largest corporate entities in the country that there is a definite conflict of interest on a day to day basis taking place; credit, the lack of it for small business people, and the banks do not respond to it. I said when I started that the problem with this—and this is probably the single most important piece of legislation that we will have—is it unfortunately speaks in traditional terms as to how you manage the financial affairs of the country. It speaks as if it were being written in the early thirties rather than the eighties to meet the needs of the eighties and nineties.

There has been much written about it. It is very difficult to feel any sympathy for the banking institutions because they have had it all their own way for such a long time. They have had many opportunities to correct the problems they have created and they have refused. Unless this government is prepared to put quite clearly into this legislation the kind of performance that it requires from the banking institutions, we are going to have to take another look at another way of managing the financial affairs.

We cannot trust people who up to this point in time have betrayed the trust they have been given. We cannot further entrust them with the finances of the country unless they show definitely, by example and by direction, that they now understand the role they must play. We cannot just give them carte blanche for another ten years.

I suggest there is more wrong with the legislation than one may believe at first glance. If you take a very hard and serious look at it, you look to see whether at least some of what I have said reflects an accurate picture of what happens within the banking structure. You take into account my colleagues' remarks about the hiring practices, and the problems of the relationships that were brought up by many other colleagues, and you have to come to the conclusion that it would be ill-advised to hasten this legislation through. It should be carefully thought out. The restrictions have to be in place. Banks cannot even manage the endeavour they are in in the best interests of the country. For heaven's sake, don't give them more to do. Make sure that they at least live up to the responsibilities they have been given before granting them the power to infringe on areas that other people can look after at least equally as well and perhaps even better.

Do not give them any more power. Do not give the directors who, in my judgment, exercise some rather strange power, further opportunity to infringe on their competition in other areas. It is time we took a look at this act and restructured it in an effort to re-establish the banking institutions in a way that will meet the social and economic needs of the next decade as we go towards the year 2000.

Times have changed. The old image of the banker with the banker's hours is no longer there. The banks manage the affairs of the nation. They have more power and more influence than any other structure. They have more power and more influence than we do in the House of Commons. They even have more power and more influence than the Senate. That is hard to believe, but true. Therefore I suggest that we not rush this through, that we take our time and look at it very carefully and, if need be, restructure it, because it has to be restructured if it is going to meet the needs of the next generation.

[*Translation*]

Hon. Pierre Bussières (Minister of State, Finance): Mr. Speaker, you will remember that on May 1 I had the honour to launch the second reading debate on the Bank Act and I will take a few minutes to conclude that debate. I have listened carefully to the speeches delivered by all members of the House and in my opinion the interventions were constructive and mostly very serious. They have enabled us to throw light—

The Acting Speaker (Mr. Ethier): Do hon. members agree that if I recognize the minister, he will be the last speaker at this stage of the proceedings. Is it agreed?

Some hon. Members: Agreed.

Mr. Bussières: Mr. Speaker, those discussions helped shed some light on several extremely important questions. I am convinced that basically we have the same objectives, mainly the establishment of a financial system that is strong, competitive, efficient, fair and controlled by a majority of Canadians. Following the comments heard in this debate, I am convinced the proposals contained in Bill C-6 will help a lot to achieve those objectives.

I am under the impression that we are not fully aware of the competition taking place in Canada among banks, credit unions, caisses populaires, trusts and loan companies and a number of other financial institutions. Maybe I should have

mentioned that very great competition in my opening speech. As I already suggested, it is the purpose of this bill to allow for that competition to be increased. A number of members pointed out that the entry of banks in the business of financing leasing of automobiles and trucks would probably force a number of car dealers to drop their leasing operations. That is not at all the intention of the government, Mr. Speaker. We are worried about the concerns of small businessmen and it is quite obvious that the purpose of the provisions dealing with financial leasing and the intention of the government is not to do away with car dealers engaged in the business of leasing automobiles or trucks in Canada.

What the government seeks is greater competition in this field as well. Regulations have already been made public and I am sure the members of the committee, particularly after hearing the speeches in this second reading debate, are going to look very carefully at those regulations and that we are going to be able to find together, if those regulations are too broad, a way to alleviate in theory and in fact the fears of car retailers.

• (2130)

Another question raised on several occasions has to do with representations made by the Canadian Federation of Agriculture and beef producers about the provisions in clause 88. Here again I am convinced that committee members will look at that clause very attentively and that we are going to try altogether to find a way of protecting adequately both farm and beef producers. In concluding, I would have liked to go over certain criticisms that were made about this bill. It is obviously very tempting to use the consideration of this bill to criticize the profits of banking institutions. Or again it is easy to use this opportunity to criticize the present situation with respect to interest rates entirely outside the particular economic context in which we live, not only in Canada but in North America, but that is not the purpose of this bill. And I would urge the members of the Standing Committee on Finance, Trade and Economic Affairs to use the few days they have before consideration of this bill in committee starts to review the general provisions of this bill and perhaps take a little time to go over the discussions that already took place in previous committees both in the House and in the Senate so we may continue the consideration of this bill in a rigorous but also very serious and attentive manner.

It has been said at times that we should not hurry too much to pass this bill, and I must say, Mr. Speaker, that I do not agree with those who have taken this position. I think that the hon. member for Edmonton West (Mr. Lambert) and certain of his colleagues as well as members on this side of the House and the Parliamentary Secretary to the Minister of Finance (Mr. Evans) have repeatedly spoken about the urgency to pass this legislation. It has been studied in depth and examined very seriously.

The expiry date has been postponed several times and if we use the forthcoming examination by the committee to correct the point which have been singled out as creating the most difficulty, I am certain, Mr. Speaker, that with the co-operation of all members who sit on the committee, we shall be able to conclude very rapidly the study of this bill and proceed very soon to its third reading and final passage.

I wish to thank hon. members who have contributed to the debate at the second reading stage, and once again, I am counting on the co-operation of the members of the Standing Committee on Finance, Trade and Economic Affairs to give this bill rapid and effective consideration.

The Acting Speaker (Mr. Ethier): Order, please. Is the House ready for the question?

Some hon. Members: Agreed.

Some hon. Members: No.

The Acting Speaker (Mr. Ethier): All those in favour of the motion will please say yea.

Some hon. Members: Yea.

The Acting Speaker (Mr. Ethier): All those opposed will please say nay.

Some hon. Members: Nay.

The Acting Speaker (Mr. Ethier): In my opinion the yeas have it.

And more than five members having risen:

The Acting Speaker (Mr. Ethier): Call in the members.

The House divided on the motion (Mr. Bussières) (for the Minister of Finance) which was agreed to on the following division:

• (2140)

(Division No. 5)

YEAS

Messrs.

Andre	Bossy	Corbett
Appolloni (Mrs.)	Breau	Corbin
Axworthy	Bujold	Corriveau
Bachand	Bussières	Cosgrove
Baker (Gander-Twillingate)	Campbell (Miss) (South West Nova)	Cossitt
Baker (Nepean-Carleton)	Campbell (LaSalle)	Côté (Mrs.)
Beatty	Cardiff	Cousineau
Beauchamp-Niquet (Mrs.)	Carney (Miss)	Crosby (Halifax West)
Berger	Chénier	Crouse
Blais	Clark (Yellowhead)	Dantzer
Blenkarn	Clarke (Vancouver Quadra)	Darling
Bloomfield	Collenette	Daudlin
Bockstael		Dawson
		de Corneille
		Demers
		Dingwall

Messrs.

Dionne (Chicoutimi)
Dionne (Northumberland-Miramichi)
Dubois
Duquet
Epp
Ethier
Evans
Ferguson
Fisher
Fleming
Flis
Foster
Francis
Fretz
Frith
Garant
Gauthier
Gendron
Gilchrist
Gimaïel
Gingras
Gray
Greenaway
Guay
Gurbin
Gustafson
Halliday
Hamilton (Qu'Appelle-Moose Mountain)
Hargrave
Harquail
Hawkes
Henderson
Herbert
Hervieux-Payette (Mrs.)
Hnatyshyn
Hopkins
Howie
Huntington
Irwin
Jarvis
Johnston
Joyal
Kelly
Kempling
Killens (Mrs.)
King
Kushner
Lajoie
Lambert
Landers
Lang
Laniel
Lapierre
Lapointe (Beauce)
Leduc
Lefebvre
Lonsdale
MacBain
MacDonald (Cardigan)
MacEachen
Mackasey
MacLaren
Malone
Marceau
Massé
Masters
Mayer
Mazankowski
McCain
McCauley
McCuish
McDermid
McGrath
McKinnon
McRae
Mitges
Munro (Esquimalt-Saanich)
Neil
Nicholson (Miss)
Nielsen
Ouellet
Parent
Penner
Pinard
Portelance
Prud'homme
Reid (Kenora-Rainy River)
Roberts
Robinson (Etobicoke-Lakeshore)
Roche
Rossi
Roy
Savard
Schellenberger
Schroder
Scott (Hamilton-Wentworth)
Scott (Victoria-Haliburton)
Shields
Siddon
Simmons
Smith
Speyer
Stevens
Stollery
Tardif
Taylor
Tessier
Thomson
Tobin
Tousignant
Towers
Turner
Vankoughnet
Veillette
Watson
Weatherhead
Wenman
Wise
Wright
Yanakis
Yurko—162.

NAYS

Messrs.

Althouse
Anguish
Blaikie
Broadbent
Deans
de Jong
Fulton
Hovdebo
Jewett (Miss)
Keeper
Knowles
Lewycky
Manly
Miller
Mitchell (Mrs.)
Nystrom
Ogle
Orlikow
Parker
Rae
Riis
Robinson (Burnaby)
Rose
Sargeant
Skelly
Young—26.

● (2150)

Motion agreed to, bill read the second time and referred to the Standing Committee on Finance, Trade and Economic Affairs.

Adjournment Debate

PROCEEDINGS ON ADJOURNMENT MOTION

● (2205)

[*English*]

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

AIRPORTS—CAMPAIGN PROMISE TO IMPROVE FACILITIES AT MOUNT HOPE

Mr. Geoff Scott (Hamilton-Wentworth): Madam Speaker, on three different occasions in this House during the last week in April and the first week in May, I questioned the Minister of Transport (Mr. Pepin) about the government's plans for Hamilton civic airport. I thought it strange that since the Liberal government came to power, we in the greater Hamilton area—

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

Mr. Scott (Hamilton-Wentworth): I started off with Madam Speaker, but I thank you, Mr. Speaker. As I was saying, I thought it strange that since the Liberal government came to power we in the greater Hamilton area have hard heard nothing from the Minister of Transport nor from any of the Hamilton area Liberal members, ministers or otherwise, about their administration's intentions with regard to upgrading and expanding the airport facilities at Mount Hope.

I was astounded to hear the Minister of Transport say that the government would follow up on the previous Conservative government's commitments to spend $45 million on Hamilton's airport "if it makes sense to do so." Subsequently, in replies to the hon. member for Burlington (Mr. Kempling), the hon. member for Hamilton West (Mr. Alexander), the hon. member for Hamilton Mountain (Mr. Deans), and myself, the Minister of Transport told this House that the previous Conservative government had not really committed $45 million to the Hamilton airport expansion. Rather, says the minister, we on this side simply passed a resolution in cabinet expressing the wish, the desire, for such a project, and the previous Conservative government had only made funds available for consultants on the proposed layout of the airport.

● (2210)

Three things are obvious from the minister's answers. First, he does not know what the Mount Hope expansion is all about, or even where Mount Hope is; second, the minister has been badly briefed on the decade-long saga of studies, consultations and endless delays in expanding Hamilton's airport, and third, even giving the minister the benefit of the doubt that he knows what he is talking about, you can fly a 747 jumbo jet between the positions of this transport minister and that of his cabinet colleague, the hon. member for Hamilton East (Mr. Munro), on the government's future role in this interminable odyssey.

Indeed, Mr. Speaker, I am afraid that when we talk of our ticky-tacky terminal in Hamilton, the government seizes on

the word "terminal", and that is the probable forecast for this very important expansion for the southern Ontario air traffic: terminal. At the very least the Minister of Transport is being devilishly clever in playing word games in answers to my questions in the House, and almost certainly the Government of Canada has relegated Hamilton airport expansion to a very low priority on the Richter scale of campaign promises.

I might just remind you, sir, of one specific campaign promise, straight from the horse's mouth—I think it was that part of the anatomy—when the hon. member for Hamilton East last January 25 during the election campaign, told the *Hamilton Spectator* that the $45 million would result in primitive facilities at best and that the Liberals would stand by their commitment to a $100 million expansion at Mount Hope.

There is a far more serious aspect to the confusion that the Minister of Transport has tried to sow in connection with campaign promises and commitments. The minister has repeatedly alleged that we, on this side, simply approved in principle a $45 million expenditure on the airport, that it was never a government-approved funding, and that it was simply an allocation for consultants. I think I can prove with the documents that I have in front of me that this all came from a recommendation from the then minister of transport, the hon. member for Vegreville (Mr. Mazankowski), which went to the Treasury Board and was subsequently approved by the full cabinet, and that in fact an investment of $45 million had been allocated for the purposes of developing Hamilton Civic airport. As far as the minister and the Air Administration Act were concerned, and as far as we were concerned as a government, the airport expansion was "go."

There was a government commitment to the program officially announced by the then minister of labour, my colleague the hon. member for Hamilton West, on January 25. The consultants' fees of $220,000 which the Minister of Transport has mentioned, was the amount for the first stage only of the proposed development, that is, the firm conceptual design.

I want to make one last point in connection with this hold-up, Mr. Speaker. Nordair has been providing Hamilton with an excellent, regular air service for some years. Nordair is not going to sit around forever with existing facilities. The airline has made it clear that it has contingency plans, and now flight routes, to operate from Toronto international airport, which could be implemented at any time. Sooner or later, and on the basis of evidence I have received from very reliable sources which gives me every reason to believe it will be sooner, rather than later, Nordair will bail out of Hamilton. Unless the airline has concrete evidence, an absolute commitment that Hamilton airport facilities will be upgraded and expanded, then I am convinced that two million people in my area will be adversely affected by Nordair leaving Hamilton.

Throughout this whole process I have been kept totally in the picture, both as a reporter and as a member of Parliament for Hamilton-Wentworth. I also kept the former minister of transport physically in the picture by bringing him to Mount Hope. He made his decision. The enlarged airport would not be a Taj Mahal, another Mirabel, but it would become a first-class regional facility of benefit to the greater Hamilton area. In short, sir, everything was "go" until the election and the arrival of the new Minister of Transport. Now it appears that the government is trying to weasel out of, not only the previous government's, our government's, $45 million commitment, but also the former Liberal government's $100 million promise which was reiterated by the hon. member for Hamilton East. Mr. Speaker, the people of Hamilton and I want a clear and definite statement from the ministry of transport on the future size and use of the Hamilton civic airport.

• (2215)

Mr. Robert Bockstael (Parliamentary Secretary to Minister of Transport): Mr. Speaker, on May 1 the hon. member for Hamilton Wentworth (Mr. Scott) raised the matter of the government's plans for the expansion of the Hamilton airport in a question to the Minister of Transport (Mr. Pepin).

As the Minister of Transport noted in his replies, the previous government had announced approval in principle of a plan for the expansion of this airport at a total estimated cost in the order of $45 million. Commitments such as this one are now being reviewed by this government to see, as the Minister of Transport so aptly put it, if they make sense. In this context I think it would be useful to provide some background to the current situation and to elaborate on the review to which the minister referred.

There is no doubt that the people of the Hamilton-Niagara-Brantford area require access to convenient and adequate air transportation service, and this government intends to see that this need is met. At the present time most of the people from this area use Toronto international airport with its many flights and same plane connections to numerous destinations. Thus, simply to provide new airport facilities for Hamilton will not necessarily ensure the provision of better service. What is required is to identify the additional service that existing or new carriers may wish or be persuaded to offer, and plan the development of the airport commensurate with the resultant operational requirement.

At the present time the only scheduled carrier servicing the Hamilton airport is Nordair. To obtain an appreciation of what additional services might be offered, inquiries are being made of other air carriers, including Air Canada. Once these inquiries are completed we will have a better understanding of the potential for new or expanded air services and the consequent level of investment.

This government fully recognizes the need to provide convenient and adequate air transportation services for the people of the Hamilton-Niagara-Brantford area. Our review is designed to ensure that what is proposed for the development of the Hamilton airport is consistent with the likely improvement in air transportation services.

The Minister of Transport stated in this House that the review, or assessment, of what is needed—

The Acting Speaker (Mr. Ethier): Order, please. I regret to interrupt the parliamentary secretary but his allotted time of three minutes has expired.

ENERGY—ASSISTANCE PROGRAM FOR ATLANTIC REGION

Mr. Howard Crosby (Halifax West): Mr. Speaker, I rose in the House on May 2, 1980, and addressed a question to the Acting Prime Minister (Mr. Pepin) concerning the provision for an assistance program for Atlantic Canada in respect of electrical rates.

Let me explain very briefly the background for that question. In Nova Scotia and other Atlantic provinces, particularly Prince Edward Island, prior to 1974 electrical energy was primarily based on imported crude oil, that is to say, foreign crude oil was used to supply electrical generation to the extent of 70 per cent of the total output in Nova Scotia. The rising price of foreign crude oil in the years following 1974 had an effect on the price of electrical generation to the extent that it escalated prices well beyond those prevalent in other parts of Canada. In fact, in Nova Scotia electrical energy rates are almost twice as much as those of the average price imposed in the rest of Canada, and in some parts of Canada more than 100 per cent of the price of energy.

Our problem then was to provide and seek assistance from the Government of Canada in order to offset this increase in the cost of electrical generation. The budget introduced in December, 1979, by the Clark government made very specific provision for this problem in Nova Scotia and in other parts of Atlantic Canada. The budget provision promised assistance to the extent of $300 million for Nova Scotia, Prince Edward Island and other parts of the Atlantic provinces to offset this tremendous increase in the price of electrical generation caused by the escalating price of foreign oil.

The purpose of my question to the Acting Prime Minister at that time was to ensure that the government would make a similar provision for the Atlantic provinces, and particularly for Nova Scotia. I did not get an answer from the Acting Prime Minister, but a few days later on May 6, 1980, in Halifax the Minister of Energy, Mines and Resources (Mr. Lalonde) at a press conference indicated very definitely that there would be no guarantee of such financial assistance for the Atlantic provinces and that any subsidy would depend upon the oil pricing agreement reached with the western provinces, particularly Alberta. This uncertainty leaves Nova Scotia, Prince Edward Island and other parts of the Atlantic provinces in a very uncertain position.

● (2220)

Let me explain the case for Nova Scotia very briefly. That province has taken very definite steps to relieve itself of the difficulty caused by the escalating price of foreign crude oil. In particular, Nova Scotia has set about to develop its coal reserves and convert the electrical generating plants that were dependent on foreign oil to coal. This has resulted in a very substantial reduction in the amount of crude oil used for electrical generation.

The over-all conversion program would have six and a half million barrels that were consumed in 1977-78 reduced to less than half a million by 1988. The program to replace the oil fired generation will involve approximately an eight-year period before the complete reduction can be made. The net result will reduce Nova Scotia's dependence on foreign crude oil as a source of electrical generation from a 1981-82 high of 76 per cent to less than 40 per cent by 1980-81.

For these reasons I think Nova Scotia is entitled to the kind of relief that has been suggested by the government of Nova Scotia. The steps that have been taken to reduce the consumption of foreign oil for electrical generation has led to tremendous savings for the Government of Canada. The net drain on the funds used to subsidize the price of imported foreign oil will be greatly reduced by the conversion to coal.

It is in the interests not only of Nova Scotia and other parts of Atlantic Canada, but of all Canada in achieving self-sufficiency in energy, to apply these saved funds to support alternate energy programs and to subsidize the price of electricity in Nova Scotia. Only in that way can Nova Scotians receive and pay a fair price for electrical generation, which everyone will regard as a necessity of life.

The point simply stated is this. Nova Scotia has encountered an energy problem of devastating proportion. The escalation of the price of foreign crude oil from $2 per barrel to $36 per barrel over a five-year period has resulted in a tremendous increase in the cost of domestic electricity. Rates in Nova Scotia are already almost twice the Canadian average. Help is required. It was promised; it ought to be delivered. If it is, Nova Scotia can maintain rates until alternate sources of energy can be brought on stream.

Mr. Roy MacLaren (Parliamentary Secretary to Minister of Energy, Mines and Resources): Mr. Speaker, as the members of this House are aware, this government is committed to ensure that all Canadians, regardless of where they reside, share in the benefits of our energy opportunities. Certainly we include the Atlantic region in our commitment to equitable treatment for all. In fact our energy strategy meets particularly pressing needs in Atlantic Canada which has a very heavy dependence on oil for generating electricity.

Over the years the federal government has assisted the maritime provinces in a variety of ways in meeting their electricity requirements. More recently support has been provided through federal loans to aid New Brunswick in the construction of the nuclear generating station at Point Lepreau. When this nuclear unit comes into service later next year, it will have the potential to displace six million barrels of oil consumption annually.

More recently also, federal funds for the Nova Scotia program for oil displacement have supported the construction of the second coal-fired unit at Lingan and provided funding for a small-scale hydro development as Sissiboo.

In large measure the solutions to reduced oil dependence must be supported by co-ordination within the region itself. The initiatives of New Brunswick in negotiating contracts to import hydro-generated electricity from Quebec are an example of this. More generally, the federal government has indicated a willingness in principle to provide financial support for the development of a broader degree of regional co-ordination and planning through the Maritime Energy Corporation, but it is disappointing that this opportunity has not made greater progress. Clearly the Atlantic provinces should, in their own interest, attempt to achieve the highest degree of co-ordination so that the disadvantages of smaller scale systems and generating facilities are reduced to a minimum and so that through co-operative effort the displacement of oil-fired electricity generation takes place as rapidly as possible.

• (2225)

In Newfoundland the dependence on oil for electricity generation is less significant at the moment, with only 16 per cent of production for provincial needs coming from oil. The concern is that this dependence is likely to grow because the more economic hydro resources on the island of Newfoundland have already been developed. For this reason the federal government agreed in 1978 to become a partner in a joint federal-provincial enterprise, the Lower Churchill Development Corporation, which was charged with the responsibility of developing proposals for hydroelectric development in Labrador and the transmission of electricity between Labrador and Newfoundland.

The policy of the previous government, which would have imposed much higher prices for oil on the consumers of Atlantic Canada, also would necessarily have involved a greater palliative.

The Acting Speaker (Mr. Ethier): Order, please. I regret to interrupt the hon. member but his allotted three minutes have expired.

EMPLOYMENT—SUMMER YOUTH EMPLOYMENT PROJECTS—REASON FOR DELAY IN APPROVING APPLICATIONS

Mr. Bill Blaikie (Winnipeg-Birds Hill): Mr. Speaker, I sought to follow up my question to the Minister of Employment and Immigration (Mr. Axworthy) of May 22 because the answer which I received from him on that occasion did not do justice to the spirit in which the question was originally asked, and because it did not do justice to the facts.

I rose in my place to ask the minister whether there were any pending announcements which would explain the delay which groups seeking funding under the summer youth employment program were experiencing. I knew of these delays because I had been telephoned by a group, not from my own riding but from a riding represented by a Manitoba Conservative member, a point which will be worth remembering when I get to the minister's comments on the alleged relation of NDP members of Parliament to the delay.

So, after being notified of the delay, I asked if an announcement was coming, not an announcement of who was to be funded but an announcement on a change of the program which would both explain and justify the delay.

Instead, the minister replied, first, that the announcement of funding was coming and that "there really is no delay." Yet the group I talked to expected to hear on April 30 whether they were to start some time after May 5 with their funding. They were concerned that people who lined up for this date would begin to look elsewhere for work. The minister said there was no delay and that his department was aiming at a May 15 target date, consistent with the schedule he announced in a press release some time in early April. In fact that press release of April 3 gives not indication of any time frame.

First, there was no delay, according to the minister's first answer, but then in the answer to the supplementary question, after being pressed a bit, the minister admitted that he was having problems. However, instead of telling the House why, and acting as a minister of the Crown should, he slipped into that petty, partisan attitude for which he is so famous and tried to take a cheap shot at the NDP, that party which he so despises for actually believing in justice and for having credibility in areas of concern in which he so futilely tried to get the Liberal party interested. Here I give the minister the benefit of the doubt, granting him status as a sincere eunuch in a harem that will yet be the ruin of him, a harem which ignores his public pleas, and one hopes there are private pleas, for rail relocation, among other things.

In a letter originally sent to members of Parliament asking them if they wished to recommend projects for their ridings, the minister said that if he did not hear from us by a date several days before my question in the House, he would proceed. In fact he did hear from us collectively and individually as we severally asked that our input be taken more seriously and not second guessed by a Liberal patronage committee, and that we be allowed to return to a system where community advisory committees had a significant say in what was to be funded and what was not.

• (2230)

The minister said in the House on the same day as my question on another occasion on the same subject, that New Democrats did not have the same respect for the role of a member of Parliament because we would not adjudicate projects the way the minister had suggested. We have more respect, not less, for the role of member of Parliament because we do not try to play God as members of Parliament. However, it is not surprising that the minister, a Liberal, should say this about the role of a member of Parliament, for that is really all that Liberal members of Parliament have ever been about, the dispensing of government money.

My question remains. Many groups are still waiting to hear about their funding. It is now 11 days since I asked my question in the House of Commons. I await an answer, and an explanation of this increasingly mysterious delay. I await an indication of whether the minister and his department intend

in the coming months or in the fall to reinstate the community advisory process for deciding which projects are going to get funds and which projects are not.

Mr. Dennis Dawson (Parliamentary Secretary to Minister of Employment and Immigration): Mr. Speaker, I would like to elaborate on the earlier comments by the minister to the hon. member on the summer youth employment program and the approval process established for that program. The hon. member will be pleased to hear that we have been able to adhere to the original schedule and that, to date, there have been no delays in the approval of projects. In fact more than 80 per cent of the projects to this date have now been approved, which is much higher than the schedule we had earlier programmed.

I expect that in most regions commission officials have already advised a number of project sponsors that their projects have been approved, or will be doing so very shortly. The approval of projects began several weeks ago and is now proceeding quite smoothly. Those projects which have come highly recommended and which emphasized a need to begin very early in the program time frame, are now being given priority attention.

[*Translation*]

It is expected that most of the projects which have been approved will be made known before the weekend, that is earlier than had first been expected. In fact, at this time nothing allows us to say that including consultation with hon. members has caused or will cause any serious delay in going ahead with the projects approved under the program.

Mr. Speaker, I understand there can be concern about the applicants being advised their projects have been approved, because it took longer to process the first projects than the ones approved under the Young Canada Works program. However, I should like to point out to the House that the situation had been foreseen from the start, as the Progressive Conservative government which was unable to announce the summer youth employment program for this year, had planned to do so on January 8, 1980, contrary to the Liberal government in previous years which announced them in early December. Of course, since the job-creation program for the fall and winter of 1980 under Canada Works program was announced on December 12, on the very day before the Progressive Conservative government was brought down, it is not surprising they waited till January to announce their summer job-creation program.

Mr. Speaker, for a program of that importance, the announcements are usually made in the fall preceding its implementation, but this year the staff of the commission had to work within very narrow time slots. Fortunately, they found ways of shortening the normal time period necessary to implement the program so that, in fact, students will be able to avail themselves of job possibilities at the time when most of them are looking for summer jobs.

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

Motion agreed to and the House adjourned at 10.34 p.m.

HOUSE OF COMMONS

Wednesday, May 14, 1980

The House met at 2 p.m.

● (1405)

ROUTINE PROCEEDINGS

[*English*]

ADMINISTRATION OF JUSTICE

BULLET-PROOF VESTS FOR POLICE OFFICERS—MOTION UNDER S.O. 43

Mr. Gus Mitges (Grey-Simcoe): Madam Speaker, I rise, under the provisions of Standing Order 43, to move a motion of urgent and pressing necessity which I hope all members will support.

In view of the fact that the latest statistics indicate that the incidence of murder is on the increase, and that police officers across our country are being seriously wounded or killed in the performance of their duties, I move, seconded by the hon. member for Winnipeg-Assiniboine (Mr. McKenzie):

That the Government of Canada take the necessary steps, through legislation or any other means, to make available to members of all police forces in the country the new, bullet-proof vests which are comfortable to wear and weigh only three pounds to five pounds, so that each and every one of them will have some measure of protection while protecting and defending the citizens of our country against all unlawful and criminal elements.

Madam Speaker: Such a motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

PUBLIC SERVICE

POLITICAL FREEDOM OF EMPLOYEES—MOTION UNDER S.O. 43

Mr. Jim Fulton (Skeena): Madam Speaker, I rise, under the provisions of Standing Order 43, on an issue of urgent and pressing necessity.

In view of the plans of the federal government to reintroduce legislation to end public servant exemption from wage garnishees, and whereas public servants do not have full political freedom in Canada, I move, seconded by the hon. member for Winnipeg North Centre (Mr. Knowles):

That this House unanimously support and resolve to remove from all acts those sections that infringe on the full political freedom of public servants in Canada.

Madam Speaker: Such a motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

ENERGY

DEVELOPMENT OF COAL—MOTION UNDER S.O. 43

Mr. Bob Wenman (Fraser Valley West): Madam Speaker, I rise, under the provisions of Standing Order 43, recognizing the importance of the $5 billion coal and industrial package now pending between Japan, British Columbia and Ottawa and its potential for thousands of new jobs and investment in the Pacific region of Canada.

In view of the disastrous expedition to British Columbia of eastern cabinet ministers, during which the federal government offered to put up $70 million in capital development out of $675 million required, and that ministerial assistants were quoted regarding "Social Credit turkeys" and "Now we know what kind of dinks really run this place", I move, seconded by the hon. member for Vancouver-Kingsway (Mr. Waddell):

That in order to assure that Canada begins to present a substantial and united front in negotiating with Japan, the government apologizes for the assistants' remarks, consults with elected members from the west before making any further expeditions, and increases the federal contribution toward capital development in proportion to the eastern Chrysler standard.

Madam Speaker: Such a motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

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PUBLIC WORKS

HARBOURFRONT PROJECT, TORONTO—MOTION UNDER S.O. 43

Hon. David Crombie (Rosedale): Madam Speaker, I rise, under the provisions of Standing Order 43, on a matter of urgent and pressing necessity.

● (1410)

In view of the fact that 3,800 person-years of employment and some $220 million in financial investment for metropolitan Toronto is waiting for the federal government to proceed with the Harbourfront project, and in view of the fact that the

project, after years of planning, is supported by the Harbourfront board, Toronto city council, metro council, the provincial government, the Toronto construction association, the metropolitan Toronto labour council and, indeed, literally hundreds of social, cultural, recreational and business groups, I move, seconded by the hon. member for Scarborough East (Mr. Gilchrist):

That the Minister of Public Works advise his colleagues—the six Liberal members from metro blocking the project—that land use planning in Toronto, as it should be anywhere in this country, is the responsibility of local planning authorities in open discussion, not Liberal members of Parliament in closed meetings and, further, that the minister proceed with this project forthwith.

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

Some hon. Members: Agreed.

Some hon. Members: No.

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FISHERIES

RELEASE OF SWYER REPORT—MOTION UNDER S.O. 43

Mr. Lloyd R. Crouse (South Shore): Madam Speaker, I rise on a matter of urgent and pressing necessity under the provisions of Standing Order 43.

Whereas fishermen lose their lives each year in our country because of the capsizing of their vessels, and the government itself has become a financial victim of this same phenomenon because of the questionable stability of the fishing vessel *Rio San Lorenzo*, the CIDA ship that will not float upright, I move, seconded by the hon. member for Halifax West (Mr. Crosby):

That this House order the immediate release of the Swyer report, prepared in 1973 and hidden by this government for some seven years, the publication of which report might have saved the lives of a number of fishermen and prevented the embarrassment and waste represented by the construction of such vessels as the *Rio San Lorenzo*.

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

Some hon. Members: Agreed.

Some hon. Members: No.

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DISASTERS

CALL FOR TASK FORCE TO REVIEW POLICIES—MOTION UNDER S.O. 43

Mr. Bruce Lonsdale (Timiskaming): Madam Speaker, I rise, on a matter of urgent and pressing necessity, under the provisions of Standing Order 43. In view of the fact that two days ago the hon. member for Erie across the way, was unable to get unanimous consent to a motion to establish a special reserve fund for disaster relief, given the fact that in most cases the victims of such disasters, as well as the municipalities, are totally unable to provide the necessary financial assistance to rehabilitate affected areas and to help the victims of such disasters, and in view of the fact that in the last three years there have been several major disasters causing millions of dollars damage and personal loss, particularly in smaller communities where these kinds of losses are beyond the normal capacity of communities to respond adequately without a co-ordinated federal and provincial disaster relief program, I move, seconded by the hon. member for Erie (Mr. Fretz):

That this House urge the Prime Minister to establish a special task force to review federal and provincial government policies with respect to disaster relief in this country.

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

Some hon. Members: Agreed.

Some hon. Members: No.

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PUBLIC SERVICE

ENSURING OF GOOD LABOUR-MANAGEMENT RELATIONS—MOTION UNDER S.O. 43

Mr. Howard Crosby (Halifax West): Madam Speaker, I rise, under the provisions of Standing Order 43, on a matter of urgent and pressing necessity.

The Professional Institute of the Public Service of Canada has, over the years, fostered good labour-management relations between public servants and the Government of Canada, and today celebrates its sixtieth anniversary. However, the job security of its membership is now threatened by lay-offs and staff reductions. Accordingly, I move, seconded by the hon. member for Yukon (Mr. Nielsen):

That this House direct the President of the Treasury Board to consult with the Professional Institute of the Public Service of Canada and other representatives of public servants to establish fair rules respecting job security, to ensure good labour-management relations in the public service.

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

Some hon. Members: Agreed.

Some hon. Members: No.

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EXTERNAL AFFAIRS

OPPOSITION TO APARTHEID IN SOUTH AFRICA—MOTION UNDER S.O. 43

Miss Pauline Jewett (New Westminster-Coquitlam): Madam Speaker, I rise, under the provisions of Standing

Order 43, concerning the forthcoming Floralie International Festival of Flowers being hosted jointly by the city of Montreal and the government of Quebec this weekend.

Considering that the federal government, which issued the invitations to the festival, has invited South Africa, considering that as a result the government of Cameroon is seriously thinking of withdrawing from the festival, and considering that the Canadian government has in the past gone on record as condemning apartheid in South Africa, I move, seconded by the hon. member for Winnipeg North Centre (Mr. Knowles):

That the federal government issue a statement to the effect that, notwithstanding its invitation to South Africa to attend the Floralie International Festival in Montreal this weekend, it remains committed to its policy of opposing apartheid in South Africa.

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

Some hon. Members: Agreed.

Some hon. Members: No.

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● (1415)

INCOME TAX ACT

AMENDMENTS TO ASSIST SMALL BUSINESS—MOTION UNDER S.O. 43

Mr. Murray Cardiff (Huron-Bruce): Madam Speaker, I rise, under the provisions of Standing Order 43, on a matter of urgent and pressing necessity affecting small businesses throughout Canada.

Given the fact that the small business development bond provisions introduced in the December budget were defeated in this House and, since the present government has not yet proved the sincerity of its intentions, after giving notice in the economic statement of April 21 that it would reintroduce these provisions, potential purchasers of these bonds are understandably reluctant to invest in them and small businesses are uncertain how to issue them, and since the situation which these bonds were intended to address was urgent and pressing when the last government introduced them, and remains so, I move, seconded by the hon. member for Elgin (Mr. Wise):

That this House instruct the Minister of Finance to introduce forthwith amendments to the Income Tax Act that will provide a legislated basis to the small business development bond provisions introduced by the last government and presented again by the present government in its April 21 notice of ways and means motion to amend the Income Tax Act.

Madam Speaker: Such a motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

ORAL QUESTION PERIOD

[*English*]

NATIONAL ENERGY BOARD

APPLICATIONS FOR MONTREAL-HALIFAX NATURAL GAS PIPELINE—REPORT THEREON

Right Hon. Joe Clark (Leader of the Opposition): Madam Speaker, my question is to the Minister of Energy, Mines and Resources. I wonder if the minister can tell the House whether he has received a report, or any other information, from the National Energy Board relating to applications for a natural gas pipeline from Montreal to Halifax.

[*Translation*]

Hon. Marc Lalonde (Minister of Energy, Mines and Resources): Madam Speaker, such a report has been received and it will be considered by cabinet tomorrow morning.

[*English*]

Mr. Clark: Madam Speaker, can the minister tell us whether the government is considering a recommendation to construct a Q and M line to Quebec City only at this time, consequently leaving the maritime provinces without the benefits of secure access to western Canadian gas, and without the benefits of a significant pipeline construction project and the jobs that go with it?

Mr. Lalonde: Madam Speaker, the report will be considered by cabinet tomorrow, and as soon as cabinet makes a decision I hope the report will be made public and the cabinet decision also. The Leader of the Opposition will then be able to reach his own conclusions as to the content of the report and the nature of the cabinet decision.

Mr. Clark: Madam Speaker, could we have a commitment now from the Minister of Energy that any announcement regarding government policy on a gas pipeline to or beyond Quebec City will be made here in the House of Commons before it is made elsewhere?

Mr. Lalonde: No, Madam Speaker, but I will be in the House tomorrow afternoon and I will be very happy to answer any questions. Moreover, the estimates are before the House and I will be quite happy to appear before the Committee of the Whole and answer any question on the subject once the decision has been made.

Mr. Clark: Madam Speaker, just to be clear on this, the minister is telling the House categorically that he intends to make this announcement of a major policy decision outside the House of Commons. Will he tell us how he can justify that? Will he not reconsider and respect the rights of Parliament and recognize his obligation to make an announcement of that kind here in the Parliament of Canada and not at some other forum?

Mr. Lalonde: Madam Speaker, as I indicated to the Leader of the Opposition, I will be here for question period, I will be here for the estimates, and I will be very happy to answer any questions that may be asked.

Oral Questions

ENERGY

REQUEST FOR PROGRESS REPORT ON DISCUSSIONS WITH ALBERTA

Hon. Bill Jarvis (Perth): Madam Speaker, I have a supplementary question with respect to energy supply. It is to the Minister of Energy, Mines and Resources, who has just returned from Alberta.

Within the limitations existing in question period, can the minister comment on the progress, if any, that he made in Alberta? Particularly, will the minister take the opportunity to assure us, or guarantee to the country that an agreement will be reached by the end of June?

Hon. Marc Lalonde (Minister of Energy, Mines and Resources): Madam Speaker, I had a very fruitful and friendly meeting with my colleagues, particularly with my colleague in Alberta.

Some hon. Members: Hear, hear!

Mr. Lalonde: However, as my hon. friend knows from the experience of his own government, these negotiations can be lengthy and sometimes difficult. It took them, as he will remember, six months not to have an agreement, so he should not be surprised at the necessity of one or two more meetings before I can answer the question raised by my hon. friend.

● (1420)

Mr. Jarvis: Madam Speaker, I am even less surprised that we have not received the assurance or guarantee I asked for when I put my supplementary question to the minister. The present agreement, as he knows, ceases to exist on June 30. Can he confirm that, in the absence of a new agreement, one of two scenarios will exist: one, unilateral action by a level of government, one or the other, within the confines of its constitutional jurisdiction; or two, in the absence of such government action, that free market conditions will prevail—market conditions of supply and demand? Will the minister confirm that will be the situation on July 1?

Mr. Lalonde: Madam Speaker, I have to pay homage to the perceptive analysis of my hon. friend.

Some hon. Members: Hear, hear!

Some hon. Members: Oh, oh!

HEALTH AND WELFARE

UNIVERSALITY OF MEDICARE PROGRAM

Mr. Edward Broadbent (Oshawa): Madam Speaker, I have a question for the Minister of National Health and Welfare. Last November, the minister said two important things about the need to maintain a universal system of medicare. First, she said, "Medicare should be free and when I say free, I mean free; not two bucks here and two bucks there." She said in the same speech, "We can't wait six months; we have to take measures now."

Since the government of Alberta recently increased their health premiums once again—this time by 13 per cent—will the minister now practice what she preached and take immediate action to restore medicare as a universal right across Canada?

Hon. Monique Bégin (Minister of National Health and Welfare): Madam Speaker, the hon. member could immediately contact the New Democratic Party of Alberta and ask them to exert local pressure to explain to their provincial members that they will not accept that, in order that the population at large in Alberta can do what the people of New Brunswick were successful in doing, namely, eliminating user fees and additional financial barriers to medicare.

Mr. Broadbent: Madam Speaker, what a classic Liberal cop-out that is!

Some hon. Members: Hear, hear!

Mr. Broadbent: For the minister's information, the leader of our party in the Alberta legislature has already done what she said should be done. Since the problem with medicare does not just exist in Alberta, but there is double-billing in Prince Edward Island, Nova Scotia and Ontario—

Some hon. Members: And Saskatchewan.

Madam Speaker: Order, please. The Chair cannot even understand what is going on. There is too much noise in the chamber. Would hon. members please keep their comments until after the question period.

Mr. Broadbent: The minister said, in the same speech, that the then government—which was a Conservative government—should take immediate action to terminate such practices, and this was Liberal party policy. I now ask her, while she has the authority to so act, what is she waiting for?

Miss Bégin: The Leader of the New Democratic Party should give us the example, instead of copping-out of the referendum campaign.

Some hon. Members: Hear, hear!

Miss Bégin: That would be a good start. To get back to medicare, I do not know why the hon. member suddenly wakes up today. We have often discussed this in this House, and we said that all parties were going to make an effort—which some

have not adhered to—to restore medicare as the best institution at the service of Canadians as a result of efforts by everyone.

The hon. member knows very well that the tool provided to us by a piece of legislation approved by Parliament some time ago is a very heavy-handed one for the situation. The previous government, not the present administration, instituted a commission of inquiry presided over by Mr. Justice Hall. I have informed the House that Mr. Justice Hall has agreed to report in one month with recommendations. We shall make these recommendations public and try to act as soon as possible to restore medicare.

● (1425)

Other than that, the best exchange we could have—which, by the way, would not be and should not be confrontation—would be in this House, through television, to ask the local population and community to react to financial barriers being imposed when they should not be imposed in the light of the huge payments being made by taxpayers in all of Canada for medicare in Alberta, as everywhere else—though not in Saskatchewan, by the way.

Mr. Broadbent: Madam Speaker, the minister is now hiding behind a royal commission.

Some hon. Members: Oh!

Mr. Broadbent: The chorus is at work again. She is hiding behind a royal commission report. Last October, when a Conservative government was in office, she said, and I quote her words, "We should not await the publication of the Hall report before acting." These are her words, not mine.

Having said last October that we should not wait for the Hall report before acting, why is she waiting now for the Hall report to come in before her government will make further studies and do something about it?

Miss Bégin: For an excellent reason, Madam Speaker. When we were in opposition, the party in power did not send us a telegram with the information pertaining to the commission, how much money it had, what its mandate was, and so on. The hon. member may recall that it was appointed on September 17, 1979. We did not know what the mandate was; nobody knew. Nobody knew the amount of money made available; nobody knew the status of Mr. Justice Hall or the tools at his disposal to conduct a proper inquiry.

I was not in the government, neither was the hon. member. Where was he that day? We stated very clearly that in light of the information in our possession, we did not think that a commission of inquiry was needed. I still feel that way. But a commission exists, and we shall support it in order to get the best possible report.

Some hon. Members: Hear, hear!

Hon. David Crombie (Rosedale): A supplementary question to the minister. I tried to follow her answer, but I would be pleased if she would repeat it. Let me put it this way: did the minister say that the matter was not public from September 17 on?

[*Translation*]

Miss Bégin: Madam Speaker, I shall reply in French so as to be absolutely sure the hon. member understands me perfectly. I must be cautious because we are talking about a royal commission of inquiry and the most important matter in Canada.

I want to repeat that when the minister instituted what appeared to be a commission of inquiry on September 17 of last year, if I remember correctly, we from the public did not know under what legislation, what legal or administrative instrument or what authority of Mr. Justice Hall, that was done, and we asked many questions of the government to find out what was really the mandate of the commission. We finally found out that the terms of reference were ten pages long, which does not mean anything, and covered everything under the sun. We eventually found out months later, or at least weeks later, during SOS medicare that Mr. Justice Hall was simply under contract with the minister or the Department of National Health and Welfare, which in no way constituted a royal commission of inquiry.

* * *

[*English*]

ENERGY

DATE OF NEW OIL-PRICING AGREEMENT

Mr. Harvie Andre (Calgary Centre): Madam Speaker, I have a question for the Minister of Energy, Mines and Resources. It follows a question by my hon. friend from Perth.

● (1430)

Given that the minister has admitted that failure to reach a new oil-pricing agreement by July 1 would create a lot of confusion, at best, can the minister assure the House that there will be a new oil-pricing agreement in place by that time?

[*Translation*]

Hon. Marc Lalonde (Minister of Energy, Mines and Resources): As I have often indicated, I think, in the House, Madam Speaker, there can be no agreement without some form of understanding between at least two parties. I cannot guarantee that parties out of my control will endorse an agreement. All I can say is that I will do my utmost to try to achieve an agreement. I have already had two meetings with each of the ministers of the producing provinces. I have met the ministers of the consuming provinces at least once, except in the case of Quebec, and I expect to meet their representative by the end of this month or in early June. We will therefore pursue our discussions to try to arrive at an agreement.

[*English*]

Mr. Andre: Madam Speaker, given the fact that there could be this confusion on July 1 if there is not a pricing agreement, could the minister enlighten the House about just what plans he has in mind?

Is it his intention to let market forces—in other words, the world price—dictate? Is it his intention to let Alberta unilaterally set the price? Is it his intention to have the federal government unilaterally set the price? If it is the latter choice, under what legislation? Is he contemplating bringing in the Petroleum Administration Act?

Can he enlighten the House and the country as to what his plans are? That date is very rapidly approaching and, given the minister's record, one is not being unfair in assuming that he will probably not reach that target by July 1.

[*Translation*]

Mr. Lalonde: Madam Speaker, there is little to add to what I have already said, namely, that our objective is to reach an agreement. We must proceed step by step. I think it would be irresponsible on my part to speculate on events which have not yet taken place and which, hopefully, will not take place. In any case, I hope we will reach an agreement by the end of June and I am working with this objective in mind.

* * *

[*English*]

CONSUMER AFFAIRS

JUSTIFICATION FOR CERTAIN DEPARTMENT STORES INCREASING FINANCE CHARGES

Mr. Ray Skelly (Comox-Powell River): Madam Speaker, my question is for the Minister of Consumer and Corporate Affairs. It is asked in the context of the destructive level of interest rates in this country and the fact that those interest rates have started to come down, no thanks to the government.

Would the minister undertake to investigate and report to this House what justification exists for Sears and The Bay to raise their finance charges from 21 per cent to 23 per cent effective October 1 this year, at a time when their profits are running at about 80 per cent over last year?

[*Translation*]

Hon. André Ouellet (Minister of Consumer and Corporate Affairs and Postmaster General): Madam Speaker, obviously the question raised by the hon. member is a matter of concern not only for my own department but for the Canadian government as a whole. I would suggest to the hon. member that he put his question to my colleague, the Minister of Finance, who has broader powers than me in this regard.

[*English*]

Mr. Skelly: Madam Speaker, in the interest of protecting the consumers of this country, I also refer to the minister the question of possibly looking into Master Charge and Chargex interest rates—since these are consumer affairs—which have run at roughly 18 per cent to 20 per cent. In the case of Imperial Oil, its finance charges are increasing from 21 per cent to 24 per cent. Will the minister call in the heads of these companies and ask them to stop literally gouging the Canadian public?

[*Translation*]

Mr. Ouellet: Madam Speaker, the answer I gave to the hon. member on his first question applies to the second question as well.

* * *

[*English*]

FREEDOM OF INFORMATION

DIRECTIVES TO MINISTERS

Hon. Perrin Beatty (Wellington-Dufferin-Simcoe): Madam Speaker, my question is for the Deputy Prime Minister. In the Speech from the Throne, the government committed itself to the introduction of a freedom of information act. However, to date no such act has been introduced in Parliament.

May I ask the Deputy Prime Minister whether, pending the introduction of such an act, the Prime Minister has issued any directives to member of the cabinet to the effect that they should conduct themselves in strict adherence and compliance with the principles of freedom of information?

Hon. Allan J. MacEachen (Deputy Prime Minister and Minister of Finance): Yes, Madam Speaker. We expect to bring in a proposed freedom of information act or have it passed as soon as possible. In the meantime, the government is adhering to the policy guidelines with respect to communications to the public by public servants.

Mr. Nielsen: Ours, or yours?

Mr. Beatty: Madam Speaker, my supplementary question is for the Minister of Communications, who has responsibility in the government for the whole issue of freedom of information.

May I ask the Minister of Communications whether, in keeping with the principle of freedom of information, he will follow the practice established by the previous government of making available to Parliament and to the public the membership of cabinet committees?

Hon. Francis Fox (Secretary of State and Minister of Communications): Madam Speaker, my responsibility in the matter is to introduce freedom of information legislation. We are looking at the matter very closely at the moment. We are reviewing the bill which in many respects was a very good bill and which was introduced by the former government. We are examining the criticisms made of that bill, and hope to come up with an improved bill in the near future.

Concerning the question of publication of lists of cabinet committees, that is obviously a question which should be

directed to the Prime Minister and not to the Minister of Communications.

ORDER IN COUNCIL APPOINTMENTS

Hon. Ray Hnatyshyn (Saskatoon West): Madam Speaker, following the question raised by my colleague about freedom of information, I should like to address a question to the Deputy Prime Minister.

In view of the ringing endorsation of freedom of information contained in the Speech from the Throne and the commitment of this government, I wonder how the Deputy Prime Minister can justify the statement in the Speech from the Throne with the fact that the government is now shutting off access to government information, particularly with respect to the list of order in council appointments. Will the Deputy Prime Minister now reverse that unfortunate decision, and continue the practice started by my leader of giving that information to the public?

Hon. Allan J. MacEachen (Deputy Prime Minister and Minister of Finance): Madam Speaker, I have no hesitation in assuring the hon. member that the information to which he refers can, and will, be made available. There will be no effort to keep it confidential or secret.

As I understand his question, it relates to vacancies which occur in various bodies of the federal government. That information will be made available and open to the public.

Mr. Clark: The composition of cabinet committees?

Mr. Hnatyshyn: Madam Speaker, I hope the Deputy Prime Minister will extend that as well to cabinet committees, as requested by my colleague, the hon. member for Wellington-Dufferin-Simcoe.

In view of the commitment to freedom of information, and also the statement in the Speech from the Throne, that section 41(2) of the Federal Court Act would be removed, how can the Deputy Prime Minister justify the fact that on March 13, 1980, the Secretary of State for External Affairs used this particular section to withhold documents from an inquiry being held by Mr. Justice Gibson of the Federal Court with respect to Canadian Dairy Commission policies? Also, will the Deputy Prime Minister indicate tomorrow to this House, or table a list of other instances in which this government has used the provisions of section 41(2)?

Mr. MacEachen: Madam Speaker, I am not aware of the particular case to which the hon. member refers. It would certainly be my wish, even before the legislation which is to come forward, to have the government act in accordance with the spirit of that legislation. But in the meantime we will attempt to do that and I will look into the point with respect to the particular case raised.

Oral Questions

ARTS, LETTERS AND SCIENCES

FUNDING OF CULTURAL INSTITUTIONS

Mr. Mark Rose (Mission-Port Moody): Madam Speaker, my question is directed to the Secretary of State. The Canadian Conference of the Arts is meeting in Ottawa this week: a meeting, incidentally, which the minister has declined to attend, I understand.

Can the minister tell the House what immediate plans he has to meet the crisis in arts funding and to meet the needs of major cultural institutions such as ballets, symphonies and even the Stratford Festival which now find themselves desperate for funds?

Hon. Francis Fox (Secretary of State and Minister of Communications): Madam Speaker, I simply want to reply in part to the preamble of the hon. member's question. I was unable to accept the very kind invitation from the conference to address it tomorrow evening, for the simple reason that there happens to be a referendum campaign in the province of Quebec. Maybe the hon. member has not heard about it. The future of the country is at stake, and if there is to be a conference of the arts next year, there will have to be a country. It also happens that on Thursday evening I will be addressing a number of people in the province of Quebec and all day Friday I will be engaged in the referendum debate.

I would, of course, very much like to attend the meeting of the Canadian Conference of the Arts, and I hope to have the opportunity of meeting with the executive of that conference in the immediate future to review some of the problems the hon. member has raised.

● (1440)

Mr. Rose: I have a supplementary question, Madam Speaker. I hope the minister is not suggesting that no questions should be put on any subject other than the referendum while it is in progress. I am not suggesting the referendum is unimportant—but surely we are entitled to raise other questions during the referendum!

Since the minister appears, at the moment at least, to have no firm plans to protect and expand Canadian cultural institutions, can he tell the House whether or not he intends to follow the commitment of the previous government and follow the Applebaum preliminary blue paper on cultural development, with a parliamentary committee, to examine and review the whole matter and come up with a comprehensive cultural policy for Canadians?

Mr. Fox: I thank the hon. member for his question. Unfortunately, he was not in the House last week when I responded to the very question he is putting which was put then by the hon. member for Rosemont. I would suggest to the hon. member that he refer to *Hansard*.

However, I would like to respond to the question in detail. I have already indicated that it was my intention, and that of the government, to pursue the work of the Applebaum com-

mittee. I met with that committee on two occasions and I find that the work they have done until now is most worth while.

An hon. Member: When?

Mr. Fox: If the hon. member would let me complete my answer and if he would stop interrupting, perhaps he would learn some of the things that are going on.

Some hon. Members: Hear, hear!

Mr. Fox: The hon. member mentioned the blue paper which will be published by the Applebaum committee. The blue paper originated with my predecessor in this portfolio. The members of the Applebaum committee tell me they are not in a position to produce a policy paper at this stage; that they need more time before they can present the government with a complete policy paper in that regard.

* * *

[*Translation*]

AIR TRANSPORT

INQUIRY AS TO PROGRESS OF NEGOTIATIONS ON SALE OF NORDAIR

Hon. Roch La Salle (Joliette): Madam Speaker, fortunately there is one Quebec member who now and then raises questions about that province. My question is directed to the Minister of Transport. A month ago I asked him if he would soon announce the sale of Nordair and I would like to ask him today whether negotiations have progressed and what groups or individuals in Quebec are apparently interested in the purchase of Nordair.

Hon. Jean-Luc Pepin (Minister of Transport): Madam Speaker, consultations are being carried out in that case. I could not name from memory all Quebeckers interested in Nordair. There are a great number and I will send a complete list to my hon. friend if he would like me to do so.

INQUIRY WHETHER MAJORITY OF SHARES WILL BE HELD BY QUEBECKERS

Hon. Roch La Salle (Joliette): Madam Speaker, I wish to point out to the minister that I would like very much to know who is interested. I would also like to ask him if he is prepared to tell us, supposing that the sale is concluded in the not too distant future, whether he will make sure that most of the shares will belong to Quebec interests.

Hon. Jean-Luc Pepin (Minister of Transport): Madam Speaker, I cannot give a percentage, but I can very clearly indicate that there is no doubt in my mind that Quebec interests should play a very important role in the corporation set up as the result of that sale.

[*English*]

CANADIAN WHEAT BOARD

GRAIN—INITIAL PAYMENT TO FARMERS

Mr. Bill McKnight (Kindersley-Lloydminster): Madam Speaker, my question is for the Minister of Transport, who is responsible for the Canadian Wheat Board.

Will the minister confirm that the members of the advisory committee of the Canadian Wheat Board were present, and can he say whether they were consulted about the reduction of the initial payment to western Canadian farmers of 50 cents a bushel from the October adjustment price set by the past government?

Hon. Jean-Luc Pepin (Minister of Transport): Madam Speaker, I assume that my hon. friend is referring to the question he asked me the other day about payments going back to 1972-73. If that is the case, let me tell him that I inquired about this from my immediate advisers and was told that they were very surprised at the existence of such a situation, which explains why I was not aware of it. A further inquiry is being made now, I understand, from the Canadian Wheat Board in Winnipeg and I am awaiting a report on that subject.

What I am trying to indicate, Madam Speaker, is that the subject is a very, very complex one, so that even my immediate advisers were not aware of its existence.

Mr. McKnight: Madam Speaker, I should like to repeat my question to the minister. I will be very slow and will read it very carefully.

Will the minister confirm whether the members of the advisory committee of the Canadian Wheat Board were present when the decision was made to reduce initial payments to producers by 50 cents a bushel from the October 15, 1979, initial payment adjustment level set by the past administration?

Mr. Pepin: Madam Speaker, again, this is a very detailed question.

Some hon. Members: Oh, oh!

Mr. Pepin: I will consult immediately with the minister responsible for the Wheat Board and I will report on it as soon as I can.

* * *

HEALTH AND WELFARE

PROVISIONS RESPECTING ORPHANED CHILDREN

Hon. Alvin Hamilton (Qu'Appelle-Moose Mountain): Madam Speaker, my question is addressed to the Minister of National Health and Welfare: it is on a subject on which she is very well informed.

Has the minister been able to approach her colleagues and receive permission to change the regulations under the Family Allowances Act and also the child tax credit section of the Income Tax Act that ends discrimination against orphaned children in Canada? In other words, has she had the time to put forward the regulations?

Hon. Monique Bégin (Minister of National Health and Welfare): I am afraid not, Madam Speaker. I, too, have been involved for weeks now—every evening and even during the week—with the referendum campaign. I am sorry, but I have not yet had a chance since I took office on March 3 to proceed with a possible correction of the Family Allowances Act. However, I am aware of the problem and will give it my attention as soon as possible.

Mr. Hamilton (Qu'Appelle-Moose Mountain): Madam Speaker, in view of the injustice to orphaned children over the last number of years, would the minister attempt to bring in, with her colleagues, some sort of retroactive period at least back to the time of the introduction of the child tax credit under the Income Tax Act?

Mrs. Bégin: I hope to bring in that recommendation when we study the question with the hope of resolution.

* * *

PUBLIC SERVICE

COST OF LIVING INCREASE LESS THAN RISE IN INFLATION

Mr. Doug Anguish (The Battlefords-Meadow Lake): Madam Speaker, I should like to direct my question to the President of the Treasury Board. I am sure that in keeping with the non-partisan policy of maintaining a strong, united Canada, the minister is aware that at present the Treasury Board is negotiating with about 65,000 employees in four different groups at the bottom of the public employee pay scale, a large majority of them being women, and about 75 per cent of them in the clerk's area. They are earning less than $10,000 a year.

Can the minister tell the House why they were offered increases of only 5 per cent a year on a two-year term contract, when inflation is running at nearly 10 per cent, members of Parliament received on the first of this year 7 per cent increases, and corporate profits are running at over 50 per cent in the first quarter of this year?

Hon. Donald J. Johnston (President of the Treasury Board): Madam Speaker, the philosophy of the employer—the Government of Canada, through the Treasury Board—is to establish comparability in all these areas with the private sector.

In the case in point, negotiating procedures are under way, there is a mechanism established, and I am confident that a satisfactory settlement will be reached eventually and that the employees will be treated properly.

Mr. Anguish: Madam Speaker, I am sure the minister is aware that unless the Treasury Board changes its policy immediately, the government will be facing a very important and crucial strike.

Can the minister give us an assurance that the current stand of the Treasury Board will change, so that many employees who are living on incomes below the poverty line will at least be offered increases comparable to those which members of Parliament have received or, preferably, up to at least 9.1 per cent which was the increase in the consumer price index in 1979?

Some hon. Members: Hear, hear!

Mr. Johnston: Madam Speaker, in my first answer I expressed the philosophy which guides these negotiations. At the moment, as I understand it, the designated procedure is progressing, and eventually, I presume, the conciliation board will be appointed. I think that in the process of collective bargaining we have a responsibility not only to the government but also to the employees to let the negotiating procedure, the collective bargaining process, run its course.

* * *

● (1450)

[*Translation*]

NATIONAL UNITY

QUEBEC REFERENDUM—SUPPORT OF PROVINCES FOR "NO" VOTE

Mr. J. P. Nowlan (Annapolis Valley-Hants): Madam Speaker, I should like to put a question to the Acting Prime Minister. As the Prime Minister is attending an important meeting this evening in Montreal, would the Acting Prime Minister convey to him the very best wishes of other Canadians, that is, the best wishes of hon. members from other provinces of Canada who support him fully in saying No to the referendum?

Hon. Yvon Pinard (President of the Privy Council): Madam Speaker, I thank the hon. member for the interest he and his colleagues of all parties in the House are showing in the cause of the No in the Quebec referendum campaign. I thank him for the show of solidarity he has just expressed and I assure him that I shall be only too happy to convey those wishes to the right hon. Prime Minister who, I am sure, will want to publicize them even more. The hon. member can rest assured that his comments are very much appreciated. I want to take this opportunity, Madam Speaker, to thank the House leaders of both opposition parties who, since the beginning of the referendum campaign, have been flexible to the point of allowing the government to fulfil its obligations in governing Canada and hon. members and ministers, specially those from Quebec, to go to that province and work for the cause of Canadian unity.

[*English*]

SMALL LOANS ACT

CO-OPERATIVES—REGISTRATION UNDER LEGISLATION

Mr. Gordon Taylor (Bow River): Madam Speaker, my question is for the Minister of State (Finance). It involves the Small Loans Act which was passed in 1939 to serve purposes which are no longer with us.

If the act is kept in force, it will require some 4,400 co-operatives to be registered under federal legislation. My question to the minister is: Is the minister considering repealing or amending the Small Loans Act?

[*Translation*]

Hon. Pierre Bussières (Minister of State (Finance)): Madam Speaker, the Minister of Finance and I have received many representations from several hon. members, as well as the hon. member who has just put the question, with regard to the difficulties posed by the Small Loans Act. As the hon. member pointed out in his question, we are looking into two possibilities, namely repealing the act completely or amending it. All hon. members will surely understand, Madam Speaker, that we must take a very close look at the consequences of either amending or repealing the act. As soon as that study has been completed we will reach a decision. We want to act quickly because we are aware of the problems the current situation is creating for the caisses populaires and credit unions. As soon as a decision has been made, we shall advise the House of our intentions.

[*English*]

Mr. Taylor: I appreciate the answer by the minister, Madam Speaker. I wonder whether he has a suggested time-frame with regard to when this change might take place—either repealing or amending.

[*Translation*]

Mr. Bussières: Madam Speaker, the time-frame is as soon as possible.

* * *

[*English*]

ENERGY

OWNERSHIP OF PETROLEUM INDUSTRY—POLICY ON COAL

Mr. Bill Yurko (Edmonton East): Madam Speaker, I am somewhat tempted to ask my question in the tongue of my ancestors, but I will resist that temptation.

Some hon. Members: Please do.

Mr. Yurko: It is not an official language. Madam Speaker, I would like to direct a question to the Minister of State for Mines. In light of the stated specific goal of the government in the throne speech, that at least 50 per cent Canadian ownership of the petroleum industry will be effected by 1990, could the minister advise the House whether she, her government or any of its ministers are contemplating a similar policy, or have under review a similar policy for the coal industry?

Hon. Judy Erola (Minister of State (Mines)): Madam Speaker, there is no similar policy under consideration at the moment, although we are encouraging Canadian ownership as much as we can of the mineral industry. We are, therefore, looking at ways to encourage the junior mining industries in some tax ways; but at the moment there is no policy of 50 per cent ownership.

Mr. Yurko: Madam Speaker, the export tonnage of coal, particularly to Japan, is expected to rise substantially in the next few years. Can the minister advise the House whether all new coal export contracts will be subject to federal government agreement, either through the National Energy Board or directly by the government, as to the price of coal—and is the federal government considering an export tax on coal?

Mrs. Erola: The coal deal, as you know, Madam Speaker, has not been finalized, but the federal presence will be very much there. As a matter of fact, negotiations will include a federal as well as a provincial presence during the negotiations.

DISCUSSIONS ON PURCHASE OF SUNCOR

Mr. Jack Shields (Athabasca): Madam Speaker, my question is for the Minister of Energy, Mines and Resources, if I can get his attention.

Mr. Lalonde: Yes, I am listening.

Mr. Shields: Last Monday, while the minister was walking all those extra miles, I directed a question to the Prime Minister that I should like to redirect to this minister. Has his government, or any department, initiated or taken part, through any Crown corporation or, indeed, PetroCan in discussions with Suncor regarding its purchase and, if so, what has taken place so far?

Hon. Marc Lalonde (Minister of Energy, Mines and Resources): Madam Speaker, I want to confirm for the hon. member that I am not aware of any such discussions and my department has not been involved in any such discussions.

Mr. Shields: Madam Speaker, would the minister inquire through Crown corporations or, indeed, PetroCan, if discussions are taking place, and will he report back to this House soon?

Mr. Lalonde: Madam Speaker, I would raise a serious question as to whether it would be appropriate for me to inquire from PetroCan at this time whether they are carrying on negotiations and with whom.

As the hon. member knows, these types of discussions of a business nature are usually kept to a very, very limited number of individuals, even inside a corporation; and I, frankly, do not think it would be wise for me to even try to attempt to get this information at this stage.

NATURAL GAS PIPELINE TO VANCOUVER ISLAND

Mr. Ian Waddell (Vancouver-Kingsway): Madam Speaker, "Je voudrais poser ma question au Ministre de l'Énergie." I

think the minister is aware that Vancouver Island is the largest market in western Canada not presently served by natural gas. On Monday, in Vancouver, the minister refused to support British Columbia's proposal to build a natural gas pipeline to Vancouver Island. My question is, why?

Hon. Marc Lalonde (Minister of Energy, Mines and Resources): Madam Speaker, I had an excellent meeting with my colleague, the minister of energy for British Columbia, and I do not know where my colleague got the information that I was not supporting the notion or the principle of a pipeline to Vancouver Island.

• (1500)

On the contrary, I told CBC radio and the press which interviewed us at the end of the meeting that I thought it was an excellent initiative on the part of the British Columbia government and one which we welcomed very much. We will follow the developments in this regard with great interest and my colleague, the minister of energy for British Columbia, and I are due to meet again and discuss these issues at a later stage.

Mr. Waddell: Madam Speaker, according to press reports the minister has said that he could not afford, right now—with the $14 billion deficit—to put any money into this project.

Is the minister aware that such a project, while costing about $200 million, would replace 80 million to 100 million barrels of oil over a 20-year period, which would amount to something like $450 million to $500 million? If the minister can agree with those figures, is he then prepared to take another look at this matter and to commit himself, as he said a moment ago, to some federal support for this project?

Mr. Lalonde: Madam Speaker, I would have thought that with the experience the hon. member has had in this House as a parliamentarian, he would not believe everything he reads in the press.

Mr. Broadbent: It is more reliable than the minister.

Mr. Lalonde: For instance, it is reported that I did not attend the opening of a windmill experiment near Victoria, when in fact I was there with my colleague, the president of B.C. Hydro and, I think, four networks. I suggest to the hon. member that he check the press reports very carefully.

* * *

THE ADMINISTRATION

RECOGNITION OF CANADIAN ETHNIC ORIGINS

Mr. John Kushner (Calgary East): "Ya Paunyi dooju krausno dynak-kooyou stcho dalishtee mnie nahodu skazaty paro sleeu."

Madam Speaker, I wish to direct my question to the President of the Privy Council. This is the fourth level of government I have served on in my many years as an elected representative of the people. With regard to the federal level of government, I am very disappointed and frustrated with the present structure and effectiveness of parliamentary committees.

Some hon. Members: Oh, oh!

An hon. Member: Resign.

Madam Speaker: Order, please. It being very close to the end of the question period, I ask that the hon. member put his question very rapidly.

Mr. Kushner: Approximately two years ago a procedural organization committee was struck to look into the situation. As a result, two reports were tabled. Is the President of the Privy Council reviewing the reports with the intention of making recommendations to Parliament for much needed change?

[*Translation*]

Hon. Yvon Pinard (President of the Privy Council): Madam Speaker, the frustrations which the hon. member has expressed could also stem from his feeling that the speeches in the House are too long, that the House should sit in the morning and not at night, and that perhaps he should like to spend more time in his own constituency and deal with his constituents' difficulties. I am pleased by his interest in the changes to be made to our Standing Orders, and I shall give serious consideration to any idea he may care to submit possibly to streamline Parliament and make it more human and efficient.

* * *

[*English*]

PRIVILEGE

MR. SARGEANT—TEST OF TOXIC CHEMICALS IN MANITOBA

Mr. Terry Sargeant (Selkirk-Interlake): Madam Speaker, I rise on a question of privilege arising from information provided by the Parliamentary Secretary to the Minister of National Defence (Mrs. Appolloni) in response to questions by myself and the hon. member for Provencher (Mr. Epp) concerning chemical and biological warfare testing in Canada. The parliamentary secretary, in response to questions on this issue over the last two days, has misled the House; whether it was inadvertent or not, I am unable to say.

In response to my first question on this matter on Monday, the Parliamentary Secretary to the Minister of National Defence replied, as reported at page 930 of *Hansard:*

—I think it is important to point out that the department feels very strongly that if such an experiment did, in fact, take place, it was not harmful to human life.

Yesterday, in response to the hon. member for Provencher, the parliamentary secretary said, as reported at page 1005 of *Hansard:*

The report that we have so far . . . is that, in effect, this substance was not harmful to human life.

Madam Speaker, the zinc mixture that was used in the Winnipeg test, according to available data, was zinc cadmium sulphide. Cadmium sulphide is a long-known poison and an experimental carcinogen. According to the Handbook of Poisoning, "the ingestion of as little as ten milligrams will cause marked symptoms." The handbook further states that cadmium is damaging to all cells of the body. In Japan since 1962 some 230 cases of degenerative bone disease have been attributed to cadmium poisoning. This disease progresses very slowly so that symptoms may not appear for decades. Furthermore, Dr. David Penman of the Saskatchewan department of the environment told me that to suggest today the spraying of zinc cadmium sulphide throughout a city would simply be beyond question. Surely the parliamentary secretary does not wish to contend that this is a substance that is not harmful to human life.

In response to my call for a full-scale public inquiry into chemical and biological warfare testing in Canada to determine the nature and extent of this kind of operation, the parliamentary secretary insisted that this operation was not a secret at the time. She cited two reports concerning the tests which were carried in the local press in 1953 as proof. I have copies of those press reports in front of me, and anyone reading those news reports and comparing what they claim is the purpose of the tests and what we now know to be the truth would have no doubt that Winnipeg civic officials and the population of that city were misled about these tests at the time.

Let me read the first report concerning these tests. I am quoting from the Winnipeg *Free Press* of January 22, 1953:

Civil defence authorities from Ottawa are going to study smoke behaviour in Winnipeg.

—committee granted the Ottawa request to make the study which was part of a national program to study air currents in built-up areas.

The tests are made by spraying the air with small quantities of fluorescent powder which adheres to smoke particles and makes them visible.

Later that year, on June 23, 1953, the Winnipeg *Tribune* reported that:

Winnipegers will be walking with their heads in the clouds next month—clouds of zinc powder which are to be released in civil defence experimental smoke tests.

Tests are to determine the feasibility of smoke screening the city and its vital installations in the event of enemy attack.

Nowhere is there reference made to testing for chemical and biological warfare. Even the communist councillor to whom she made reference yesterday believed that the tests were indeed to demonstrate the feasibility of smoke screens. This is quite obvious to those who have read his letter.

No one knew the real purpose of these tests. It is clear from the admission of the Department of National Defence that Canadians have been used as test subjects for experiments in chemical and biological warfare. Canadians have the right to know whether they are still unsuspecting test subjects, and they have the right to know the nature of the chemicals or bacteria to which they have been, and for all we know are still being, exposed.

The types of answers provided by the Parliamentary Secretary to the Minister of National Defence do this House a grave disservice by misleading all hon. members as to the nature and significance of this important issue. I would repeat my request that this government establish a full-scale public inquiry into this matter. It is a sad commentary on our governing process that Canadians must go to another country—in this case the United States—to find out what goes on in our own land, sanctioned secretly by our own government.

Mr. David Orlikow (Winnipeg North): Madam Speaker, the Parliamentary Secretary to the Minister of National Defence (Mrs. Appolloni) said yesterday, as reported at page 1005 of *Hansard:*

—these tests took place some 27 years ago. Many of the people who were alive at that time... or involved in the tests at that time have since retired or, unfortunately, for other reasons, have passed away.

Madam Speaker, I am alive and I was involved in those tests.

Some hon. Members: Hear, hear!

Mr. Orlikow: I was a member of the city council at that time. I would like to reaffirm what my colleague the hon. member for Selkirk-Interlake (Mr. Sargeant) said. He said that not only were the people of Winnipeg and the elected officials of the city of Winnipeg not told the truth, but in fact they were deliberately misled about what was taking place.

● (1510)

Let me quote from the remarks made by the parliamentary secretary yesterday as reported at page 1004 of *Hansard*. She said:

I should like also to caution the hon. member and all members of the House against paying undue attention to sensational reporting, the effects of which can only cause needless and cruel fear.

In reply to a further question she answered, again referring to the tests, as follows:

Far from being held in secret, it now appears that there were at least two reports of those tests at the same time—

Later she said:

—to imply that these tests were held in secret is wrong.

And later in answer to a further question, referring to the people of Winnipeg she said:

—we on this side prefer to assure them that there is no great danger—

I have a summary of the letter sent at the request of the Department of National Defence through the metropolitan director of civil defence in Winnipeg, Mr. M. H. S. Penhale, to the city clerk. The letter was transmitted to the city council and on the basis of it city council gave approval to the tests. The letter said that the proposed exercise was to investigate the behaviour of smoke dispersal in built-up areas. City council was told that a communiqué had been received from Ottawa, through the civil defence agency, which indicated that

climatic conditions in the area of Winnipeg showed that valuable data for civil defence purposes could be obtained by studying smoke particles under varying conditions, and that this would involve the release of small quantities of fluorescent particles.

On that basis the city council gave approval but it was not told, according to a spokesman for the Department of National Defence, Major Haswell, as reported in yesterday's *Globe and Mail* that the tests were to determine how radioactive fall-out from a nuclear explosion would be dispersed by the wind currents around an urban centre. It is clear from what Major Haswell said yesterday that the civil servants in the Department of National Defence in 1953 hid the real purpose of the tests from the elected officials of the city of Winnipeg.

I submit, Madam Speaker, that such action is completely inexcusable. It is completely unacceptable that some group of civil servants, whether in the Department of National Defence or the RCMP, should deliberately lie to the elected representatives of any body in this country.

Some hon. Members: Hear, hear!

Mr. Orlikow: In a democratic society it is the elected representatives who have the right and the responsibility to make the decisions. If they make wrong decisions, the electorate can determine that and, if necessary, elect another group of people at the next election. It is not the right of any civil servant or of any bureaucrat to decide that it is in the interests of somebody or other that the truth should be kept from elected representatives.

Today's *Globe and Mail* reports Major Haswell, the national defence spokesman in Ottawa, as admitting that the U.S. army misled residents of Winnipeg about the spraying in order to avoid creating anxiety. Madam Speaker, I suggest that there is no way in which United States officials could have misled the people of Winnipeg except with the knowledge and co-operation of officials of the Department of National Defence in Ottawa—our officials.

Yesterday's *Globe and Mail* also reports Major Haswell as saying:

—the substance is considered harmless and that the Winnipeg and Manitoba civil defence agencies were aware of the tests at the time.

Madam Speaker, I think we have a right to know just what the civil defence agencies in Winnipeg and Manitoba knew. Did they know that these were tests for radioactive fall-out? If they knew that and did not tell the elected officials in Winnipeg, they are just as guilty as the people in national defence.

The other point I want to raise is that yesterday the parliamentary secretary in the House and Major Haswell in *The Globe and Mail* today said that the tests were considered harmless. The same article in *The Globe and Mail* today quotes Professor Frank LaBella, a very well-known medical researcher at the University of Manitoba's pharmacology department, as saying:

—both cadmium and zinc are toxic and could be dangerous to babies, old people, asthma patients and sick people.

He went on to say—

—the metals are more dangerous when used in aerosol form, as in the Winnipeg experiments.

He also said—

—there have been a number of deaths and reported cases of brain damage in industrial workers dealing with cadmium sulphide.

This is a very serious matter, Madam Speaker. It was a very dangerous way to mislead the people of Winnipeg and it ought not to have happened. I think the way the parliamentary secretary answered the questions yesterday was shoddy, to say the least, and I should like to be assured not only that steps will be taken to ensure the same kind of thing will not happen again, but that there have not been other tests and that there may not be tests in the future without the people of my city or any other that is affected being told what is going on.

Hon. Jake Epp (Provencher): Madam Speaker, I do not intend to speak for very long on this question. The point made by the hon. member for Selkirk-Interlake (Mr. Sargeant), namely, that information that has been given in this House has left an incorrect impression, is one with which I agree. I think the hon. member made that point very well.

The problem is obviously that this incident took place 27 years ago and the question now arises after the fact. It may be asked why we are raising it as a question of privilege now. The point that I have tried to make in my questions and which other questioners have tried to make is that it is the responsibility of government and those who speak for government, if they intend to give information—and, of course, they have the right to withhold information—to see that such information is accurate. On two different occasions the parliamentary secretary stated that, while the full details are not known about the tests and that tests are continuing or research is going on, they were not harmful to human life.

I find it rather incongruous that she is able to make the unequivocal statement that the test was not harmful to human life, while at the same time tests or research are still going on.

The hon. D. L. Campbell, who was premier of Manitoba in 1953 and is a very highly respected person, pointed out in an interview on Manitoba radio two days ago that, first, he could not recall ever having been informed of the tests taking place when he was in Winnipeg as premier; and, second, that at that time civil defence came under the aegis of municipal governments rather than provincial governments.

I think all of us know now that records of the committee of health for the city of Winnipeg in 1953 have now been found and that they make reference to these tests. The records do not show that the tests involved chemical or biological warfare but, rather, were tests relating to a smoke cover for the city of Winnipeg.

Another point concerns me deeply and that is the question of who made the decision for Canada to get involved in this kind of activity. The parliamentary secretary has tried to assure the people of Winnipeg that the tests were not harmful to human life and that we should simply take her good word on behalf of the government. I should like to do that. But the

information that we are getting from those doing the research in Manitoba is such that in fact the information that was given to Manitobans in 1953 was given in such a way as to mislead the population. Also, no information has been given on questions relating to whether other cities or areas were used for the tests.

● (1520)

To clarify this matter as quickly as possible, I think it would be of benefit to the country and to the government if a responsible minister would rise in his or her place and give us the details in terms of clarifying these matters, which started in 1953 from a false premise.

Mr. Dan McKenzie (Winnipeg-Assiniboine): Madam Speaker, I wish to speak briefly on this matter. Some very good points have been raised, but I want to point out that the concern is that even if it is 27 years later, the material, zinc cadmium sulphide, in those days was not believed to be poisonous. Today we know that ten milligrams of cadmium sulphide is poisonous. Therefore, there could be some danger even if it is 27 years after the event.

I understand that the Department of National Defence is searching the archives right now looking for all of the background material with regard to this testing that took place back in 1953. I suggest to the parliamentary secretary that she discuss this matter with the minister and that all of this background material be referred to the Standing Committee on External Affairs and National Defence for a thorough review, and this would enable us to find out the extent of the tests, whether they were done in other cities, and whether there are any harmful effects even 27 years later.

I would emphasize to the parliamentary secretary that she obtain this information as soon as possible and I suggest to the minister that it be referred to the standing committee.

Mr. Edward Broadbent (Oshawa): Madam Speaker, I think the issue in which we are involved, as has been indicated by a number of hon. members already, is extremely serious. It cannot be lightly dismissed, as I regret seemed to be the attitude which the spokesman for the government took to this problem yesterday.

What is involved now is that tests taken back in 1953 in terms of existing medical knowledge may have led to some people now having cancer. I use those words with care and say "may", because I am informed that the germination period, the period over which such results would show, is 20 to 25 years.

Because this took place back in the mid-1950s, it cannot be lightly dismissed by saying that people in the city of Winnipeg experienced no consequences. That is an important medical reality, as I am told. Therefore, we just cannot bury the issue today. It requires very thorough investigation in terms of medical investigation. Perhaps this can be done on a selective basis or by random sampling of people who were in Winnipeg in order to find out whether people who happened to be in town at that time were affected in a significant way.

I see Liberal members on the other side laughing. Obviously it is a joking matter to some people on the other side of the House, but I can tell the hon. member from Toronto that it is not a joking matter at all to the people who might be affected by this test.

Second, I would like to point out that it has been made clear today, contrary to what the House was told yesterday, that the Winnipeg city council was not informed, nor were the people of Winnipeg, as to the real nature of the tests. In fact, to put it bluntly, they were lied to. They were told that the tests had absolutely nothing to do with what turns out to be the reality, but rather had to do with some kind of smoke clearing devices or their effectiveness.

An hon. Member: A smokescreen.

Mr. Broadbent: That is simply wrong, and the spokesperson for the government had better make it clear today what the reality is. Can she deny that the letter which was sent out misled the city council of Winnipeg who gave approval to the decision, or did it not? Certainly the evidence that has been produced is that it was misleading, profoundly misleading.

This letter came from Canadian officials, but were the Canadians themselves informed as to the reality by the Americans? That point has not yet been made clear. Was it an instance in which the United States government that was responsible for conducting the tests did not pass on to Canadian authorities the real nature of the tests, or did the Canadian authorities in Ottawa know what the tests were about but lied to the people in Winnipeg? Whichever answer turns out to be the case, the implications are serious.

Finally, I think the government has an obligation now to produce to the House of Commons all information about communities across Canada, at that time or since, that have been involved, consciously or unconsciously, in similar tests. Were other municipalities sent, on the surface, innocuous letters describing certain events that would take place that they thought would be perfectly harmless, but which in fact turned out to be tests of a similar nature? Those, Madam Speaker, are a number of the issues involved that are extremely important and cannot be dismissed by the government.

Mrs. Ursula Appolloni (Parliamentary Secretary to Minister of National Defence): Madam Speaker, obviously I will await your ruling to see whether or not this is a question of privilege. I rather doubt it, but if there is a question of privilege involved at all, it could well be my privilege and not the privilege of a member on the other side of the House. In fact, I shall and will reserve the right to rise on a question of privilege, if I may, when I have checked the records of today. I especially want to check the exact words used by the hon. member, particularly when he referred to whether or not I misled the House. I am extremely interested in the words that he used before the word "misled". If I do have a question of privilege, Madam Speaker, you can be very sure that I shall ask your permission to rise on it tomorrow.

Some hon. Members: Oh, oh!

An hon. Member: They want to yell at the lady, but they do not want to listen to what she has to say.

Madam Speaker: Order, please. I have been listening to the remarks of all hon. members and I can reassure the parliamentary secretary that there was no unparliamentary language used.

Mrs. Appolloni: The Leader of the New Democratic Party, with his usual rhetoric, asked for, indeed demanded, a thorough investigation.

An hon. Member: What is wrong with that?

Mrs. Appolloni: I would like to point out to this House that for two solid days that is exactly what I have been promising this House on behalf of my department. There will be a thorough investigation. So much for some of the pious rhetoric of the Leader of the New Democratic Party.

I must point out yet again that these tests took place 27 years ago. That means that they took place before some members of this House were even born.

An hon. Member: To get an issue they can agree on, they had to go back 27 years.

Mrs. Appolloni: Madam Speaker, this explains to some extent, I hope, the difficulty in finding details immediately of an event which occurred 27 years ago. In fact, my information is that one person particularly involved in these experiments is extremely ill. He is in a coma and has been so from another disease totally unrelated to these experiments. Unfortunately, we cannot get information from him because of his own health problems.

● (1530)

There are other problems. The Leader of the New Democratic Party suggested that this investigation should extend to all of Canada. I agree with him. The department fully intends to make it extend to all of Canada. However, I am sure that even the Department of National Defence, marvellous as it is, perhaps the best in the free world—

Some hon. Members: Hear, hear!

Mrs. Appolloni: —will need a little more than two days to come up with all the details of something that happened 27 years ago.

I noted some of the comments of the hon. member for Provencher (Mr. Epp). Here again I should perhaps check the written *Hansard*. It occurs to me that he made reference today and yesterday as well to the supposition that these tests had not finished, that they were still continuing. I repeat, as I have said for the past two days, the tests in Winnipeg were stopped in 1953 after, I believe, the July to September period in which they were taking place.

The hon. member for Winnipeg North (Mr. Orlikow) I believe was a member of the municipal council at that time. I do not have copies of the minutes. I do not even know if that hon. member was present at the meeting on the day this discussion was conducted. However, to say that he was not aware of it and to say that, in effect, the authorities themselves did not know about it is quite a long step to take. I would say that just because the hon. member did not know about it does not mean that the authorities, the competent ones, did not in fact know about it. Therefore, to imply that just because of lack of personal knowledge the whole practice was secret is a fallacy.

Reference has been made to Professor LaBella. Without in any way impugning the integrity and reputation of Professor LaBella, I wish to draw the attention of the House to my remarks the other day when I said that pharmacologists, I think my words were, just as economists, unfortunately do not always agree with each other. What Professor LaBella says he may stand by, but it is my information that other pharmacologists have assured the Department of National Defence that there was no hazard to human life.

I come to my final point, Madam Speaker. If those members who stood up in their places today to protest my reply are truly concerned about protecting their constituents, I ask them why they do not give the department the information they are supposed to have so that the department can go further and move quickly with its own investigation. They would do that if their concern is genuine. However, if their concern is only to make "brownie points" and continue to scare people, then I rest my case. I do not know what else to say.

Some hon. Members: Hear, hear!

Madam Speaker: There is absolutely nothing, but just nothing, in the rules which allows a member who is not satisfied with an answer a minister has given to one of his questions to raise the matter as a question of privilege. Today we have another example of a question of privilege which flows from an answer given by a minister to a member and the member not being satisfied either with the quality of the answer or the kind of information that has been given.

Hon. members know there are other procedures that can be followed if a member is not satisfied with the information he has received. I urge hon. members to use these other procedures rather than take up the time of the House after question period when that time should be taken up by something else.

I am in the position that I must listen to members in order to assure myself whether there is or is not a question of privilege. Therefore, I have welcomed some of the interventions. Today I listened mostly to members who come from the region where this incident occurred because I felt they probably had a specific interest in raising the matter. However, all of them were debating the question.

Therefore, I must rule that this is not a question of privilege. I will shortly no longer be formally telling members, when they are not satisfied with an answer given by a minister, that they may not raise it as a question of privilege. I ask for the co-operation of hon. members in this regard.

Privilege—Mr. S. Robinson

MR. ROBINSON (BURNABY)—RESPONSIBILITY OF SOLICITOR GENERAL TO TABLE REPORTS

Mr. Svend J. Robinson (Burnaby): Madam Speaker, I rise on a question of privilege which affects the rights and responsibilities of all members in this House. I might add that it is a question of privilege of which I have given the Solicitor General (Mr. Kaplan) notice, although he has unfortunately left the chamber. The question of privilege concerns the responsibilities of the Solicitor General under the statutes by which his department is governed.

Pursuant to the provisions of the Department of Solicitor General Act, Revised Statutes of Canada, chapter S-12, section 5, on or before the 31st day of January next following the end of each fiscal year or, if Parliament is not then sitting, on any of the first five days next thereafter that Parliament is sitting, the Solicitor General is required to table the annual report of his department.

In addition, the Solicitor General has a statutory responsibility pursuant to the Penitentiaries Act, Revised Statutes of Canada, chapter P-6, section 30, to table the annual report of the commissioner of penitentiaries at the same time.

In each case the Solicitor General has failed to carry out his statutory responsibility to table these reports. This is a serious matter. This House and individual members of Parliament have a responsibility to carefully scrutinize the reports of the work of particular departments. That is our responsibility as members of Parliament. There is a statutory responsibility on the minister to table these reports, and in the absence of that tabling we are unable to perform our function as members of Parliament and critics of these particular departments.

In this particular case, Parliament has mandated that this department table reports at certain times. The most recent annual report was for the year ending March 31, 1978, over two years ago. Particularly in view of some of the important issues which this department has to deal with, areas such as the RCMP, the parole board and penitentiaries, it is critical that we have this information and that we have a basis upon which to question the minister both in the House and in committee.

Should your Honour find that this is a breach of the privileges of members of this House, I would move:

That this matter be referred to the Standing Committee on Privileges and Elections for a full and comprehensive review.

This is a serious matter. We are unable to perform our function as members of Parliament without the information that the government is statutorily required to lay on the Table.

[*Translation*]

Hon. Yvon Pinard (President of the Privy Council): Madam Speaker, judging from the question raised by the hon. member, he has two grievances. The first, that the Department of the Solicitor General has failed to table a report in the course of the first five days of the new Parliament and if I understand correctly, that the commissioner of penitentiaries had not done so either within the same period.

First, I would ask that the question be stood until the Solicitor General can give explanations, if need be, as he had to leave a few minutes ago for very good reasons. However, may I point out to the House that in the course of the last year we have had two general elections as a result of which in one year's time Canada has been administered by three different governments. I do not want these circumstances to be underestimated; they could have influenced the preparation of these reports and their tabling by previous governments. And it could be that such reports do not exist precisely because for the last year we have been without a Solicitor General and a Parliament. This might explain the fact that they could not have been tabled at the proper time.

Be that as it may, Madam Speaker, in view of this exceptional situation and the temporary absence of the Solicitor General who was compelled to leave, I ask respectfully that this question be stood until the next meeting of the House at which time the Solicitor General might give us his comments.

Madam Speaker: Exactly; as the Solicitor General is not in the House at this moment, it would be wise, I should think, to put this question to him at a time when he could give the explanations the hon. member wants.

● (1540)

[*English*]

MR. CROMBIE—REMARKS OF MINISTER OF NATIONAL HEALTH AND WELFARE

Hon. David Crombie (Rosedale): Madam Speaker, my question of privilege relates to some remarks made in response to a question by the Minister of National Health and Welfare (Miss Bégin). As I heard them, I gained the impression that the House was being misled. I should like to have an opportunity to consult the record and reserve the right to raise a question of privilege tomorrow.

[*Translation*]

Hon. Monique Bégin (Minister of National Health and Welfare): Madam Speaker, since the hon. member, who was my predecessor at the Department of National Health and Welfare, is kind enough to proceed as he has just done, let me indicate very briefly to the House, because I consider it important, that the beginning of my answer, when I said I would answer in French, was to get the message through and to protect myself from mistakes I could make in the English language, and not the way I expressed it. In any case, I should like to thank my predecessor for the kindness he has shown in understanding that even in saying so, I did not express myself very well in English. As for the point he wants to raise and for which, so it seems, he wishes to wait for the blues of *Hansard* in order to ascertain the precise content of my answer, in turn I reserve the privilege of answering him and defending my own rights.

ROUTINE PROCEEDINGS

[*Translation*]

STANDING COMMITTEES

Hon. Yvon Pinard (President of the Privy Council): Madam Speaker, I have the honour of tabling the second report of the committee of selection. With the agreement of the House, I intend to seek concurrence in this report later today.

* * *

[*English*]

SENATE AND HOUSE OF COMMONS ACT

TABLING OF ORDER IN COUNCIL APPOINTING COMMISSION MEMBERS

Hon. Yvon Pinard (President of the Privy Council): Madam Speaker, pursuant to Standing Order 41(2), I wish to table a copy of order in council PC 1980-1274 appointing Dr. Cliff McIsaac as chairman and the Hon. Leon Balcer as the other member of the commission required by section 34(7) of the Senate and House of Commons Act to inquire into the adequacy of the allowances paid to members of both Houses of Parliament.

* * *

PUBLIC WORKS

TABLING OF DOCUMENT RESPECTING RELOCATION OF DVA OFFICES IN CHARLOTTETOWN

Hon. Paul J. Cosgrove (Minister of Public Works): Madam Speaker, I rise to table a document in pursuance of an undertaking given in response to a question yesterday dealing with an analysis of the selection of site 9 as compared with site 15 for the relocation of the Department of Veterans Affairs in Charlottetown, Prince Edward Island. I might say, Madam Speaker, that in the Liberal tradition of expediting matters, although it took two days to get a report from the Department of National Defence, the Department of Public Works have responded in 24 hours.

* * *

[*Translation*]

PETITIONS

REQUEST BY "ACTION CANADA" THAT QUEBEC REMAIN IN CANADA

Mr. Maurice Dupras (Labelle): Madam Speaker, pursuant to Standing Order 67, I have the honour to present a petition from the Action Canada group that collected the signatures of more than one million Canadians in all parts of the country, urging their fellow citizens in Quebec to stay in Canada and refuse to separate from this great country of ours and inviting

Canadians of the province of Quebec to pursue the edification of their great country.

* * *

NATIONAL DEFENCE

REFERENCE TO COMMITTEE OF POLICY RESPECTING DEFENCE CO-OPERATION WITH UNITED STATES

On the orders: Government notices of motions:

May 12, 1980—The Minister of National Defence:

That the Standing Committee on External Affairs and National Defence be empowered to hear evidence and consider Canadian policy with respect to future defence co-operation with the United States in the North American region with particular reference to air defence and related arrangements embodied in and flowing from the North American Air Defence Command (NORAD) Agreement, and it shall report thereon no later than December 31, 1980.

Madam Speaker: The notice of motion is transferred to government orders and ordered for consideration later today or at the next sitting of the House in conformity with Standing Order 21(2).

* * *

[*English*]

STANDING COMMITTEES

CONCURRENCE IN SECOND REPORT OF STRIKING COMMITTEE

Hon. Yvon Pinard (President of the Privy Council): Madam Speaker, if the House gives its consent, I move, seconded by the hon. member for Winnipeg North Centre (Mr. Knowles):

That the second report of the committee appointed to prepare and report lists of members to compose the standing committees of this House presented earlier today be concurred in.

Madam Speaker: Does the minister have the unanimous consent of the House to proceed?

Some hon. Members: Agreed.

Motion agreed to.

* * *

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. D. M. Collenette (Parliamentary Secretary to President of the Privy Council): Madam Speaker, the following questions will be answered today: Nos. 207, 295, 296, 341, 584, 585, 590. I would ask that the remaining questions be allowed to stand.

Order Paper Questions

[*Text*]

CN-CP—NUMBER OF RAILWAY CARS

Question No. 207—**Mr. Herbert:**

1. As of April 30 (a) 1976 (b) 1977 (c) 1978, what was the total number of Canadian railway cars and how many were owned by (i) CNR (ii) CPR?

2. For the same years, what was the number and type of Canadian cars located in the United States and how many were owned by (a) CNR (b) CPR?

3. What was the average percentage of Canadian-owned cars located in the U.S., at any given time, over the past five years?

4. What charges do American railway companies have to pay for retaining and utilizing Canadian-owned cars?

5. What legal, diplomatic and other mechanisms are in place to expedite the return of Canadian cars to Canada?

6. Did the government, or its agencies, take steps recently, aimed at strengthening the powers to expedite return of Canadian rolling stock from the U.S.?

Mr. Robert Bockstael (Parliamentary Secretary to Minister of Transport):

1.

Date	Total Number of Cars Owned by Canadian Railways	Total Number of Cars Owned by C.N.R.	Total Number of Cars Owned by CP Rail
April 30, 1976	167,482	96,695	69,404
April 30, 1977	161,799	93,744	66,067
April 30, 1978	159,897	92,911	63,045
April 30, 1979	157,073	90,805	62,632

2. Number and Type of Canadian Railway Owned Cars on American Lines

Date	Box	Auto	Reefer	Open Top Gondola	Open Top Hopper	Covered Hopper	Stock	Flat	Other	Total
April 30, 1976	10,528	1,318	32	837	314	4,571	8	2,491	379	20,478
CP Rail	4,148	527	13	330	124	1,801	3	982	149	8,077
C.N.R.	6,243	791	19	496	186	2,711	5	1,477	225	12,153
April 30, 1977	11,872	1,567	34	1,115	338	5,495	5	3,333	93	23,852
CP Rail	4,678	626	14	439	133	2,165	2	1,313	37	9,407
C.N.R.	7,040	938	20	661	200	3,259	3	1,977	55	14,153
April 30, 1978	13,027	1,332	30	1,170	218	5,505	6	3,730	1,104	26,122
CP Rail	5,141	699	28	285	81	2,280	6	1,753	0	10,273
C.N.R.	7,722	633	2	646	129	3,200	0	1,915	1,098	15,345
April 30, 1979	13,723	1,733	4	1,309	111	5,481	6	3,784	1,239	27,390
CP Rail	6,034	781	1	497	58	2,407	6	1,684	—	11,468
C.N.R.	7,371	952	3	611	41	3,055	—	2,033	1,232	15,298

3. 14.5 per cent

4. Charges are made in accordance with the Association of American Railroads (AAR) car service and car hire agreement. Each subscribing railway promises and agrees to abide by and enforce the rules prescribed for the handling of, and settlement for, freight cars. These rules are included in the codes of car service and car hire rules promulgated by the association. The rates for use of freight cars are based on time (by the hour) and actual line-haul mileages charges as specified in a car hire rate table. In addition, incentive hourly rates, specified in an incentive charge table, are applicable on certain mechanical designations and car type codes. Further, appurtenance rates, as specified in AAR appurtenance rate table S—time charge—are paid for the use of certain railroad owned multi-level auto-rack superstructures.

5. There are no legal or diplomatic mechanisms in place to expedite the return of Canadian cars to Canada. Through the railway directorate of Transport Canada, informal contacts were made in Washington last winter with the interstate commerce commission, the Association of American Railroads and federal railroad administration officials. Within these groups, as well as with the United States Customs, mechanisms are in place for expediting the return of Canadian railway owned equipment to the owner. The railway directorate monitors the situation through its contacts with the above groups and ensures that Canadian concerns are communicated to the United States government.

6. No.

GRIMSHAW TRUCKING AND DISTRIBUTION LTD.

Question No. 295—**Mr. Herbert:**

1. (a) What was the (i) authorized (ii) issued capital of Grimshaw Trucking and Distribution Ltd. at the time of purchase by the government (b) has there been any change in such capital?

2. What is the present retained earnings in the company?

Mr. Robert Bockstael (Parliamentary Secretary to Minister of Transport):

1. (a) (i) 1,000 common shares of $10 par value/share; 100 6 per cent cumulative redeemable preferred shares of $100 par value/share;

(ii) 500 common shares.

(b) Pursuant to article 92 of the articles of association of the company, the capital structure of the company was changed in 1973. The appropriate resolutions were filed with the office of the registrar of companies of the province of Alberta and registered on November 13, 1973. The authorized capital of

the company is now 2,000,000 common shares of no par value, of which 1,350,000 are issued and fully paid.

2. Northern Transportation Co. Ltd. reports operating results on a consolidated basis only. Information on individual subsidiary companies is considered proprietary.

YELLOWKNIFE TRANSPORTATION LIMITED

Question No. 296—**Mr. Herbert:**

1. (a) What was the (i) authorized (ii) issued capital of Yellowknife Transportation Limited at the time of purchase by the government (b) has there been any change in such capital?

2. What is the present retained earnings in the company?

Mr. Robert Bockstael (Parliamentary Secretary to Minister of Transport):

1. (a) At time of purchase

(i) 500,000 common shares NPV

(ii) 308,003 common shares NPV

(b) By resolution dated February 10, 1978, the board of directors of Yellowknife Transportation Company Limited agreed to purchase 308,000 shares from Northern Transportation Company Ltd. for redemption, leaving three issued and fully paid common shares at no par value.

2. Nil. The company has been inactive since 1966.

VETERANS AFFAIRS—TRANSFER OF HOSPITALS TO THE PROVINCES—EMPLOYEES

Question No. 341—**Mr. Herbert:**

How many (a) permanent (b) temporary employees of the Department of Veterans Affairs have left the public service in each of the past three fiscal years and the present year to date, as the result of the transfer of hospitals and nursing homes to provincial jurisdiction?

Hon. Daniel J. MacDonald (Minister of Veterans Affairs): In all cases, where a hospital or nursing home is being transferred from the Department of Veterans Affairs, employees are offered employment, the next day, with the new organization.

1977-78	(a) 2050	(b) 35
1978-79	(a) 680	(b) 30
1979-80	(a) 100	(b) 2
1980-81	(a) 540	(b) 3

DEPARTMENT OF SUPPLY AND SERVICES—AUDITOR GENERAL'S REPORT

Question No. 584—**Mr. Cossitt:**

With reference to the Auditor General's report for the fiscal year ended March 31, 1979, at page 515 where it is stated: "We found a number of internal control weaknesses in the way DSS-Services performed the function of the Receiver General . . . they require prompt attention and correction", to the knowledge of the Department of Supply and Services what are these weaknesses and are steps being taken to give them "prompt attention and correction" as mentioned in the report?

Hon. J.-J. Blais (Minister of Supply and Services): The department is fully aware of the specific control weaknesses observed upon by the Auditor General. These concern five items as follows: keeping signature cards up to date, documenting the reasons for altering client prepared data, reducing the number of types of cheque requisition, more timely reconciliation of cheque issue differences and a change in procedures to ensure cheque issue differences are not carried forward beyond two years. More detail is provided in sections 17.143 to 17.153 of the Auditor General's report. All items are being addressed by the department and, in fact, corrective action has already been completed on two items.

Question No. 585—**Mr. Cossitt:**

With reference to the Auditor General's report for the fiscal year ended March 31, 1979, at page 517 where it is stated in relation to the Department of Supply and Services: "Included in the monthly reconciliation of outstanding cheques were some long-outstanding unreconciled differences which had not been satisfactorily cleared or resolved", what steps is the government taking to deal with this situation?

Hon. J.-J. Blais (Minister of Supply and Services): The steps recommended by the Auditor General are that services "—should strengthen their procedures to ensure timely follow-up and explanation of differences between cheques issued and accounted for." At the time of the initial response to this recommendation, implementation activities were already in progress (reference page 533). Subsequent to this report, implementation was completed and the new procedures are in operation.

Question No. 590—**Mr. Cossitt:**

With reference to the Auditor General's report for the year ended March 31, 1979, at pages 494-95 where it is stated: "We found a number of internal control weaknesses in the way DSS-services performed the function of the Receiver General . . . they required prompt attention and correction", what is the government doing in this regard including all the details and what are the weaknesses?

Hon. J.-J. Blais (Minister of Supply and Services): The statement on page 494-95 of the Auditor General's report is a summary of the detail given on pages 515-17 which is the subject of question No. 584. The answer given to question No. 584 applies.

[*English*]

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

Some hon. Members: Stand.

* * *

MOTIONS FOR PAPERS

Mr. D. M. Collenette (Parliamentary Secretary to President of the Privy Council): Madam Speaker, I ask that all

notices of motions for the production of papers also be allowed to stand.

Some hon. Members: Agreed.

GOVERNMENT ORDERS

[*Translation*]

BUSINESS OF SUPPLY

APPROPRIATION ACT NO. 1, 1980-81

House in Committee of the Whole on Bill C-29, for granting to Her Majesty certains sums of money for the public service for the financial year ending March 31, 1981—Mr. Johnston—Mr. Ethier in the chair.

[*English*]

The Deputy Chairman: Order. House in Committee of the Whole on Bill C-29, for granting to Her Majesty certain sums of money for the public service for the financial year ending March 31, 1981.

On clause (2)—

Mr. Knowles: Mr. Chairman, I do not rise to debate the clause but rather to clarify the plans we have for this afternoon. I believe it is understood that, since we are in Committee of the Whole, the time limit on speeches by members is 20 minutes and that this would include the time which might be taken for answers by ministers.

It has also been arranged that certain ministers are to be here and that questions may be directed to them. I think it is further understood that if any member who gets the floor on clause 2, since it covers everything, wishes to address his remarks to some other section of the estimates, he is free to do so. We leave in your hands the order of speakers to be followed.

● (1550)

Mr. Nielsen: Mr. Chairman, that is a correct understanding. It is already embodied in the rules. As long as there is no implication that the speakers will be limited to one 20-minute period. There is a repetitive nature to proceedings in the Committee of the Whole.

[*Translation*]

Mr. Pinard: Mr. Chairman, the agreement effectively provides a certain order for the ministers who will be questioned or whose estimates will be examined. However, as my colleagues will understand, all hon. members are equal, and on this side of the House, we intend to use all the time to which we are entitled, so there is no agreement about who should take part in the debate. I am certain that you will use your judgment well, but I want you to know that there is no agreement on who will take part in the debate. Members on this side of the House enjoy the same rights as those on the other side and we intend to use the time to which we are entitled. However, it is true that there has been an agreement about the ministers to be questioned and they will be here.

[*English*]

The Deputy Chairman: From what I gather, there is an understanding. It has been quite usual that every member has 20 minutes to present his remarks, and he may also have another 20 minutes if someone else is not seeking the floor; but eventually if someone from the government side of the House wants to answer some of the interventions, he is also allowed 20 minutes. I think that will be recognized.

Mr. Stevens: Mr. Chairman, my 20 minutes will be spent mainly in putting questions to the President of the Treasury Board. My first question will center on a booklet he published. It is called "Fiscalamity: How to survive Canada's tax chaos." It was published by the present President of the Treasury Board in 1974. In that year the minister stated:

> This book is dedicated to all Canadians who share my belief that Canada, with its beauty, its resources, its people, and its legal-political heritage, could be a country of unequalled opportunity and happiness, were it not for too much taxation, too strong a bureaucracy, too much government, too much welfare, too many politicians, and too few statesmen.

Would the President of the Treasury Board indicate whether those are still his views?

Mr. Johnston: Mr. Chairman, I am pleased that the hon. member has upgraded his reading habits. As the hon. member indicated, the statement was made in 1974. I have been concerned about reform in government. I was concerned about reform in government. I believe the hon. member will find in those remarks and elsewhere in that book some of the sentiments which subsequently were expressed by the Auditor General, I believe in 1975 or 1976. I am delighted to say that in my view improvements have been made in all those areas, but again I suggest that there is always room for improvement.

Mr. Stevens: Mr. Chairman, I would also like the President of the Treasury Board to confirm or otherwise a report by Bob Reade which appeared in *The Ottawa Journal* published March 4 of this year which stated that the President of the Treasury Board favours four-year economic forecasts as a means of forcing economic planning. Would the minister confirm whether he believes in the four-year or five-year forecasting program which has been suggested in such reports as the Lambert report?

Mr. Johnston: Most definitely, Mr. Chairman.

Mr. Stevens: Mr. Chairman, I am very pleased to hear that answer, and I would bring the minister back to that dreadful evening in this House when during the throne speech debate the present Minister of Finance introduced what has since

been called a mini-budget. In that budget the President of the Treasury Board undoubtedly noted that expenditures had gone up some $800 million as far as the government was concerned compared with the figure last seen when the then minister of finance in the Clark government brought in his budget, and the deficit had widened on a budgetary basis from $10.4 billion to $14.1 billion. In view of that, in view of the fact that the Minister of Finance did not give us a five-year overview as to where the ongoing expenditure, revenue and deficit figures were taking us in Canada, and in view of the confirmed—and I am pleased to hear this—attitude of the President of the Treasury Board, would he now table a five-year review as to where the assumptions used by the Minister of Finance when he entered the throne speech debate in this House would lead the country in expenditure, revenue and deficit terms?

Mr. Johnston: Mr. Chairman, I have no intention of tabling any such projection at this time. In addition, that question should be put to my colleague the Minister of Finance, who, after all, is in charge of the fiscal framework. I believe his remarks on that evening to which the hon. gentleman made reference were quite clear in that regard.

Mr. Stevens: Once again I think the House must remind the President of the Treasury Board of what his responsibilities are under section 5 of the Financial Administration Act passed by the Parliament of Canada. The minister, through the Treasury Board, is specifically required to pass on all matters relating to financial management, including estimates, expenditures, financial commitments, accounts, fees and many other items which are set out. In view of the fact that the previous Clark government set the pattern and tradition of showing ongoing expenditure and revenue levels for the Government of Canada—as recently as January 22 an update was done to show what would have been the expenditure and revenue levels without the Crosbie budget and what the expenditure levels would have been with the Crosbie budget—would the minister indicate what justification he has, other than being beaten back by cabinet colleagues, for not showing those figures to the Canadian public at the present time?

Mr. Johnston: Mr. Chairman, the hon. member is given to theatrics far more than substance. He knows full well what was said that night by the Minister of Finance. He also should know full well, since he is my predecessor in office, what the responsibilities of the President of the Treasury Board are. He is asking me here when we are studying the estimates for 1980-81 to furnish not only an expenditure forecast for the next four years but also to furnish a revenue forecast for the next four years. Perhaps the hon. gentleman enjoyed playing the role of minister of finance and president of the treasury board when he occupied that latter post, but I have no intention of doing so. If he wishes to discuss the estimates, which we are here prepared to do, that is the purpose of this Committee of the Whole this afternoon.

Mr. Stevens: Mr. Chairman, perhaps if the most temerarious President of the Treasury Board in history is unwilling to give us both expenditure and revenue figures which are going to affect all Canadians, would he at least give us his own expenditure projections—and let him not tell the House that he does not have them—based on the assumptions used by the Minister of Finance when he introduced his mini-budget? Would he give those expenditure levels for the next five years?

Mr. Johnston: Mr. Chairman, as I have indicated, I have no intention today of furnishing any expenditure levels. We are here to examine the 1980-81 estimates.

Mr. Stevens: Mr. Chairman, would the President of the Treasury Board, then, say whether there is any reason why members of this House should not assume that the figures which were published by the Treasury Board on January 22 in a press release are not true today? They indicated that total spending by the year 1984 would reach $82.731 billion if the Crosbie budget was not passed. The Crosbie budget figures showed a saving to the Canadian public of $7 billion on the basis of the assumptions used. Can he deny that if there is not some change of events, approximately $83 billion will be the spending level authorized by his department, as forecast on January 22?

• (1600)

Mr. Johnston: As I recall, the hon. gentleman is referring to some political propaganda which was prepared by his office in the course of a general election campaign, and I am not prepared to accept such propaganda, if you like, which was not even prepared by the Treasury Board but by his own office, as having any relevance to the fiscal framework of the present government.

Mr. Stevens: Mr. Chairman, I am rather startled at how ill-informed the President of the Treasury Board is. I am specifically referring to Treasury Board of Canada press release 80-3 which, as I stated, was issued on January 22. So far as expenditures are concerned, the figure was based on projections given at that time by his secretariat. Does he wish to clarify this and to state that he misled the House unintentionally, and that in fact the expenditure figures were prepared by his secretariat?

Mr. Johnston: Mr. Chairman, my understanding is that the figure may have been obtained from the Treasury Board because clearly the hon. gentleman was incapable of preparing that kind of information himself; but in so far as the assumptions underlining those projections are concerned, the hon. gentleman must admit that they were his own.

Mr. Stevens: In plain English, then, we have it established that, on the basis of figures prepared by the Treasury Board, the expenditure level, if something is not done, will hit approximately $83 billion by 1984. I leave it on the record that an open request has been made to the President of the Treasury Board, who professes that he believes in five-year planning, to give the figures to the Canadian public as to where he sees expenditures, and, we hope, revenue figures and deficits, will take us, on the assumption that were behind the mini-budget introduced by the Minister of Finance.

Let me touch on another question, one which is of grave importance to the people of Canada. I am referring to the question of cost overruns. On December 3, I moved a motion that a special committee of the House be appointed to inquire fully into the measures necessary to prevent recurring cost overruns on major government projects, defined as those involving expenditures in excess of $1 million, and in particular to carry out a review and an analysis of the measures already taken by the Treasury Board to prevent cost overruns on major government projects and to assess their impact.

There are various other matters covered in that motion, but my simple question to the President of the Treasury Board is: When does he intend to introduce a similar or, we hope, identical motion so that such a special committee can be established?

Mr. Johnston: Mr. Chairman, I believe the hon. gentleman will recall that I spoke on that motion at the time, in fact, quite passionately, inasmuch as I was chairman of the public accounts committee and I felt that the public accounts committee was the established forum, with the support which we know is available to it from, for example, the Auditor General's office, to continue the kinds of investigations which it had undertaken in the past quite successfully.

The issue raised by the hon. gentleman enters into the whole area of good management practices in terms of the control of costs on these various projects. We have, of course, a policy in place with respect to major projects. We are attempting, I think, to implement those procedures which, we hope, will prevent the kind of horror stories, of which undoubtedly the hon. gentleman is thinking, that are now part of our history. So I wish to reassure him that we will be taking all the initiatives possible to improve those practices, establish accountability and to do our best to bring these cost overrun projects completely under control.

With regard to whether or not we should have a special committee as opposed to having the public accounts committee study that matter, I would prefer to wait to see whether the public accounts committee has the time and the resources to carry out the kind of investigation to which the hon. member makes reference.

Mr. Stevens: Mr. Chairman, I am indeed sorry to hear that the President of the Treasury Board is now reneging on a commitment into which this House entered in the former Parliament to set up such a special committee. I suppose we will now have to do it the hard way because, as a result of the Treasury Board directive, circular letter 1979-20, issued in July, 1979, we requested, among other things, that all departments report to us on their projects of $500,000 or more, indicating how the projected costs were running in relation to budget.

Let me start now the long process of taking the minister through those reports. The Department of Agriculture indicated that there is a laboratory in Lethbridge with an approved budget of $3,204,000. They reported to Treasury Board that the estimated cost to completion was $19,340,000, for a cost overrun of $16,136,000. Will the President of the Treasury Board tell us what he has done to stop that overrun?

Mr. Johnston: I apologize, but with respect to specific projects, did the hon. member make reference to one specific project? I am sorry, I was looking at a cost overrun document in front of me, and I would appreciate it if he would repeat the last part of the question.

Mr. Stevens: If it takes today and tomorrow, we have several hundreds of millions of possible cost overruns to review. The President of the Treasury Board has hesitated to set up a special committee which would have the job of doing an overview of these cost overruns. To be specific, the Department of Agriculture, so far as the Lethbridge laboratory is concerned, had a budget of $3,204,000. At last report, they said it could have a cost to completion of $19,340,000, a $16,136,000 overrun. What has he done to correct that overrun in view of what he told the House?

Mr. Johnston: Mr. Chairman, in order to save the hon. member the pain and suffering of going through every project that has been examined with respect to cost overruns—

An hon. Member: It is the taxpayers who are suffering.

Mr. Johnston: —let me tell him that there are 497 projects now reported upon which show original budgets of $4.752 billion with potential overruns of $1.062 billion. The major reasons for incurring these overruns in the opinion of the various departments include inflation, approval in constant dollars, project deferment, change in scope, project control, currency exchange and technical difficulties. System improvements are planned, as the hon. gentleman well knows, and each of these areas will be addressed with regard to those system controls in the various problem areas. A report to the Treasury Board at the present time with respect to those systems is in preparation.

Mr. Stevens: Mr. Chairman, I feel that if the President of the Treasury Board is so unwilling to turn this matter over to a special committee of the House, presumably he should be asked to deal case by case with many of the overruns to which he has referred in passing. To be specific, would the President of the Treasury Board confirm or otherwise that the Department of the Environment, on its spending plan of $801 million, is now reporting that it could have cost overruns of $282,337,000, an overrun of 35 per cent in that one department alone?

Mr. Johnston: Mr. Chairman, I am not in a position to comment on those numbers put forward by the hon. member for York-Peel.

An hon. Member: Why not?

Mr. Johnston: However, I should like to clarify something he said. He said that I seemed to show some lack of concern in my unwillingness to refer these matters to a special committee. That is not the issue at all. For some reason the hon. member does not seem to have confidence in the public accounts committee being able to deal with cost overrun problems.

• (1610)

Cost overrun problems fall squarely within the mandate of the public accounts committee. Why should he attempt to usurp the role of the public accounts committee? That was what I took issue with last year. That is what the public accounts committee is there for. It has appointed several subcommittees in the past. You will recall the investigation in the case of HMCS *Bonaventure* overrun some years ago, long before I was a member of this House. I do not object on principle, but I am saying we have a committee. The hon. gentleman would like to heap committee upon committee upon committee, as he attempted to do last year. We simply, in my view, do not have the time in this House to engage in that kind of exercise.

I have complete confidence in the public accounts committee under the chairmanship, I believe, of an hon. member of his own party, the hon. member for Vancouver Quadra, who I am sure will do an outstanding job as chairman of that committee. I suggest that these matters be placed on the agenda of that committee. I am sure the committee would entertain representations from the hon. member to that effect. It is not a lack of concern but rather a question of what forum these should be dealt with in; in my view we have such a forum, and it is the public accounts committee of this House.

The Chairman: Order, please. I would point out to the hon. member for York-Peel that his time has almost expired. He has another minute.

Mr. Stevens: Thank you, Mr. Chairman. I think the committee should note that what we are asking for here is that something of a current nature be done to arrest overruns the Treasury Board was informed of this spring. To suggest that it is all right simply to refer that matter to the Public Accounts Committee of this House in due course, is totally missing the point. We can save possibly hundreds of millions of dollars if we act now in response to what the Treasury Board has been informed may be cost overruns. Departments have been informed, Mr. Chairman, that in view of such overruns, contracts or projects may be terminated, postponed, reduced or very much changed.

The Chairman: Order, please. I regret to inform the hon. member that his time has expired. According to the rules he may speak at a later stage, but I must recognize another member at this time.

Mr. Gauthier: Mr. Chairman, I would like to pursue with the President of the Treasury Board some of these questions, those dealing mostly with efficiency and effectiveness in relation to expenditures of funds and resources; and there is one other matter that I think is very important, as I have mentioned before in this House and which I think hon. members recognize to be important. That is—

[*Translation*]

—human resources management. This is an especially important area in view of the fact that, in the last few years, public servants in general have been criticized, sometimes with reason and sometimes not.

Mr. Chairman, the Treasury Board is responsible for determining human resources and the way they will be used to meet the objectives of the government, and I believe that this issue is important enough for us to be allowed to discuss it at length this afternoon.

Mr. Chairman, I would like to begin by recalling that the Standing Committee on Miscellaneous Estimates has discussed supplementary vote 115a which comes under the heading of the Secretary of State. This is a renewable fund for staff improvement and development in the Public Service of Canada. I wanted to bring this up today because the Treasury Board is the employer and determines the specific personnel needs of the government and the training programs required to improve the operation of the government. It is well understood that the commission acts only as the agent of Parliament, and on the order of the Treasury Board, provides the instruction, the development and the training required. Of course, between what is called development and what is called training—

[*English*]

I want to talk about this matter as I think it is rather important that we distinguish between effectiveness and efficiency. Many of us sometimes confuse those two terms, but I would like to approach them at least from my interpretation. My interpretation of the word "efficiency" is "doing the job right", versus my interpretation of the word "effectiveness", which is "doing the right job." Doing the right job is what I think the Treasury Board has to do for the Government of Canada. Doing the job right is perhaps what public servants in general have to take care of and produce.

In the development and implementation of government policies and programs, as I have said before and will repeat again, human resources are just as important as any other resource which the Treasury Board or the Government of Canada have at their disposal. They are critical because it has been a practice in this House and outside, and in the press generally, to bash public servants for inefficiencies in their operations. Possibly it is very easy for people outside direct involvement in

the Government of Canada and the public service to go around and suggest that public servants are inefficient.

I would like to suggest that, without a set policy of government administration or a philosophy of management, something we have not got at this time and which I think the President of the Treasury Board must address himself to soon, there can be criticism. He should follow up on the Lambert commission report as well as Mr. D'Avignon's report which was tabled last year, and which we are aware represents an important contribution to parliamentarians in their obligation to answer to their constituents.

One of our first obligations to our constituents is to make sure that government and Parliament have, indeed, effective control of the public purse. There is no doubt about that. We must also assure ourselves that the human and physical resources of government are being managed well, with due regard to economic efficiency and effectiveness.

I come around again to those last two words, efficiency and effectiveness, because they are most important. People sometimes confuse what is meant by efficiency. What are managers supposed to be doing except, perhaps, following the philosophy of management, which is non-existent to them? Therefore, they do not know exactly what the government and the Parliament of Canada want them to manage. How do they manage? What is the stick and what are the carrots? There are lots of carrots around but not many sticks. I find that to be a lack, or something that is missing within the whole concept of government. What I mean is that managers within the public service sometimes do not themselves know what Parliament wants them to do. To me this is an essential point.

We have had in other years numerous commissions, task forces, committees and studies that were asked to tell parliamentarians how to improve government's effectiveness and public servants' efficiency. Last year we had the Lambert commission report and the D'Avignon report.

A few weeks ago we had a very interesting report tabled by the Auditor General which addressed, among many other things, management of human resources, accountability, productivity and improvements required. We must come to grips with these things in order that we can succeed in our efforts to restore public confidence in the management processes of this government.

It may have been popular politically to bash public servants over the head—and I have seen this during the last two or three elections—to threaten them with cuts, to be obsessed with numbers and to suggest that we should cut civil servants by 60,000 and reduce the number of Crown corporations by 400. That was an obsession with numbers which in fact did not attack real problems in respect of efficiency and effectiveness.

● (1620)

Five thousand positions are being abolished by Treasury Board, or there is to be a cutback of 60,000 public servants, either by attrition or some other means. Some 400 Crown corporations are to be privatized. Such policies often become obsessions. The press love these kinds of policies because there is something there to grab, to use to bash public servants over the head and to say, "You are the result and the cause of a lot of our problems." In fact that is not true. They do not address themselves to the important questions of good management, competent public servants and effective programs.

I would like to read from the Auditor General's report of March 31, 1979. It states:

> Our findings should not be taken as an indictment to public servants for ineffective management of public funds and resources, because their mandate wasn't clear and their training was inadequate.

Once again, we do not have a global approach to training and development. The report goes on to say:

> Both Lambert and D'Avignon, in their respective reports, confirmed that managing public funds and resources economically, efficiently and effectively has not been an important part of a difficult mandate of most managers of the public service. Nor have most managers been adequately trained in applying the principles inherent in good business management.

The maintenance of a competent public service depends in large part on the availability of adequate training and development programs, especially in these days of new programs, new techniques, new skills and new approaches to general management. I do not know how many different techniques have been used over the years. They come from the private sector and are given such names as "management by objective." There have been all kinds of processes and techniques proposed to better improve the management of the public service.

Yet every time there is a change we must realize that the public servants must adapt and that the structure which is being put in place, if it is to change anything, must be recognized by public servants as being put there to make them more efficient and to make the system more effective. In the last eight years in which I have been there, I have not seen this problem approached with, first of all, positive management by telling them what we want to do or, second, with a comprehensive training program which will adapt to the needs of the system.

One need only think of the Post Office. A program costing, I believe, $1 billion was introduced in order to mechanize or computerize or automate the Post Office. But did anyone ever think that those same employees would have to adapt to new techniques and acquire new skills? To provide these employees with these skills, we must train them as any employer would do. When an operation is changed, it is incumbent upon the employer to train and develop the skills which are required to do the job.

God knows, we have had in the systems of administration and government a great need for adequate training and development of skills. It seems to me that we have not addressed the problem seriously enough to actually produce the results that are to be expected. It would be presumptuous of me to dwell at length on the subjects. Their importance and seriousness present a challenge that make it imperative that this government and this President of the Treasury Board give inspired leadership quickly in establishing, first of all, global

policy for training and development for public servants and, secondly, a philosophy of the government somewhat in keeping with what Mr. Lambert and Mr. D'Avignon proposed with regard to change.

The basic objective of this policy should be to maintain a public service of the highest quality with employees who have the personal and professional skills to develop and implement government policies and programs.

The second objective should be a plan for the future needs of the public service for talented and skilled manpower.

The D'Avignon report mentioned that we need a management philosophy. I think that this is something which must be addressed seriously by this government. Management must be told what is expected of them and must be given the tools to lead effectively and manage efficiently all the resources at their disposal.

Just a couple of weeks ago I was saying that the government spends $100 million in training and development each year. According to the Auditor General's report, we spend $170 million per year in training and development. The report goes further and implies that we may be spending twice that amount. To me, that is an indication of a large expenditure of money without set objectives, proper planning or a philosophy which attacks training and development with a comprehensive, global approach to the problem.

I know that the Public Service Commission is not responsible for all the training. However, Treasury Board is. As my first question, I would like to ask the minister if he is thinking in terms of presenting soon a comprehensive, global approach to training and development and, if so, how soon can we expect this document to be either tabled in the House or discussed publicly in committee?

[*Translation*]

Mr. Johnston: Mr. Chairman, first of all I should like to congratulate my friend, the hon. member for Ottawa-Vanier, because he talked about several of the existing problems, problems and challenges for the Treasury Board, if you like. At the same time, I should like to give him the assurance that we are making an in-depth and active examination of the recommendations of the D'Avignon and Lambert commissions. As everyone knows, a few weeks ago, I received from the right hon. Prime Minister a mandate to direct those studies because we give high priority to the questions raised by the hon. member.

[*English*]

I would hope, Mr. Chairman, that within the very near future we would be able to bring forward some specific proposals with respect to training and retraining. As I mentioned during my comments in the House the other night, one of our primary concerns is in the area of retraining personnel who are declared surplus. But the whole area of training is one which is actively under review. It appears to me that it has been unsatisfactory in the past for a variety of reasons. As I said, I hope that we will be bringing forward something in the very near future which will meet the high standards that I know the hon. member and many other of his colleagues will insist upon.

In terms of the over-all philosophy of management of human resources, I would like to assure the hon. member that we are pursuing the D'Avignon report and the Lambert report actively. Specific committees have been established which report to me as President of the Treasury Board and which will bring forward recommendations with respect thereto in the very near future.

I hope that we will see rapid progress in this direction because the management of human resources has been neglected in the past. It is essential for the efficiency and morale of the public service, and I am confident that this House will be very responsive and, I hope, supportive of the initiatives that we intend to take in this regard.

Mr. Gauthier: Mr. Chairman, I would like to follow up on that question. I understand that the minister has the Lambert commission report and the D'Avignon report. Could the minister tell the House whether or not he is also utilizing the report of the joint committee of the House of Commons and the Senate which sat for 18 months studying amendments to the Public Service Staff Relations Act?

Mr. Johnston: Mr. Chairman, yes, indeed we are.

• (1630)

Mr. Gauthier: Who is doing the study? I understand the minister is co-ordinating it but exactly who is doing the study? Is it an in-House study by the department, an interdepartmental study or a public study? Are members of this House going to be involved in giving advice about what should be done, or is it going to be something cooked by Treasury Board, presented to us and then we must eat it whether we like it or not?

Mr. Johnston: If I may, I should like to expand somewhat on the mechanism as we now envisage them for bringing these reports and studies forward, Mr. Chairman.

There are two groups, one in charge of the D'Avignon recommendations which will put them in a certain form, in dialogue with me, acting through a co-ordinating member of Treasury Board. That group is headed by Mr. Orser.

In addition to that, General Anderson will bring forward recommendations to discuss with me. He is out of the country at the moment but I hope this will take place within a few weeks. The work is well advanced. I must pay tribute to my predecessor who agreed that these were priority areas and made an effort to ensure substantial progress was made.

I am, then, responsible for bringing these matters forward to a committee of cabinet chaired by the President of the Privy Council, the government operations committee. In other words, I report to that committee and the committee would ultimately make the decision with respect to our analyses and the packaging of the recommendations.

As hon. members will appreciate, there is a certain amount of overlap in the area of human resource management, in particular between the D'Avignon report and the Lambert commission report. That is the mechanism that I see at the present time.

Mr. Gauthier: Do I take it that the minister is telling us that apart from the D'Avignon and Lambert commission reports and the Public Service Staff Relations Act review—which is very important and which I think hon. members recognize was the object of serious study by this House and the Senate some three years ago—there are seven technical amendments concerning very important things to be done with reference to the Public Service Staff Relations Act? Am I to take it that the President of the Treasury Board is responsible for those amendments? In years past the President of the Privy Council was responsible. Do we take it that this has been changed and that Treasury Board is now responsible for reviewing its own Public Service Staff Relations Act?

Mr. Johnston: Mr. Chairman, as I believe I indicated, the chairman of the cabinet committee with which ultimate responsibility rests in this regard is the President of the Privy Council.

Mr. Gauthier: One last question, Mr. Chairman, which deals with the question the minister alluded to a few minutes ago, and that is the retraining facilities offered to public servants who, due to either lack of work or for other reasons, are laid off. I know the minister is aware that the manpower retraining programs which apply to the general public do not apply to public servants who are laid off. I understand the reasons for that. As an employer, government was told to do its own retraining. Sometimes, however, there is a situation where a public servant is laid off because of lack of work or for other reasons and is not eligible for the retraining programs offered by Manpower.

Could the President of the Treasury Board give an assurance that this whole problem will be cleared up soon and that public servants will be offered retraining facilities and allowed to use Manpower programs?

The Chairman: The hon. member's time has expired. Under the rules he may ask questions later.

Mr. Anguish: Mr. Chairperson, I agree with many of the things that the hon. member for Ottawa-Vanier has said. We sit on the same miscellaneous estimates committee and some of the concerns he has expressed about the Public Service Commission are also my concern.

I should like to ask the President of the Treasury Board whether, in order to stop the overruns for training and development within the Public Service Commission, he would consider making departments responsible for paying for training which they indicate they require or sometimes request, so that the onus and accountability for spending for training and development are on the department and not on the Public Service Commission?

Mr. Johnston: Mr. Chairman, as I recall, that very matter is under review at the present time. I understand the validity of the point and I believe it should be followed up in order to put cost and responsibility together.

Mr. Anguish: At the present time the amount that is being reviewed by the miscellaneous estimates committee on overruns is almost three-quarters of a million dollars and is projected to be over $1 million for the next two years and each year following. I think it is necessary that there be some change in the accountability for training that is offered and that it is placed on the departments. I hope the minister will see fit to do that.

I should like now to turn to the Auditor General's report, the main thrust of which I felt was in the area of government spending and ineffective management. The media, however, seemed to place the blame on the inefficiency of public employees. I should like to know the minister's impression of the Auditor General's report and what it was trying to say to Parliament.

Mr. Johnston: Mr. Chairman, as the hon. gentleman knows, I have attempted, and I think successfully, not only to think through the comments of the Auditor General but to discuss them with my colleagues on both sides of the House.

In my judgment, and I believe in the judgment of the Auditor General, the problems of inefficiency in the groups examined, which were classes 1 to 4 of the clerical and regulatory groups, are management problems. In some of my answers to questions in this House I have emphasized that it is important that we not try to make the clerical and regulatory group the scapegoat of inefficiency. As anyone knows, if that group is not performing, not doing work assigned to them, or if they are inefficient, then we believe that is the responsibility of management.

The question the hon. member raises must be placed in the same context as the question raised by the hon. member for Ottawa-Vanier, namely that we have a management problem, a human resource management problem. That is what we are attacking through the reforms which we hope to put in place and through the implementation of the D'Avignon and Lambert reports.

Mr. Anguish: Would the minister agree that it is being said of the Auditor General's report that ineffective management is the problem and not, in fact, the inefficiency of public employees?

Mr. Johnston: As a generalization that is my impression, Mr. Chairman. The management problem is the one to which we must address ourselves. I would not suggest for a moment that one does not find inefficiency here and there among employees, as one does everywhere, probably even in this House of Commons. We are going to address ourselves to this problem in terms of management, and I am satisfied that the Auditor General will support us in that because I believe that is what he would like to see.

Mr. Anguish: I thank the minister for his answer. I was sure that was his stand on the report as well as the stand of the Auditor General, but I just wanted that to go on the record to show that it is not inefficient public servants or inefficient public employees that sometimes make the systems go astray.

It has been mentioned that the problem of human resources and personnel management will be addressed and given a lot of consideration. I should like to know whether it is the intention of the Treasury Board to become responsible for personnel management and human resources as well as money management?

• (1640)

Mr. Johnston: Mr. Chairman, in answer to that question, we are responsible for human resource management. We are responsible for the management of the human and financial resources of the government. What we are not responsible for at the present time is the staffing function, which rests with the Public Service Commission.

Mr. Anguish: Mr. Chairman, to rephrase my question then, is it the intention of the Treasury Board to become involved in the staffing function of this government as well as the management of our money?

Mr. Johnston: Mr. Chairman, as the hon. gentleman probably knows, this question of where the staffing function rests has been addressed by the Lambert commission, by D'Avignon and by the Auditor General himself. Those three recommendations are that the staffing should rest with Treasury Board in terms of the over-all accountability of government for personnel and human resource management.

I would simply say at this stage that this is one of the recommendations which we are studying and which is under review, but we have not at this point in time made any firm commitment one way or the other with respect thereto.

Mr. Anguish: Mr. Chairman, it was indicated in the public accounts for the year 1978-1979 that come out prior to the Auditor General's report that the spending deficit of the federal government for that year was $16.185 billion. That is the difference between the amount the government actually took in in revenue and the amount it actually spent out of the taxpayers' pocket.

I should like to know if the minister in fact finds this acceptable, and assuming that he will not find it acceptable, what the government plans to do to curb this deficit. Does it plan on increasing revenue or decreasing spending to lower that $16.185 billion deficit from 1979?

Mr. Johnston: First of all, Mr. Chairman, I cannot verify the number which the hon. member has put forward. He is talking about last year. The hon. member for York-Peel a few moments ago was talking about what he thought was the projected deficit, but I hasten to add that there has been no fiscal planning projection put before this House. I think that point was made clear during the comments of the Minister of Finance.

With respect to the role of Treasury Board as it addresses itself to a problem such as the deficit, our mandate and our responsibility is to ensure that public funds are expended in a most effective and efficient manner. So the extent to which we can reduce expenditures will have an obvious impact on the deficit. As I pointed out many times, one can reduce a deficit either by reduced expenditures on the one hand or increased revenues on the other. That is a statement which requires no proof, if you like.

That being said, I can assure the hon. member that at Treasury Board we are consistently following policies of restraint, trying to identify inefficiencies and improve management practices. The Comptroller General, as you know, has his IMPAC study under way—that is, the Improvement of Management Practices and Controls—whereby effectively a survey is made of all major departments of government. That being done, then a report is made and eventually an action plan is agreed upon between the office of the Comptroller General and the deputy of that department. That action plan would then be implemented and monitored and address itself to all these various areas of management improvement practice with a view to obtaining greater efficiency, and with a view also to permitting us to establish techniques of evaluating programs in those departments so that informed judgments can be made by deputies and ministers with respect to the validity, the value of particular programs, and as to whether or not they are achieving their intended objectives.

So in this whole area of improved management, Treasury Board has a very active role to play, and to the extent that we can get at reducing the deficit through that role, we will certainly do so.

Mr. Anguish: I thank the minister for the answer; I am not sure what he said there. The $16.185 billion is an actual figure and it comes from the public accounts for 1978-1979. I am surprised that the three gentlemen the minister has brought in here cannot substantiate that figure.

I should like to ask the minister this. If it is in keeping with government policy to reduce that deficit—and he did not say whether it would be increasing revenue or decreasing spending—are the cuts in the public service of some 5,840 person-years of employment that he announced when tabling the estimates in fact part of that policy?

Mr. Johnston: I apologize, Mr. Chairman. I did not pay as much attention to the latter part of that question as I should have. With my apologies, I would appreciate it if the hon. member would just repeat the last part of that question, please.

Mr. Anguish: With respect to the policy just stated in response to my question about the $16.185 billion deficit, I asked if the 5,840 or so person-years of employment were part of that new policy that he is planning on implementing to reduce the huge deficit.

Mr. Johnston: Mr. Chairman, I indicated in this House earlier this week that it is not our policy to establish targets for

employee reduction. We do not intend to follow a policy, as my predecessor did, by saying, for example, that we are going to eliminate 60,000 public servants over a three-year period, partly as he suggested at the time by privatization of Crown corporations and then some in the control sector and some in the non-control sector of the public service. We have no such intention. What I am content to do is to attack inefficiencies and to evaluate and evolve programs.

In the course of that, it may be that by eliminating a program we will in fact lose some employees. At the same time, as I pointed out, we are very concerned about the position of employees who find themselves in surplus and subject to lay-off. It is for that reason, among many other reasons, that we are putting, I hope, a renewed and increased emphasis on retraining so as to find other positions for those employees in the public service.

That is the basic philosophy. It is not a question of saying that we are going to eliminate 5,000 or 10,000 jobs; it is a question of saying that we are going to attack inefficiencies. Surely the hon. gentleman will appreciate that a program which is being evaluated turns out basically not to be delivering a service to the public or to whomever it is intended to deliver to in the private or the public sector, it then behoves us to eliminate that program or to replace it with a more effective one. It is not unlikely that, in the course of doing that, the person-years would be affected. That is why we have this complementary program that I mentioned earlier of improved—and substantially improved, I hope—training and retraining.

Mr. Anguish: Mr. Chairman, I was wondering if the minister would answer this question. How was the criteria set, or what criteria was used to eliminate the 5,840 person-years of employment?

Mr. Johnston: Mr. Chairman, again I apologize. Could I have that last sentence again? I am attempting to uncover where this $16.7 billion deficit which the gentleman referred to in 1978-79 occurred.

An hon. Member: $16.1 billion.

The Chairman: Order, please. The President of the Treasury Board has the floor.

● (1650)

Mr. Anguish: Mr. Chairperson, what criteria were used to eliminate the 5,840 person-years of employment that were cut from public employees?

Mr. Johnston: Mr. Chairman, the person-year reduction the hon. member is referring to is that reduction which is contained and referred to in the main estimates which were tabled. I presume that is what he is referring to, namely 5,840 person-years, which reflects the policy of the previous Conservative administration.

Mr. Stevens: Good policy.

Mr. Anguish: Mr. Chairperson, I would like to have the President of the Treasury Board tell me if in fact some of those cuts were in the Canadian Transport Commission in areas of safety regulation, in fact areas where we had two unfortunate accidents lately, one at MacGregor, Manitoba, and the other at Mississauga, Ontario, in which lives were endangered and which involved great cost to the Canadian taxpayer in the clean-up. Have some of those cuts been made in that area? Whether or not it is the policy of the former Conservative government, does the minister not think this should be rethought and that possibly there should not be cuts in the Canadian Transport Commission, since Mr. Macdonell, in his Auditor General's report, said that is one of the areas that should be beefed up and not cut? The minister has in fact chosen to ignore that, I would guess, and will continue to make cuts in areas of safety regulations within the Canadian Transport Commission.

Mr. Johnston: Mr. Chairman, with respect to the Canadian Transport Commission cuts, those cuts, in the view of the commission, were made to achieve operational efficiency. I think it is presumptuous to assume that because of these cuts the safety of the Canadian public has in any way been endangered, or to attribute any accidents to the fact that these cuts took place. The hon. member is making an assumption which is certainly not warranted on the evidence before us at the moment.

Mr. Anguish: I assure you, Mr. Chairperson, that the evidence is there. I would like to ask if the estimates that were tabled reflect any money to be paid out by way of incentives to senior bureaucrats to be attracted to this government.

Mr. Johnston: Mr. Chairman, I would like to have some clarification as to what the hon. member means by "incentives to attract senior bureaucrats to the government." I am afraid I would need somewhat more information in order to respond to that in a meaningful way. What kind of incentives is the hon. member suggesting? Is he suggesting that we offer hiring bonuses to management groups? I am just not clear on the object of the question.

The Chairman: The hon. member for The Battlefords-Meadow Lake has less than a minute to comment on that.

Mr. Anguish: To my understanding, Treasury Board or officials under the President of the Treasury Board have discussed the possibility of making available large loans at extremely low interest rates in order to attract people to very senior public service positions. Is this in fact true and is it reflected in the estimates?

The Chairman: Order. The hon. member's time has expired. He may have an opportunity later to pose his question.

Mr. MacBain: Mr. Chairman, I would like to speak about my impressions as a new member of this House. I want to put before this committee what I perceive to be the position of the people I represent on certain vital issues and what they expect of me, of this government and of the Thirty-second Parlia-

ment. I want to do so in the context of the debate on public accounts. I hope hon. members will accept what I have to say as relevant to the issue under debate and the constructive manner in which these remarks are tendered. Some of the things which I feel I have to say may not be well received on either side of this House. This is most unfortunate because in my caucus—and I hope in saying what I do I am not breaching caucus secrecy—I am known as "Mr. Nice guy."

One thing I must say will be well received; it is easy for me to say and I mean it most sincerely. Speaking of members of all parties, I have been most impressed by the calibre, dedication and compassion of all members of this House. I say that without equivocation.

That having been said, may I now move on to my personal concerns and those of my riding, concerns which are strictly relevant to this debate this afternoon, concerns which, if justified, should be addressed by our Thirty-second Parliament and hopefully remedied. The perception of government today in my riding is that it is incapable of efficient legislative action; that it is so busy fighting fires it has no time for long-term planning; and that government today does not accept as its mandate development and control of its estimates and expenditures.

My remarks are not addressed to the problem of accountability of management to the responsible minister, important as that area may be. My brief remarks address the problem of parliamentary and government control of expenditures and programs.

My concern is that the present House rules, the legislative structure and processes, and government itself are inadequate, time consuming, inefficient, cumbersome and uncontrollable. People in our ridings perceive that an administrative monster has been created which devours almost $58 billion a year and is growing. The budgetary process, I suggest, has long since been free of any real input and control by Parliament.

I am also so bold as to suggest that a further step has been taken, and that is that meaningful input and control by cabinet over our expenditures has passed from the cabinet to deputy ministers and their senior staff. The proposition can be sustained that budget development and control has passed from cabinet to the senior civil servants.

All governments today have become large and their poblems numerous and complex. Their size and problems have increased but no real steps were taken to modernize and streamline government to enable it to deal efficiently with its new responsibilities. Governments have allowed themselves to become bogged down by administrative details, archaic rules and saddled with budgets they did not prepare in whole or in part and have no mechanism to control, except possibly after the fact.

Our 1980-81 estimates, which have been tabled, were tabled after the fiscal year began and will not be approved until the fiscal year end is close at hand and most of the funds already expended. I ask the members the question, who in fact prepared the budget and who is controlling it? I want hon. members to ask themselves whether they really feel the estimates as tabled will be significantly different when they are finally approved by this Thirty-second Parliament in the fall. We all know the answer to that question.

As a new member, it is my position that our Parliament plays no meaningful part in the development and control of our annual estimates, even after the fact. It is also my position that the cabinet itself has lost, to an alarming degree, meaningful input in the development of our projected annual estimates and control of our expenditures. Only a revamping of our rules and modernization of the role of Parliament, its committees and the cabinet can give back to Parliament and the cabinet real control over the purse strings of this nation.

● (1700)

The Speech from the Throne says in this regard:

> To increase the confidence of Canadians that their national institutions can respond effectively to their needs, my government would propose a program to make Parliament both more efficient and more responsive.

As a new member it is my position that Parliament plays no meaningful part in the development and control of our annual estimates, even after the fact. It remains to be seen whether the remarks I read from the Speech from the Throne are transformed into action by the Thirty-second Parliament.

What part has this loss of meaningful input into and control of expenditures played in the drastic increases in our annual expenditures and our national debt? Let me give hon. members just two examples of expenditures which in their conception were modest and acceptable but which are now out of hand and out of control. The items I have chosen were selected at random. One is large, the other small.

I wish to discuss our foreign aid program and use the expenditure in this direction as an example of lack of control. In 1950 our foreign aid expenditure amounted to $10 million. By 1960 the amount had risen to $82 million and in 1967 it stood at $279 million. In 1980, Mr. Chairman, our foreign aid exceeded one billion dollars under the auspices of the Canadian International Development Agency or CIDA.

Some will say a large portion of our foreign aid is "tied" and that it brings back some benefits to Canadian industry and Canadian workers. That is correct, but we must remember that the industries concerned are the ones which are telling us every day that government is too big. We must also remember that the dollars coming back from "tied" aid go to industry, not to the government which granted them.

We must also bear in mind that our government is in a serious deficit position; it is borrowing money at high interest rates so as to make available foreign aid which this country cannot afford, using Canadian dollars which are borrowed and which drive up interest rates, thus causing inflation and driving up our deficit and national debt to serious proportions. I suggest to you, Mr. Chairman, that this item of expenditure is out of control and has been for some time. This is an example of a good idea which has gone wrong.

I do not suggest we should in any way duck our fair responsibility for foreign aid to developing nations. I ask only that the expenditure be controlled having regard to our deficit, our national debt, our unemployment and the general conditions of our economy in 1980. More than 15 per cent of the people in my riding are unemployed. We are borrowing to service our annual deficit and the national debt. We offer new programs or continue old ones on the basis of need, not on the basis of our ability to pay for the same. To explain: a family may "need" a new automobile but they put off the purchase until they can afford to pay for one. If national governments such as ours do not act in a similar manner, they will put in serious doubt the fiscal integrity of the whole country.

Some hon. Members: Hear, hear!

Mr. MacBain: The same can be said about many of our provincial governments, for example, Ontario.

The second expenditure item I want to discuss as evidence of lack of control is the annual expenditure for the support of our peace-keeping forces in Cyprus. Mr. Chairman, in 1964 Canada agreed, quite rightly, to supply a portion of the peace-keeping forces in Cyprus. This was to be a temporary assignment—a matter of months involving a limited expenditure. But what happened? The six-month mandate for the force has been renewed by the United Nations Security Council 36 times between 1964 and 1979, and I am told by those close to the scene that there is no end in sight. The island remains just as politically explosive as it was in 1964 and all attempts to negotiate a settlement have failed. These peace-keeping forces have more or less become accepted as a permanent fixture by the Cypriots and, I am afraid, by many Canadians.

What has been the total cost to Canada of this item of expenditure since 1964 over and above the pay and allowances of the military personnel concerned? The answer is more than $36 million. In the fiscal year 1980-81 alone it will exceed $4 million and the annual cost is rising fast. I put the question: Who has been controlling this vast expenditure since 1964?

Some hon. Members: Pierre Trudeau!

Mr. MacBain: It is an expenditure which in 1964 and perhaps for a few years thereafter was right and proper. Today it is out of control, as it has been for many years.

In December of 1978 when the Canadian ambassador to the United Nations spoke to the Security Council on the Cyprus question, he said:

> We wonder how long the parties to this dispute can expect the international community to pour money and resources into a situation which they themselves do not seem to be working energetically toward alleviating . . . our limit of patience is approaching.

Again I cite this small item of expenditure merely as an example, chosen at random, for discussion purposes today.

It is my position that we, as members of Parliament, and the government itself, have abdicated responsibility for the development and control of these massive expenditures amounting to almost $58 billion annually.

Some hon. Members: Hear, hear!

Mr. MacBain: I say to all members of this House, in all seriousness, that this Parliament and this government must regain control over our annual expenditures. We must control our expenditures before the fact, not after the fact, and, needless to say, strict accountability is necessary and expected.

In my opinion, the next two decades will be years of no real growth in our GNP at best, and if there are reductions in the level of our GNP we ought not to be surprised. If growth is to level off or decrease, as I suspect it will, economies in government resulting from sufficiency in the supply of goods and services will not alone be the answer. There will be no landslide of new tax revenues—there is no need to look in that direction. We must gain control of expenditures both when they are in the process of being set and when they are being used. I have picked out only two expenditures at random to show that our expenditures are out of control.

Higher taxes are not the answer.

Some hon. Members: Hear, hear!

Mr. MacBain: Better business management of departments of government would be helpful, but again that is not the answer, as I have said. We must get all expenditure items in line with our ability to pay for same. I have merely picked out two items in passing, so to speak.

How much time have we in which to take corrective action? In my opinion, the maximum time available to us is, at best, the normal life of this Thirty-second Parliament. The situation cries out urgently for remedial action. Time is fast running out. Moreover, in the timetable I have proposed no notice is taken of Russia's future oil shortage and that country's possible action to satisfy this shortage, or of any other scenario which would severely limit our oil imports. That is another story for another day.

● (1710)

Our national government collects and spends our taxpayers' hard-earned dollars. In our inability to control that process meaningfully our taxpayers, our business community and our Auditor General have little confidence. I for one—and I must say so regretfully—share that lack of confidence.

I am encouraged, as I have intimated, by the reference in the Speech from the Throne to steps which will be taken by this government, and I quote, "to make Parliament both more efficient and more responsive." I welcome such steps, as I know all hon. members will welcome them. As members of Parliament on both sides of the House we must work together to make our national government more efficient and more responsive.

Mr. Johnston: Mr. Chairman, I would like to make two comments, essentially. The first comment is one I have made before, and I am sure hon. members of the House will agree with it. That is that we are all concerned about efficient and effective management of government resources, both human

and financial, and I think the hon. gentleman who just delivered some interesting comments would be somewhat heartened if he had seen the progress which has been made, which is being made and the role played by the public accounts committee of this House in that regard under the very able chairmanship of the hon. member for Capilano, with you as vice-chairman, Mr. Chairman. I was there very briefly and I hope that progress will continue under the chairmanship of the hon. member for Vancouver Quadra.

As hon. members know, there is much being done, but it has not all yet come to fruition. The Auditor General has told us, and I think all hon. members will agree, that information is fundamental to re-establishing the control of Parliament over the public purse.

It was under the chairmanship of the hon. member for Capilano that a report was made by the Public Accounts Committee with respect to a new form of estimates. This proposal was designed to give information to parliamentarians, to the public and to the media in order to make dialogue in this House meaningful, because it will be informed dialogue. I believe we are making good progress in terms of the new form of estimates, and I hope that we will have some experimental forms for review and consideration, if not later in the current calendar year, at least in the current fiscal year.

I remind the hon. member that we do have responsibilities to make certain kinds of expenditures and not to waste money. There are certain productive expenditures which we are committed to making. The hon. member has singled out the foreign aid program as an example of a wasteful expenditure. Hon. members will recall that it was under Prime Minister Pearson that targets were established to which Canada aspired to raise its commitment to foreign aid. I do not regard this as being a matter of an expenditure out of control. In fact, we have fallen substantially short of the target which was then set not just by Canada but by all countries which are concerned about the Third World and about problems associated with the plight of people in the Third World. Foreign aid is an essential part of our foreign policy, and I think it is important that we not downgrade its role by suggesting that foreign aid, which is now at something like .42 per cent of gross national product when we intended it to be much higher, is one of those kinds of expenditures which is out of control.

All I say is that the message of efficient government is well received. We are moving rapidly in that direction. But let us not attack expenditures at random. Let us not attack expenditures which are absolutely necessary to maintain some of the fundamental social programs which are so desperately needed by our citizens.

Mr. Blenkarn: Mr. Chairman, I am very pleased that the minister does not think we ought to take programs at random. I want to ask the minister some questions.

I have here 12 CIDA projects. One is overrun $3.5 million in a $12 million project in connection with a railway in the Congo. There is another $4 million on a transmission line in Tanzania, and roads in Sudan. These are all overruns of enormous amounts. The minister has copies of these. What is the minister doing right now to go back to departments to find out why there are overruns? What is he doing to insist that people who caused the overruns or who made misappropriations or "mis-estimates" on programs which were conducted are replaced in the public service because they are incompetent managers? What is the minister doing in this regard?

While the minister is looking at that, I remind him of section 5 of the Financial Administration Act, which deals with personnel management in the public service including the determination of terms and conditions of employment, which are his responsibility. Responsibility for all people who are employed in the public service is the minister's. People have given us cost overruns on a host of jobs. What has the minister done to get at that problem? When the minister finds out these overruns are likely, is he doing anything with respect to the personnel involved?

Mr. Johnston: Mr. Chairman, first let me point out that CIDA has been the subject of an IMPAC survey, as I recall, and we hope, through the technique which I indicated earlier of signing off an action plan with the head of that agency, to bring about substantial or important changes in the management and efficiency of the funds which the agency disposes of. CIDA is in a particularly difficult position because many of the projects to which the hon. gentleman makes reference are shared cost or shared responsibility projects with foreign governments, and sometimes in those circumstances CIDA does not have the control which perhaps it should have in order to have a well managed program.

Remedial action has been taken with respect to particular projects which have been brought to our attention, and I can assure the hon. gentleman that as President of the Treasury Board my concern is every bit as great as his. I am glad to see that he has those concerns because when we bring forward proposals in this House to attack these inefficiencies and to improve these areas of management, I trust that we will have full support from all the other parties.

Mr. Blenkarn: Mr. Chairman, I am very pleased to hear that, and I am glad that the minister is in fact looking particularly into CIDA and cost overruns. However, he did not answer the question. The question really is, what has he done about it in terms of replacing people involved in the departments, in the ministries—in CIDA, if you like—who were responsible for approving projects which have cost overruns in some cases double the original amount estimated, in some cases triple the original amount estimated and in many cases 30 per cent and 40 per cent over the original amount estimated? Surely that is a matter not just of simple inflation or something of that nature. That is a matter which smells of malfeasance. What is the minister doing to replace those people?

• (1720)

Has he a program in mind to change that management type, as brought out by the hon. member for The Battlefords-Mead-

ow Lake who asked him about management? It was suggested that we have some of the finest working people in our public service, and the President of the Treasury Board suggested they were management people. What has he done about these management people who, in many cases, have worked on projects which have cost the government enormous overruns?

Mr. Johnston: Mr. Chairman, I think the hon. member was a member of the public accounts committee, but I am not certain of that. In any event, I should like to point out that evidence has been put before the public accounts committee pointing to a lack of control in the past. This has happened on a number of these projects because of the inability to identify a person or several persons who are actually responsible for carrying forward a project. In the past, that has been a major problem. Under the major Crown projects policy, the project manager should be identified and accountability established. As I recall, the same is true under the policy on cost overruns which was published by Treasury Board when my predecessor, the hon. member for York-Peel, was there in August or September of 1979.

So the first step, before one can deal with personnel in terms of these cost overruns, is to be able to identify those persons who have been responsible. In the past that has been a problem. I hope that under the guidelines which we are establishing and the monitoring which we are carrying on that will cease to be a problem in the future.

Mr. Blenkarn: Mr. Chairman, I was pleased when I heard of the appointment of the hon. member as President of the Treasury Board, particularly in view of some of his remarks in his book "Fiscalamity". I should like to quote from that book and ask if it is still his opinion. On page 15 of that book he wrote:

> The act of 1917—
>
> Referring to the Income Tax Act.
>
> —was the head of the proverbial camel that finally occupied the whole tent. While it is true that there has been another war, the continuing need for increased taxes has not been brought about by war efforts alone, nor by a series of national emergencies, but rather by the attempt to fill the bottomless financial pit created by the welfare state since the Second World War.

Is that still the minister's opinion of the problem?

Mr. Johnston: Of course, I was quite young when I wrote those words.

Some hon. Members: Oh, oh!

Mr. Johnston: At least I had the courage to commit some of my thoughts to paper at that time. I think that that particular sentence taken out of context—

Some hon. Members: Oh, oh!

Mr. Johnston: —is somewhat simplistic, but I do think that at one point in history, we moved too far too fast relative to our GNP. I think that the financial management of the affairs of this country in the early part of the decade left something to be desired, and, quite frankly, that is one of the reasons I became involved in politics.

Some hon. Members: Hear, hear!

Mr. Johnston: I must say that since 1975 I believe that the government has been on a responsible road, that gradualism was introduced to bring the growth of the public sector under control, to establish a trend with respect to government expenditures relative to the gross national product. So I like what I have seen in the past, and I hope that in my present role I will have some influence over continuing that trend in the future; in other words, in identifying social needs, ensuring that scarce funds are spent effectively in helping those Canadians who are most in need of help, and ensuring that in economic areas our priorities are on productive investments in the economic development so as to eventually increase our revenue base in this country and keep us on the road to prosperity.

Some hon. Members: Hear, hear!

Mr. Blenkarn: I would say that most of us on this side hope that the President of the Treasury Board has some clout in the cabinet, but clearly some things have happened, such as the presentation made by the Minister of Finance last April 21, which indicate that the minister has no clout in terms of any reduction in expenditures.

We have a situation where the amount contemplated to be spent this year is over $60 billion, with a deficit of $14,165 million forecast. Clearly the only progress we have had since 1975 has been larger deficits, larger and larger public debts, and larger and larger amounts required to be borrowed.

If that is what the minister says is progress in the management of the affairs of the country, I wonder what he has been smoking. Surely if he still believes in what he said in his book "Fiscalamity", perhaps he should read his book again and get back on track. Perhaps at this point the officials in his department, or officials in the other ministeries, have captivated him, taken him over, or destroyed his sense of purpose in controlling accounts.

I should like to make some reference to the Auditor General's report, in particular to page 27 of the report, where the Auditor General indicates that on his test of a group which consists of up to 50,000 employees in the public service, the efficiency of their work was 60.8 per cent, as compared to the average performance in industry of 87.7 per cent.

While the minister is commenting on that, perhaps he would also comment on the transcript of an interview given by James Macdonell to Bruce Phillips, Ottawa bureau chief, on CJOH-TV on Sunday, May 4, at which Mr. Macdonell said he thought we have a fine public service, but that the system was totally upside down. Would the minister comment on Mr. Macdonell's remarks with regard to the wampum theory of government, if he remembers it, and would he say what he has done in the three months since he has been appointed President of the Treasury Board to attack the problem of reducing the number of people involved and achieving efficiency? Could

he also say what he has done with respect to the comment in the Auditor General's report that the public service, in terms of how it is operating at present, is operating only at 61 per cent efficiency?

Mr. Johnston: I must say I am flattered by the references to my book. I would not want to accuse hon. members opposite of infringement of copyright, but they seem to have photocopies rather than the original.

Some hon. Members: Oh, oh!

Mr. Stevens: Those are briefing notes.

Mr. Johnston: In any event, with respect to the point raised by the hon. gentleman regarding inefficiencies in the public service, the Auditor General did not say that the 61 per cent factor which he developed was applicable across the public service.

Second, the hon. member asked what I had done in that respect. Obviously I was concerned for a number of reasons, first, to determine the methodology, to determine whether one could extrapolate, as the hon. member has sought to do, to apply this across the public service at large. As I have said on innumerable occasions in the House, I am satisfied that one cannot make that extrapolation and that it is unfair to do so.

Going further as to what I have done, as he suggests, since the Auditor General tabled his report, I have held discussions at length with the Comptroller General to determine his appreciation of the Auditor General's findings. I convened a meeting with the Auditor General and the Comptroller General, with the opposition House leader, with the other hon. member whose constituency I do not remember, and with the hon. member from the NDP who has expressed interest and concern in this area. I believe we had a very informative and frank exchange of views on this subject.

● (1730)

Mr. Stevens: What is your conclusion?

Mr. Johnston: I am coming to my conclusion. The conclusion is one which I already expressed earlier this afternoon, and that is that there is much to be done in terms of the management of our public service, that the problem is a management problem. It is not one that exists because we have lazy clerical and regulatory personnel sitting around deliberately being inefficient. The problem is our problem as management and, hence, it is our problem as government and my problem as President of the Treasury Board. I inted to do something about it as soon as possible, hopefully through the implementation of the recommendations, to which I also made reference, in the D'Avignon and Lambert commission reports.

Mr. Blenkarn: The minister in a press release, when he tabled his budgetary figures, indicated there was a total of 318,435 authorized person-years in last year's estimates, and that he was reducing that to 312,575. The minister, I am sure, is also aware of a table prepared by his department which indicated the total number of public servants at the end of February as being 290,206.

Why has the minister budgeted or produced in his news release an indication that the public service needs to be increased from 290,000 to 312,000, an increase of 22,000, when in the entire year commencing April, 1979, continuing through to February, 1980, an 11-month period, at no time did the public service exceed 302,937 employees, even to the end of June, 1979? Why has the minister gone along with the departmental estimates of the number of people required when his own figures prepared by his compensation analysis branch indicated that in no way do we need that number of authorized people and have not had that number of authorized people for over a 12-month period?

While the minister is talking about that, will he continue to file and supply members of Parliament, as they were supplied by the president of the treasury board of the last government, with the quantum and numbers of people in the public service on the basis of their various categories of employment, so that we as members of Parliament can be brought up-to-date as to what in fact is happening and how many people are in fact being employed by the government?

It strikes me as rather strange that this minister would bring estimates to this House of Commons calling for the total employment of authorized persons of 312,000 people when at no time did he have anywhere close to that number working last year. Indeed, the maximum was 10,000 less than that at one point, and at the end of the year it was 22,000 less than he now requires. That is an enormous difference and I think the minister must explain that. He must explain his incompetence in this requirement. Why has he asked for this kind of money, particularly in view of the Auditor General's statement about inefficiency? There is something wrong here and we need an explanation.

The Chairman: The President of the Treasury Board has a short period in which to reply.

Mr. Johnston: It will be very short, Mr. Chairman, because I think the hon. member is comparing the proverbial apples to oranges. We are talking about two different things. We are talking about continuing, ongoing personnel on the one hand with the lower figure, and we are talking about person-years in respect of the other figure, which includes temporary help and so on. The authorized person-year figure is the figure I made reference to in the material which I tabled with the estimates several weeks ago, and that explains the discrepancy.

I will be happy to furnish the hon. member with an explanation. I think probably there is confusion in many minds because of that distinction, but the distinction seems to be obvious once it is explained.

Mr. Masters: Mr. Chairman, I would just like to remind the President of the Treasury Board that as we all seek to control the expenditures in this country, and we must do so with determination and with zeal, we must keep a certain perspective as to how these dollars will be used. In trying to save

money we must be careful that we are saving it in the proper fashion and that we do not as a government retreat from some very important principles and ideas as to how to get real value for our money. That is another aspect of financial responsibility.

I suppose what I am really getting around to saying is that I wish to speak briefly on the decentralization process, where it applies properly in this country, because it has a specific significance to the Thunder Bay-Nipigon area, a very vast region, as we are so fond of saying, but an important one, as are all the regions of Canada.

Decentralization has a role to play not only for Thunder Bay but for the many regions of Canada which really want a potential for development. We talk about a strong Canada, and our Prime Minister has said we will have a strong Canada, but only as strong as are the many regions of Canada. I am trying to make a small point in relation to decentralization as it affects our part of the world. In the parochial sense we would benefit from some parts of the decentralization planning, but in the larger sense I think it is in the interest of the country to have these very strong regions.

We must take an area such as northern and northwestern Ontario as one of the many important regions of the country, recognizing that it is on the cusp, if you will, between east and west, and, therefore, decentralization is an investment potential for our area which would not only serve the people of Thunder Bay-Nipigon and northwestern Ontario, but also Canada as well in tying together the east and the west. We are the centre and we are a little of each; therefore we want to be strong in the centre. If we were a hockey team we would say that that is where a good team begins.

Therefore, I would ask the President of the Treasury Board to keep in mind in his deliberations, as we in Parliament must do, that while we must practise fiscal responsibility, we must think in terms of what decentralization can mean to the country.

It is foolish to overdo that principle, but there are certain offices—DREE would be an example—that function better when they are moved out into the country where we can have people in position, living in the area with an understanding of the area and the distances, for instance, of northwestern Ontario, those who have a feeling for the people, thereby being in a position to make far more rational and sensitive decisions for the area. That is one of the things I feel speaks well for the decentralization process. This is not a make-work process, because that is wrong and it defeats our attempts at fiscal responsibility. If we can legitimately put those governmental functions into areas where they have an opportunity to serve a real purpose by being closer to the people, then the people will in fact recognize this Parliament and this government as being more sensitive to the people, and that will help to increase the potential for development in areas of this country of ours.

● (1740)

So when we talk about expenditures, we must also think in terms of some expenditures which are not expenditures in the true sense but are, in a business sense, investment dollars. They are the dollars that will help each area to grow and play a real role in Canada. As I say, decentralization has been a principle that has been expounded by this government, one I am proud to be a member of now and in the past.

I would like to reinforce the thinking in that area because we can truly bring the government closer to the people without creating more government. That too is not what we are after; we are looking for value for our dollar and the building of the regions of the country. From the point of view of northwest Ontario or Thunder Bay-Nipigon we feel there are a number a projects coming up which will rightfully have a role to play in the decentralization process. I hope that as we deliberate on the cost, on how we will use the moneys from the public purse and on how we will deploy our resources and the excellent manpower we have in our civil service to be of the most benefit, we remember that decentralization is an opportunity to expand the potential for growth and solidarity in this country.

I make it a very strong point to the President of the Treasury Board that, with all the trials and tribulations he will have and the questions from all sides that he will face as to why we are spending money here and there, he will recognize that there will come a time when he can legitimately say, "I can support this project because it is part of a necessary, logical and legitimate decentralization process that will serve the country well."

Mr. Johnston: Mr. Chairman, I would like to reassure the hon. member that we share the views he has expressed, tempered, of course, by our concern with the cost effectiveness of every decentralization project. Each project must be examined on its own merits.

Mr. Beatty: Mr. Chairman, I listened with a great deal of interest to the hon. member for Ottawa-Vanier as he pointed out the unfairness that some people engage, from time to time, in bureaucrat bashing. Unlike most Canadians I have had an opportunity to read the minister's book, "Fiscalamity." It has long since been remaindered at Coles, and it is very difficult to obtain a copy, but I would be very glad to pass my copy around and show it to the hon. member for Ottawa-Vanier. At the bottom of page 6 and at the top of page 7 the President of the Treasury Board dealt with the passage of what was Bill 259 by this Parliament. The sentence extends over those two pages and reads:

> This was indeed the moment of triumph for the faceless technocrats and bureaucrats who lurk ambitiously behind Ottawa's political façade.

Does the minister feel that this is an apt description of the public servants for which he is responsible?

Mr. Johnston: Mr. Chairman, the book was published in several editions. I am not sure to which edition the hon. member is referring, not that I deny the accuracy of what he has quoted. I am delighted that he derives pleasure from reading some of the things which I have authored. I have written a number of other papers, but not many books, if any.

The hon. member's quote must be placed in the context of the particular legislation with which I was dealing, the tax reform bill of 1971.

Mr. Beatty: Mr. Chairman, Treasury Board would not be in the mess that it is in today if Don Johnston were still alive!

I want to ask the President of the Treasury Board a question with regard to the statement made in Toronto by the Prime Minister on January 12 while speaking to the Liberal campaign college. I have asked this question of the Prime Minister in the past and I have been unable to get a straight answer. The Prime Minister, while speaking on behalf of the Liberal party at that time, committed the Liberal party if it were successful in gaining the Government of Canada to holding down increases in spending to less than the increase in the gross national product. Will that commitment be kept, yes or no?

Mr. Johnston: Mr. Chairman, I had interpreted the Prime Minister's remark as basically a repetition of the remark which was made, and which was written prior to that, I believe, back in 1976, when the view was expressed, and I believe it is still the view of this government and the Treasury Board, that the increase in expenditures would be kept within the trend line of the GNP. That is a significant undertaking, because it has been adhered to. One will find that expenditures from that period on have been substantially less than the cumulative GNP over the period.

Mr. Stevens: Tell us about tax expenditures.

Mr. Johnston: I am sure that the hon. member will have an opportunity to put his comments on the record in a more formal way. I think I have responded to the question, that it falls squarely within the context of the objectives set in the mid-seventies.

Mr. Beatty: Mr. Chairman, after criticizing the spending plans of the Conservative government, the then leader of the opposition, the present Prime Minister, committed this government which is in office today to an increase in spending which would be less than the increase in the growth of the GNP. Will that target be achieved this year? In other words, will federal government spending increases for this year, 1980-1981, be held to less than the increase in the GNP?

Mr. Johnston: Mr. Chairman, on the basis of the evidence that I see, I would doubt that that could be the case. It could not have been the case under the fiscal framework of our predecessors in office either. But we do not know what the GNP for this year will be, and it is a bit premature for me to say whether it will or will not be more or less than the GNP. Certainly I intend that this government will try to attain the objective of staying within the trend line, and I think it will be within the trend line.

Mr. Beatty: Mr. Chairman, we now know what Liberal promises are worth after they get into office. It is worth asking the minister about this point because Canadians are entitled to a straight answer as to whether or not this government intends to keep the solemn commitment which it made to Canadians. My colleague from York-Peel has asked for five-year projections on federal spending. I will not even go that far. I will ask the President of the Treasury Board, who is responsible to Parliament for outlining the spending intentions of the government, what indeed will federal spending be for 1980-1981?

Mr. Johnston: Mr. Chairman, as you know, we are dealing with the Main Estimates and Supplementary Estimates (A). The Minister of Finance indicated during his speech in this House some weeks ago that the projected total outlays could be in the neighbourhood of $60.4 billion. He also indicated at the same time that, depending upon the establishment of the blended oil price—which has been the subject of some discussion in this House—that figure could be decreased by as much as $1 billion, which would bring us down to $59.4 billion. That is the projection which was given by the Minister of Finance and I have no reason not to accept it at this time.

Mr. Beatty: Mr. Chairman, would the minister then give a straightforward answer. The minister went out of his way when he tabled these estimates to say that they did not constitute the spending plan of this Liberal government. The Minister of Finance, when he smuggled in his mini-budget a few nights ago indicated that the projections which he was putting before Parliament did not indicate the spending plan of this government. Does that figure of $60.4 billion, with a possible decrease of $1 billion if the oil plans of the government are brought in, constitute the spending ceiling? In other words, will expenditures not be allowed to go beyond that ceiling?

● (1750)

Mr. Johnston: Mr. Chairman, the hon. member is well aware of the new expenditure management system under which the government is operating. I can assure the hon. gentleman that the established envelopes will be within those ceilings and that that amount of $60.4 billion does provide for a reserve.

At an earlier time I took hon. members through the difference between the projection of $58.4 billion of the then minister of finance in December and the $60.4 billion. I think the hon. gentleman would have to agree that the events which have raised the amount to $60.4 billion have been in large measure beyond the control of this government and would have been beyond the control of the previous government with the exception of the $345 million assistance through the guaranteed income supplement payment. That is a new Liberal initiative which is included in that amount.

Mr. Beatty: Let us make sure that the record is very clear so that we can look back at it in a few months time. Is the minister saying now that he will not come back to Parliament to ask for authorization to spend more than the $60.4 billion in this fiscal year?

Mr. Johnston: Mr. Chairman, I may be an inexperienced politician but I am not sufficiently naive to ever say "never" on any subject. I hope I will be able to come back to Parliament and report that we have spent less than the amount in question.

Mr. Beatty: Mr. Chairman, this minister is a one-man fiscalamity. Last Friday I put a question to him in the House relating to an unauthorized attempt to get into some 21 Canadian databanks operating from a location in New York City in the United States. Two of those databanks were located within the federal government. I asked the minister at that time whether he would table in the House a list of all federal government databanks which are hooked into the Infodat or Datapac systems.

Will he do that now and will he indicate what the contents of those data banks are? At that time the minister indicated there was nothing of a security or confidential nature in terms of the substance of the material contained in those databanks, so surely he should have no objection to tabling that material in the House today.

Mr. Johnston: Mr. Chairman, following upon the request from the hon. member I have asked for that information to be compiled with a view to tabling it in the House. I might add that I am glad the hon. member asked the question because I intended to raise a point in the House and it is this. When I read my answer to the question posed by the hon. member, I saw that I had stated there was no sensitive material in any databank which had dial-in access. If I did not state that in those words, I certainly left that impression.

I should like to correct that impression, not by saying that there is sensitive material in those databanks, but to make it clear that the guidelines under which those databanks are operated do not permit sensitive material to be stored in them. I am not in a position, however, to give an assurance that there is no sensitive material in those databanks. That distinction should have been made at the time I answered the question. I am sorry it was not and I apologize to the hon. member.

Mr. Beatty: Mr. Chairman, I know that members of the House will be very anxious to follow up on this question as to the nature of the material contained in the databanks for which there is a dial-in access.

May I ask the minister now about another matter. The Lambert and D'Avignon reports have both recommended stripping the Public Service Commission of its staffing functions and have argued that those staffing functions should be rolled into a reconstituted Treasury Board. In his 1979 annual report released a few weeks ago the Auditor General stated that he agreed with those recommendations. What is the position of the President of the Treasury Board?

Mr. Johnston: Mr. Chairman, I touched upon the subject in some of my earlier comments. I have heard representations supporting both positions. I have not made up my mind with respect to that particular recommendation but it is obviously one of significance. It has been considered by the three sources of which the hon. member makes mention, namely, the report of the Auditor General, the Lambert report and the D'Avignon report. We are seriously studying this matter along with the other recommendations contained in both those reports and I hope we will take a position with respect thereto at a very early date.

Mr. Beatty: Mr. Chairman, I want to ask the minister about another aspect of his responsibilities. Two Parliaments ago, in her previous incarnation as minister of national health and welfare, the present Minister of National Health and Welfare responded to questions in the House about the use of the social insurance number as being "bizarre." She did not recognize the concern that many Canadians had about the abuse of social insurance numbers.

The government of which I had the honour to be a part put together legislation which it was intended to introduce to Parliament around Christmas or early in the new year which would have significantly rolled back the use of the social insurance number within the federal government. Does the President of the Treasury Board accept the decision made by the previous government to limit to six or seven the authorized uses of the social insurance number which may be demanded by the government from private citizens?

Mr. Johnston: Mr. Chairman, as the hon. member knows, since he had responsibility in this area, there is a study by the privacy commissioner on the use of the social insurance number. I understand we are to receive a report with respect thereto by next August.

Mr. Beatty: Is the President of the Treasury Board aware that the study by the privacy commissioner which was requested by my colleague Senator Flynn and myself dealt with the use of the social insurance number outside the federal government, namely, by the private sector and the provinces? What is the position of the President of the Treasury Board as the minister responsible for the use of the social insurance number within the federal government?

Mr. Johnston: Mr. Chairman, it is my understanding that we have accepted the recommendations made by the hon. member himself with respect to the use of the social insurance number within the federal government. I understand that those recommendations were adopted by the previous cabinet, and as far as I am concerned at this stage those recommendations are being carried forward.

Mr. Beatty: Mr. Chairman, when will we see the bill that was drawn up by the previous government to put into law the policy previously decided upon by the Treasury Board?

Mr. Johnston: Mr. Chairman, I would have to consult with the government House leader, the President of the Privy Council, on that point.

Mr. Beatty: Mr. Chairman, dealing with another aspect of the minister's responsibility, the Lambert report, the public accounts committee and the Auditor General have each

expressed concern about the whole question of accountability and direction of Crown corporations. The previous government of which I was a member introduced Bill C-27 which was designed to bring some control and accountability to federal Crown corporations.

What has the minister done about that bill? There has been no indication that it is being reintroduced since he took office and assumed his responsibility. What is the status of that bill? Does he accept the recommendations of the Auditor General in his 1979 report that action is urgently required in this area?

Mr. Johnston: Mr. Chairman, I am currently reviewing the bill, plus recommendations and reactions to it and its proposed terms and conditions as they affect a large number of areas. A number of objections have been raised to certain parts of it, as the hon. member knows. It is my intention to bring forward a Crown corporations bill incorporating such amendments to the proposed legislation as may be necessary to resolve some of the difficulties which have been raised. I hope to do that at an earlier date. I also regard that, as the hon. member does, as a priority item.

Mr. Beatty: Mr. Chairman, does the Crown corporations task force still exist and has the minister met in person with it?

Mr. Johnston: Yes, Mr. Chairman, the Crown corporations task force does exist and I have met personally with Mr. Hy Calof.

Mr. Beatty: Have you met with the task force?

Mr. Johnston: I have not met with the task force but I have met with Mr. Calof and discussed the work of the task force. I look forward to receiving—

The Chairman: Order, please. It being six o'clock p.m., it is my duty to rise, report progress, and request to leave to consider the bill again at the next sitting of the House. Is that agreed?

Some hon. Members: Agreed.

Progress reported.

* * *

• (1800)

BUSINESS OF THE HOUSE

Mr. Collenette: Mr. Speaker, I just wish to confirm some discussions that we have had among the parties involving the hon. member for Yukon, the deputy House leader for the Conservatives and the hon. member for Winnipeg North Centre.

Because supply business is coming out of government time today and tomorrow as opposed to opposition time, and as a rule private members' hour would normally be held tomorrow, we have agreed that we should suspend private members' hour tomorrow to continue through with the supply business in the spirit of the order that was made covering supply for the whole year, 1980.

Mr. Knowles: Mr. Speaker, I believe it is correct that all three parties have agreed to this proposal.

While I am on my feet, may I also ask the Parliamentary Secretary to the President of Privy Council if we can be given the assurance that the other three ministers whose attendance we requested will be here tomorrow, namely the Minister of Transport, the Minister of Industry, Trade and Commerce and the Minister of Energy, Mines and Resources?

Mr. Collenette: Yes, Mr. Speaker, I can confirm that the Minister of Energy, Mines and Resources and the Minister of Industry, Trade and Commerce will be here tomorrow and as well I hope the Minister of Transport. He was prepared to answer questions this afternoon, but I am reasonably well assured that all three ministers will be here tomorrow afternoon.

Mr. Stevens: Mr. Speaker, I hope there is no inference drawn from the remarks of my colleague to my left and from the government representative that the President of the Treasury Board will not be here tomorrow, because we have many more questions for him. Hopefully we might get to one of the other ministers in due course, but we have almost a full day for the President of the Treasury Board for tomorrow.

Mr. Collenette: Mr. Speaker, that is clearly the option of the parties. But perhaps members of the New Democratic Party would like to question another minister, and I think that was why the hon. member for Winnipeg North Centre asked the question. Hopefully those ministers will be available; I am pretty sure that they will be available. But whatever the Conservatives want to do is entirely up to them.

Mr. Deputy Speaker: The proposal has been made for the suspension of private members' business tomorrow. Is it agreed and so ordered?

Some hon. Members: Agreed.

Mr. Deputy Speaker: It being six o'clock p.m., this House stands adjourned until tomorrow at two o'clock p.m., pursuant to Standing Order 2(1).

At 6.03 p.m. the House adjourned, without question put, pursuant to Standing Order.

HOUSE OF COMMONS

Thursday, May 15, 1980

The House met at 2 p.m.

● (1405)

ROUTINE PROCEEDINGS

[*English*]

ENERGY

NATURAL GAS PIPELINE FROM MONTREAL TO MARITIMES—MOTION UNDER S.O. 43

Mr. Lloyd R. Crouse (South Shore): Madam Speaker, I rise to move a motion under the provisions of Standing Order 43.

In view of the Prime Minister's election promise as stated in Halifax, Nova Scotia, on Friday, January 25, 1980, that a Liberal government would immediately ensure the construction of a natural gas pipeline from Montreal to Quebec and the maritimes, I move, seconded by the hon. member for Halifax West (Mr. Crosby):

That steps be taken immediately to begin construction of this vital and necessary natural gas pipeline extension in order to eliminate our dependency in Nova Scotia on expensive, imported foreign oil which is presently required to generate about 70 per cent of our electrical requirements.

Madam Speaker: Such a motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

EMPLOYMENT

ASSISTANCE FOR SYDNEY STEEL AND DONKIN MINE, NOVA SCOTIA—MOTION UNDER S.O. 43

Mr. Ian Deans (Hamilton Mountain): Madam Speaker, I rise on a matter of urgent and pressing necessity under the provisions of Standing Order 43. It centres on the problem of the Sydney Steel Company that has been forced to lay off hundreds of workers as a result of antiquated machinery, despite the fact that there is an adequate demand existing at the moment for the product the company manufactures.

In light of the fact that with federal assistance the development of the Donkin Mine in Nova Scotia could reduce eastern Canada's dependence on imported oil and employ something in excess of 1,100 workers, and given the fact that this government has, on numerous occasions, given and then withdrawn its intention in regard to assistance to both these enterprises, I move, seconded by the hon. member for Beaches (Mr. Young):

That this government table in the House immediately its plans to assist these two vital enterprises.

Madam Speaker: Such a motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

[*Translation*]

NATIONAL UNITY

QUEBEC REFERENDUM—REQUEST CONSTITUTION BE AMENDED IF VOTE IS "NO"—MOTION UNDER S.O. 43

Mr. Ray Chénier (Timmins-Chapleau): Madam Speaker, pursuant to Standing Order 43, I seek the unanimous consent of the House to move a motion on a matter of urgent and pressing necessity.

In view of the fact that Quebeckers who will vote No on the referendum question next Tuesday will indicate their wish for a thorough reform of the Canadian constitution, I move, seconded by the hon. member for Egmont (Mr. Henderson):

That the House indicate its agreement with and support for the promise the right hon. Prime Minister has made, should the No-side win, to set up a process to amend the constitution and renew the Canadian federalism in consultation with the provinces.

[*English*]

Madam Speaker: Such a motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

An hon. Member: Who said "No"?

* * *

INCOME TAX ACT

DEDUCTIONS FOR CHILD CARE EXPENSES—MOTION UNDER S.O. 43

Mr. Walter McLean (Waterloo): I rise pursuant to the provisions of Standing Order 43. Recognizing that the restrictions on deductions for child care expenses under Canadian income tax law impose great hardship on wage-earning moth-

ers, especially in cases where they are the only source of family income, I move, seconded by the hon. member for Vancouver Centre (Miss Carney):

● (1410)

That this House direct the Minister of Finance to review section 63 of the income tax law relating to deductions for child care expenses, in order to provide more realistic allowances to wage-earning mothers.

Madam Speaker: Such a motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

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AIR TRANSPORT

REGULAR AIR CARRIER SERVICE TO BATTLEFORD, SASK.—MOTION UNDER S.O. 43

Mr. Doug Anguish (The Battlefords-Meadow Lake): Madam Speaker, I rise on a matter of urgent and pressing necessity under the provisions of Standing Order 43.

Whereas the Battlefords, an area serving a population of 30,000 people, has no regular air service, I move, seconded by the hon. member for Humboldt-Lake Centre (Mr. Althouse):

That the Ministry of Transport commence immediate discussions with the town of Battleford, the city of North Battleford, the Northwest Economic Development Council, the rural municipalities of the area and an air carrier to assure regular air service to the Battlefords.

Madam Speaker: Such a motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

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VETERANS AFFAIRS

LOCATION OF DVA OFFICES IN CHARLOTTETOWN—MOTION UNDER S.O. 43

Mr. Tom McMillan (Hillsborough): Madam Speaker, I rise, under the provisions of Standing Order 43, on a matter of urgent and pressing necessity.

In view of the fact that the Minister of Public Works yesterday tabled in the House the analysis on which the government based its decision to move the site for the Department of Veterans Affairs from the Charlottetown waterfront to the centre of that city, and in view of the fact that the analysis is riddled with factual errors, I move, seconded by the hon. member for Don Valley West (Mr. Bosley):

That this House condemn the minister for tabling and acting on such a document, and that the minister appear before the Standing Committee on National Resources and Public Works to explain the errors and inaccuracies in that document.

Madam Speaker: Such a motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

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ENERGY

NEW BRUNSWICK—SALE OF ELECTRICITY TO MAINE—MOTION UNDER S.O. 43

Mr. Bob Corbett (Fundy-Royal): Madam Speaker, I rise, under the provisions of Standing Order 43, on a matter of urgent and pressing necessity.

According to recent reports, the Minister of Energy, Mines and Resources has initiated action within his department which would alter an agreement between New Brunswick and Maine whereby New Brunswick sells electrical power to Maine from its oil-fired thermal generating station in Saint John. In view of the fact that the contract has enabled New Brunswick to construct the facility which employs 140 workers, and was entered into in good faith, I move, seconded by the hon. member for York-Sunbury (Mr. Howie):

That the minister assure the province, through this House, that he will not jeopardize either the contract between New Brunswick and Maine nor the future operation of the plant by fiddling with oil subsidies as they apply to generating stations.

Madam Speaker: Such a motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

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NATIONAL ANTHEM

RECOGNITION OF "O CANADA"—MOTION UNDER S.O. 43

Mr. Jesse P. Flis (Parkdale-High Park): Madam Speaker, I seek the attention of all hon. members of this House on a matter of urgent and pressing necessity under the provisions of Standing Order 43.

In view of the fact that Canada does not have a national anthem, a fact not known by many Canadians, and in light of the fact that the year 1980 has drawn much attention to national unity and to the patriation of the constitution, I move, seconded by the hon. member from Verdun (Mr. Savard):

That this House officially recognize "O Canada" as the national anthem and "God Save the Queen" as the royal anthem.

Madam Speaker: Such a motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

NORTHERN AFFAIRS

CONSIDERATION OF CONSTITUTIONAL ISSUES—MOTION UNDER S.O. 43

Mr. Dave Nickerson (Western Arctic): I rise under the customary provisions of Standing Order 43. On March 6, 1980, the Hon. C. M. Drury, the special representative for constitutional development in the Northwest Territories, presented his report and conclusions to the Prime Minister who had appointed him in the first place.

Whereas the reaction of the Prime Minister to this substantial and well-regarded document on a subject which is of the same measure of importance in the Territories as is the referendum in Quebec has been one of complete silence, I move, seconded by the hon. member for Wetaskiwin (Mr. Schellenberger):

● (1415)

That the northern constitutional issues raised in Mr. Drury's report be brought forward for consideration and debate by this House without further delay.

Madam Speaker: Such a motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

ORAL QUESTION PERIOD

[*English*]

PUBLIC SERVICE

STATUS OF JOB EVALUATION REPORT—EMPLOYMENT STRATEGY FOR WOMEN

Right Hon. Joe Clark (Leader of the Opposition): Madam Speaker, my question is to the President of the Treasury Board. The minister is undoubtedly aware that the federal government appears to be in violation of a federal law, a law that ensures equal pay for work of equal value.

Given that this principle cannot be equitably applied until the relative value of all jobs within the public service is determined, can the minister inform the House of the present status of the master evaluation plan which has been under way in Treasury Board for some time? Further, can he assure us that the highest possible priority is being given to the rapid completion of this important work?

Hon. Donald J. Johnston (President of the Treasury Board): Madam Speaker, I will look into the current status of the report and report back to the House.

Mr. Clark: Madam Speaker, I must express my surprise and alarm that the President of the Treasury Board would not have at his fingertips an answer and knowledge of the state of

consideration of a report that is so essential to the application of equity and the obedience of the law of Canada within the Public Service of Canada.

Let me direct a supplementary question to the Minister of Employment and Immigration. As the minister may recall, in the throne speech the government indicated that it would "play a leadership role relative to the status of women by implementing affirmative action measures in the public service." Can the minister tell the House today whether those measures will include a move toward compulsory contract compliance?

Hon. Lloyd Axworthy (Minister of Employment and Immigration): Madam Speaker, the Leader of the Opposition is quite correct in saying that we did make a very firm commitment to pursue the goals of greater equality by using the public service of the federal government as a lead agency. I can tell the Leader of the Opposition that we are presently preparing a paper that will be submitted to cabinet, I hope by early summer or late spring, which will contain a number of the options available in the implementation of affirmative action programs.

One of those options is obviously the use of compulsory compliance. We are meeting with American officials who have that kind of program in effect. We also want to meet with people in the private sector, the employers and unions, before we make any firm recommendations. However, it is one of the options being examined. As soon as we complete those kinds of consultations, and cabinet has had a chance to review it, I am sure the Leader of the Opposition will be notified.

Mr. Clark: I note with interest that the minister promises this matter will come before cabinet in the late spring. I would be interested in knowing when, in his mind, that season occurs. The minister a few weeks ago—in fact, on May 7—indicated, in answer to a question in this House, that his department would be "initiating a number of new programs within a week or two to meet the employment needs of women in the work force."

I am interested in knowing whether the minister intends to introduce piecemeal programs, one or two at a time, or whether instead he is looking at a comprehensive employment strategy for women. That is what he talked about when a week ago in this House he said that he would be taking measures within a week or two weeks. What we need here is, first, an indication of whether there will be piecemeal programs, or a comprehensive employment strategy for women, brought forward. Second, we need to know precisely on what dates the House of Commons and the public of Canada can expect to have a statement of the policies or the firm intentions of this government in relation to the employment of women.

Mr. Axworthy: Madam Speaker, I should tell the Leader of the Opposition that when you are a Liberal it is spring all the time.

Some hon. Members: Oh, oh!

Mr. Nowlan: That is when the sap runs.

Mr. Axworthy: I would say, Madam Speaker, considering the winter of discontent that the Leader of the Opposition has just gone through, he should probably join in that point of view.

In answer to his question, I would indicate—as I have on several occasions in this House—that we do intend to make announcements on job-creation programs within a matter of two to three weeks. Those job-creation programs are designed to replace or fill the vacuum that was left when many of the programs were cancelled by his government.

● (1420)

At the same time, when we make that announcement we are also undertaking a major review of employment strategies which would suit this country for a decade ahead, which would take a comprehensive look at the labour market needs as we see them in the future. We hope to present a paper to Parliament this year on that sort of comprehensive strategy. In the meantime, we will be introducing programs to make up for what was left in abeyance by the previous government.

Mr. Clark: We have now been told by the minister that spring is any time. We have been given an indication that he would have announcements by late spring, which means the deadline which used to be "soon" or "within two weeks" is now "late anytime".

Would the minister give the House a firm commitment—not a hope, not something he hopes will have happened—as to a date by which the Government of Canada will present to the House of Commons and to the people a clear and comprehensive employment strategy for women in this country?

Mr. Axworthy: I would like to tell the Leader of the Opposition that his caucus and the opposition itself could be of great assistance in this regard, because they have been debating for an overly long period the employment tax credit program which would be of major assistance in creating employment in this country. To the extent they are prepared to permit bringing that legislation to a vote and getting it on the statute books, we shall be able to go forward with our plans.

As I stated in my previous answer, we intend to make announcements on our further job-creation program within about two or three weeks. I am sure the Leader of the Opposition will find it satisfactory and that it will be of great assistance to women. In the longer term, we will be providing a comprehensive strategy to cover not just women but all who have special problems in the workplace.

* * *

EMPLOYMENT

JOB-CREATION PROGRAM—GOVERNMENT POLICY

Mr. Jim Hawkes (Calgary West): Madam Speaker, the Minister of Employment mentioned the fact that the Conservative government had cancelled some job-creation programs. He forgot to mention that we had intentions of replacing those programs which were cancelled with what we felt were better programs.

My question is directed to the Minister of Employment. He informed me the other night that he was busy reading the research work I did for his department on employment in the early half of the seventies. There is a document entitled "Reflections on the federal government's role in employment creation." The dilemma posed in that document is whether or not jobs created with tax dollars should go to those who are best qualified but who perhaps do not need them, or whether the jobs he is intending to create should go to those who experience the greatest difficulty in securing employment or have the greatest need for employment. Will the jobs he is bringing down go to those who do not need them, or will they go to those who do?

Hon. Lloyd Axworthy (Minister of Employment and Immigration): I should like to begin by complimenting the hon. member on the evaluations he did for the Department of Employment and Immigration: I think they were of a high calibre, and we appreciate his ability to make assessments. I hope he will find that our job-creation program reflects some of his own thinking and that those evaluations have been of real value.

I must tell him, though, that in this party we do not intend to select one group as against another. Our job-creation program is a mixed program designed to help different problems in the workplace; not simply to zero in on one group, but to provide a mixture of programs to assist those who have special needs in the workplace and also to assist those areas and regions of the country where there are generalized unemployment difficulties.

Mr. Hawkes: We have heard a great deal from many ministers on the other side about financial difficulties resulting in limited funds and a consequent need to use dollars in the most effective manner possible. There are three ways to create jobs.

● (1425)

Madam Speaker: Order please. Would the hon. member please ask his question.

Mr. Hawkes: I would like the minister to indicate to the House of Commons which of the three major methods of job-creation he intends to employ, and what the approximate costs are for creating jobs by fiscal measures, direct subsidization or direct employment creation. Which costs the most in relation to the number of jobs produced, and which of these three mechanisms does the minister intend to employ in the coming months?

Mr. Axworthy: Madam Speaker, I would very much like to satisfy the curiosity of the hon. member, but as I indicated to the Leader of the Opposition, I intend to be able to make a statement in Parliament in two or three week's time when details of that program are completed and the consultations are finished.

The hon. member would want to recognize that a comprehensive program of that complexity requires a proper statement by a minister, and not an answer in question period. I give the hon. member every guarantee, if he is concerned about the use of dollars, that we will be making the best use of dollars we possibly can within the budget which was set by the previous government.

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ENVIRONMENTAL AFFAIRS

OIL EXPLORATION IN BEAUFORT SEA—DANGER OF SPILLS

Mr. Edward Broadbent (Oshawa): Madam Speaker, I have a question for the Prime Minister. The Prime Minister knows that the government has received a confidential report, a copy of which I have here, from its officials which makes it clear that neither the government nor Dome Petroleum has adequate plans or technology to prevent and cope with an oil spill resulting from exploration in the Beaufort Sea.

In this light I would like to ask the Prime Minister why the government has just approved this year's drilling activities in the Beaufort Sea. Why is the government, after receiving such a report, prepared to gamble in such a dangerous way with the environmental implications of going ahead with drilling at this time?

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, if the hon. Leader of the New Democratic Party would send me a copy of that memorandum in confidence, I would read it with interest. There may be partial information given in some memo expressing one point of view. I do know the matter was discussed in cabinet and that we had assurances from the Minister of the Environment. Not only in this recent time but in previous years, contrary to what that memo says, we had the assurance that technology does exist to take action against any potential spills.

Mr. Fulton: There is not even a bag of sponges in the Beaufort Sea.

Mr. Trudeau: I see that one of your backbenchers is trying to help you, Ed.

Mr. Hnatyshyn: He needs a lot.

Mr. Trudeau: We had the assurance that technology does exist, provided it is exercised at the time of the year when the Beaufort Sea is free from ice. That is the basis of our decision to restrict drilling to certain periods of the year which are ice-free.

Mr. Broadbent: Madam Speaker, I say quite seriously that I would be delighted to send a copy of the report to the Prime Minister because it points out that, quite contrary to regulations, Dome Petroleum had no fewer than 22 fuel spills last year, during the drilling season, which it refused to report or did not report as it was supposed to. The report also says, and I quote: "The government has still not produced its own oil spill contingency plan." That is from an important subcommittee of the government.

The report was made recently, and I understood that it had in fact been discussed by the cabinet. Is this the case, or is the Prime Minister saying it is not the case? Is the Prime Minister telling us that he does have a contingency plan which did not fail to comply with the regulations last year, and that he has every confidence that we should be proceeding now with drilling in the light of last year's experience with Dome and in the light of what this report tells us?

● (1430)

Mr. Trudeau: Madam Speaker, I think I will ask the minister responsible, the Minister of the Environment, to deal with the substance of the question. But in so far as my position is concerned in trying to answer this question, I can only point out to the hon. member that if the anonymous civil servant who sent him confidential documents in unmarked envelopes would do me the same courtesy, I might be in a position to answer his questions.

Hon. John Roberts (Minister of State for Science and Technology and Minister of the Environment): Madam Speaker, on seeing newspaper stories about this report, I made some inquiries. Although those inquiries have not been entirely completed, my understanding is that this, rather than being the report of the subcommittee, is the view of one member of that committee. I want to check that further.

Clearly, in considering the drilling proposals brought forward, there was consultation with my officials. In this kind of activity inevitably there is a risk, but it was our belief that the risk involved was supportable within the limits of necessary environmental protection. We are concerned in a continuing way that more research be done into these kinds of problems and we have indicated, or are in the process of indicating, our strong concern to the private sector, to the companies involved, our belief that more research into this kind of potential problem should be undertaken.

Some hon. Members: Hear, hear!

Mr. Broadbent: Madam Speaker, I will go back either to the Prime Minister or to the minister directly responsible. The question should be dealt with by the Prime Minister because my understanding is that the decision to proceed with drilling now was reached in cabinet.

Since the report, to pick up the phrase used by the minister, says that last year "unacceptable risks" were taken, and it seems that the same procedures will be used this year, I should like to obtain, either from the Prime Minister or from the minister responsible, unequivocal assurances that in the government's view the negative opinion expressed in this report is not shared by the government, namely, that they will proceed under circumstances that are very safe to the environment in the north.

Mr. Roberts: Madam Speaker, I can only repeat what I said earlier, that my understanding—but I must check it further—

is that this is not the report, but the view of one member of the committee. I have no reason to believe that unacceptable risks have been taken in the past.

REQUEST FOR TABLING OF ARCTIC WATERS ADVISORY COMMITTEE REPORT

Mr. Tom McMillan (Hillsborough): Madam Speaker, my question is directed to the Minister of the Environment. Will he table in the House the report of the Arctic Waters Advisory Committee, and will he also table any previous drafts as well as an explanation of the discrepancies between earlier drafts of the same report and the final report?

Hon. John Roberts (Minister of State for Science and Technology and Minister of the Environment): As I indicated in my earlier answers, there is some uncertainty in my mind as to the exact status of the document to which the Leader of the NDP has referred. Upon seeing newspaper reports which I think are part of the basis of the hon. member's question, I asked that some inquiries be made and information be provided to me.

As to the terms of the question of laying something before the House of Commons, I would much rather know exactly what it is we are referring to, what various stages it has gone through, and whether these are the views of one member of a panel or of the whole board. I need more information before I would consider taking the steps which the hon. member is suggesting.

Mr. McMillan: Madam Speaker, in view of the confusion, at least in the minister's mind, surrounding this whole issue and his confusion about the various reports, if the minister will not table in this House the documents, consistent with the freedom of information principle, will the minister at least call before the relevant standing committee of Parliament on the environment, members of the Arctic Waters Advisory Committee so that members of Parliament can pose questions on this matter to these members and get the issue clarified in a way which the minister obviously cannot do himself?

Some hon. Members: Hear, hear!

Mr. Roberts: Madam Speaker, it is quite clearly not my responsibility to have witnesses called before parliamentary committees. Parliamentary committees control their own work and it is not for me to direct them in that activity.

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TRANSPORT

FINANCIAL ASSISTANCE FOR DEVELOPMENT OF COAL RESOURCES IN B.C.—REASON FOR GOVERNMENT'S REFUSAL

Miss Pat Carney (Vancouver Centre): Madam Speaker, my question is addressed to the Minister of Transport and it deals with the issue of equity in allocating federal economic support programs.

In view of the recent $200 million loan by the federal government to Chrysler Canada, and also the fighter offset program, both of which benefit mainly the economy of central Canada, how can the minister justify the government's failure to accede to the request by Premier Bennett of British Columbia that the federal government provide 50 per cent of the $215 million required to build the rail line which will enable coal from northeast British Columbia to be shipped eventually to Japan, particularly since the federal government would recover all the money advanced back from its share of the surcharge that will be levied on the coal shipments?

Hon. Jean-Luc Pepin (Minister of Transport): Madam Speaker, first to answer the question regarding Chrysler, it was not a loan; but the Minister of Industry, Trade and Commerce might wish to explain it further.

On the question of the northeast coal development in British Columbia, we held extensive negotiations with a good number of members of the British Columbia government on this matter. Arguments were put forward from all sides, one of them to the effect that the federal government was not in the habit of contributing to railway development with regard to resources, but a compromise was reached and a good amount of money was indicated as the federal contribution. Details of that are now being further defined.

Miss Carney: My supplementary question is also directed to the Minister of Transport, Madam Speaker. The Premier of British Columbia has made it very clear that he considers that the federal government is not in the habit of funding anything to do west of the lakehead.

Since the province of B.C. transferred the administration and control over the Ridley Island site, the port site—B.C. transferred the control to the federal government in order to facilitate the development of the port—and since no development by the National Harbours Board has taken place, could the minister explain his reluctance to give the control back to the province so that the proposed coal port site could be developed in time for coal shipments to Japan to proceed on schedule, which is in the third quarter of 1983?

Mr. Pepin: Madam Speaker, my impression was that the land at Prince Rupert was federal land in the first place, that there was no transfer in this respect. But be that as it may, the negotiations between the National Harbours Board and the consortium have progressed to the point where an announcement will be made any moment now. All matters of discussion have been resolved and the project will go ahead as planned. So I do not understand the reason for the alarm because, as a matter of fact, everything is in line.

CROWSNEST PASS FREIGHT RATES—GOVERNMENT POSITION

Mr. Stan J. Hovdebo (Prince Albert): Madam Speaker, I have a question for the Minister of Transport. I should like to call his attention to the crude blackmail tactics implicit in the announcement from Revelstoke this morning by the executive vice-president of CPR, that the corporation would not proceed

with the $322 million expansion project in the Rockies unless the federal government repudiates its statutory guarantee on freight rates to western farmers by reneging on the Crowsnest pass agreement. May I remind the minister that the Canadian Pacific Railway corporation—

Some hon. Members: Question.

Mr. Hovdebo: —made $158 million more last year than the year before.

Some hon. Members: Order.

Mr. Hovdebo: Would the Minister of Transport indicate what action he intends to take in the face of such crude corporate blackmail in determining the transportation policy of the Government of Canada?

Hon. Jean-Luc Pepin (Minister of Transport): Madam Speaker, one of my dedicated assistants was in touch with the CPR this morning, and I am somewhat amused by the result of that call as the CP rail authorities maintain that they have been misquoted on this subject. So, for a change it is interesting to see that businessmen can also be misquoted. This is not what they meant to say.

● (1440)

I presume that changes to the Crowsnest Pass might help the railway in making this project at the Beaver tunnel a viable one. But I presume that it has something to do with capital cost allowances also. Anyway, I am meeting with the president on May 29 and will explore that to the fullest extent.

Mr. Hovdebo: Madam Speaker, in view of the possibility of this freeze on the mountain expansion project, and in view of the fact that the Hall report has not been instituted as yet, would the minister assure this House that the Hall report on Crowsnest Pass rates will be implemented, to ensure that this kind of blackmail cannot take place?

Mr. Pepin: Madam Speaker, the Crowsnest Pass is a problem which has been with us since 1897.

An hon. Member: The problem is you guys.

Some hon. Members: Oh, oh!

Mr. Pepin: It became statutory in 1925. My information, substantiated by some conversations I have had, is that the mood of western Canada is changing with respect to the Crowsnest.

An hon. Member: It is not.

Mr. Pepin: I am planning now to get fully involved in the subject, to consult extensively in the coming weeks and devise a general strategy to cope with this particular issue.

ENERGY

SECURITY OF SUPPLY OF FEEDSTOCK FOR PETROSAR AND SUNCOR

Hon. Bud Cullen (Sarnia): Madam Speaker, I have a question for the Minister of Energy, Mines and Resources. Given the fact that the Alberta government has been less than happy with the fact that Petrosar produces residual fuel as a byproduct of its operation, and also Suncor and other operations in eastern Canada, given the pressure that has been brought to bear by the federal government requiring these companies to do something about this particular problem, and given the fact that Petrosar and Suncor announced today an expenditure of some $500 million to upgrade their facilities, will the minister now be able to get from the Alberta government a commitment giving these operations security of supply of feedstock?

Hon. Marc Lalonde (Minister of Energy, Mines and Resources): Madam Speaker, first of all I should like to thank the officials of the two refineries concerned in Sarnia and also Ultramar in St. Romuald, near Quebec City, for their co-operation with the government when we made very strong representations to them encouraging them to upgrade the oil that was going through the refineries, so as to have a much more efficient use of oil in our energy strategy.

As far as the question raised by the hon. member is concerned, I should like to advise him that I have discussed this matter twice already with my colleague from Alberta, and that the Alberta government welcomed the developments I have announced today. Also, I want to assure the hon. member that I have raised with the minister for Alberta the question of the supply to Petrosar in particular, and I was assured again at my meeting early this week that there will be no discrimination against Petrosar.

If Petrosar cannot get supply directly, it can be assured at least that there will be nothing to prevent any person or company supplied with oil by Alberta from reselling to Petrosar. So there is an assurance that no measures will be taken to discriminate against Petrosar in its supply.

* * *

EMPLOYMENT

NUMBER OF JOBS TO BE CREATED FOR WOMEN, YOUNG PEOPLE AND NATIVES

Mr. Walter McLean (Waterloo): Madam Speaker, I am my party's spokesperson on matters relevant to the status of women.

Some hon. Members: Hear, hear!

Mr. McLean: But I want to assure the House that my concerns are broader than that.

Some hon. Members: Oh, oh!

Mr. McLean: I have had a lifelong commitment to helping people, and it is in that context that I want to ask the Minister of Employment and Immigration about his job-creation plans. Women, young people and natives are the people who are most often unemployed in this country. Would the minister tell us how many jobs he intends to create for women, for young people and for natives? Could he tell us whether the numbers he will be using are targets that he will try to achieve, or will they be firm commitments in quotas which he will meet and which he hopes to exceed?

Hon. Lloyd Axworthy (Minister of Employment and Immigration): Madam Speaker, I should like to begin by complimenting the hon. member on the very important responsibilities he has. As one who shares those responsibilities on the government side, I would say that it is one of the most important tasks of members of this House to ensure that women receive proper, fair and equal opportunities in the work force.

Mrs. Bégin: Hear, hear!

Mr. Axworthy: In saying that, I would want to point out to the hon. member that he should recognize we are not, in the job programs we intend to announce, exclusively attacking the program in that respect, because there are already in place a number of programs available for those very groups about which he spoke.

An hon. Member: Don't make a speech.

Mr. Axworthy: We have major commitments under the LEAP program to help native people. We have major job-creation programs that are before the House in the employment tax credit program. There are substantial training programs where we have close to 200,000 people in the country being trained under federal government programs. A large percentage of those people are women, young people and native people. So there are already in place a number of very effective programs.

What we intend to do in our announcements is to supplement those programs to deal with special problems in the work place where we have identified them. If the hon. member can wait for a matter of two or three weeks, I think he will be able to see exactly how effective those programs are.

Mr. McLean: Madam Speaker, my question was: How many jobs? In terms of the context of developing this strategy in the next few weeks, and following his confirmation to this House of the appointment of the vice-president of the Liberal party, Lorna Marsden, to an advisory capacity on job creation for women, I wonder if the minister will now tell the House whether that appointment was taken in consultation with the Advisory Council on the Status of Women?

Mr. Lalonde: What about Pat Carney?

Mr. Clark: She was elected. You are not accustomed to people being elected in British Columbia.

Mr. Axworthy: Madam Speaker, I should like to point out to the hon. member that the Advisory Council on the Status of Women has a fair degree of independence. It is designed to provide advice to the minister, not necessarily working in reverse. Its advice is very welcome and is very helpful, but it sets its own agenda and its own priorities.

As far as the case of Miss Marsden is concerned, I think it is important to point out to the member that in previous periods Miss Marsden was the chairman of the National Action Committee in this country, one of the foremost pioneers in the area of women's rights, and is one of the foremost demographers looking at the labour market in Canada. It is upon those qualifications that she is judged, and I do not think anyone should be discriminated against just because they are a Liberal.

Some hon. Members: Hear, hear!

* * *

[*Translation*]

THE CONSTITUTION

INQUIRY WHEN AND HOW AMENDING PROCESS WILL BE IMPLEMENTED

Mr. Serge Joyal (Hochelaga-Maisonneuve): Madam Speaker, my question is for the right hon. Prime Minister.

In view of the commitment made last night in Montreal by the Prime Minister on behalf of the 74 Liberal members from Quebec, to begin at once the constitutional amendment process, can he inform hon. members how he plans to proceed; that is, does he intend to call a federal-provincial conference of first ministers or, as suggested by the hon. Maurice Lamontagne, will be establish a committee which would consolidate the various studies or reports now in existence or published in the past, and does he plan on launching this process even before the House adjourns for the summer?

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, the methods mentioned by the hon. member in his question are indeed among those that we are considering. I am unable to announce today which of these various procedures we shall choose or whether there will be others.

As for the second part of his question, I can assure the hon. member that decisions will indeed be made and steps taken before the summer recess.

● (1450)

[*English*]

GOVERNMENT EXPENDITURES

REQUEST FOR LIST OF PROJECTS WITH ANTICIPATED OVERRUNS

Hon. Sinclair Stevens (York-Peel): Madam Speaker, my question is for the President of the Treasury Board. It arises out of an answer given by the president yesterday in which he stated:

—let me tell him that there are 497 projects now reported upon which show original budgets of $4.752 billion with potential overruns of $1.062 billion.

Would the President of the Treasury Board give the House of Commons a list of those 497 projects that have an anticipated overrun of $1,062 million?

Hon. Donald J. Johnston (President of the Treasury Board): Madam Speaker, I am not in a position, nor would I take the time of the House, to furnish that list at this moment. But I will provide such a list to the hon. member. I would like to point out that the $1.062 billion overrun figure which I cited was the total overrun for the 497 projects calculated back to the original budgets. About $500 million of that amount has already received Treasury Board approval as of December 31, 1979. The remainder will require specific Treasury Board approval on a case-by-case basis.

That, I hope, gives the hon. member some indication on how we are moving with respect to those projects. As I said, I will not take the time of the House to provide the hon. member with a list, or more detailed information at this time, but I will be happy to comply with that request.

Mr. Stevens: Madam Speaker, again to the President of the Treasury Board. In view of his statement that approvals are still being made with respect to these possible overruns, would the President of the Treasury Board indicate if he is not, in fact, enforcing Treasury Board circular letter 1979-20 which dealt with cost controls and which specifically said, "Submissions for retroactive approvals will be entertained"? Why is the President of the Treasury Board contemplating approving, *post facto,* overruns which have been drawn to his attention by departments?

Mr. Johnston: Madam Speaker, I will be pleased to look into the matter raised by the hon. member. I understand we are looking at projects, some of which are continuing, and we are obliged to examine these on a case-by-case basis in accordance with Treasury Board requirements or in accordance with departmental authorizations where they exist. As I say, I would be more than pleased to furnish the hon. member with a complete breakdown.

Oral Questions

AGRICULTURE

ANTIBIOTIC AND DRUG RESIDUES IN MEAT—ABATTOIR INSPECTION

Mr. Gus Mitges (Grey-Simcoe): Madam Speaker, I address my question to the Minister of Agriculture. The minister made a statement in a news release regarding the presence of drug and antibiotic residues in meat for human consumption which is federally inspected at abattoirs across Canada. The minister stated in part:

Meat reaching the consumer is entirely wholesome and judging from the facts the system is working very well.

In view of the fact that in a letter which I received from the minister on May 13 he stated that in fiscal 1979-1980 only 781 normal looking beef were tested for antibiotic residues, out of a total beef slaughter of some three million head, and that only 302 normal looking hogs were tested out of a total hog slaughter of some 12 million in federally inspected abattoirs, how can the minister say to the consumers of Canada that as far as the presence of antibiotic and drug residues in meat is concerned, that the inspection system is working very well?

Hon. E. F. Whelan (Minister of Agriculture): Madam Speaker, perhaps I should have written a longer letter to the hon. member.

Mr. Hnatyshyn: Don't make your speech any longer.

Mr. Whelan: After a conversation with the hon. member the other day, I made a double-check and found that there have been tests on over 10,000 different samples. I know that the hon. member knows about this situation better than I, because of his background, which is that of an educated veterinarian—

Some hon. Members: Oh, oh!

Mr. Nowlan: Are there any other kinds?

Mr. Whelan: I am sure that many of the hon. members' colleagues are ignorant of the fact that many farmers classify themselves as amateur veterinarians although they do not have a degree in veterinary education. I am sure that he would also agree that they do a darn good job, because he has worked with such people all of his life.

I challenge the hon. member to challenge those 10,000 tests which have been taken and the educated veterinarians in my department who gave me that information, and I will abide by that information if they tell me that it is one of the most efficient, proficient, in-depth testing programs of any country in the world.

Mr. Mitges: Madam Speaker, in view of the fact that of the normal cattle tested, nine-tenths of 1 per cent showed traces of antibiotic residue, and of the hogs tested, six-tenths of 1 per cent had traces of antibiotic residue. Even if we include the 10,000 cattle mentioned by the minister, it would mean that some 26,000 additional cattle and some 74,000 additional hogs would have been condemned for the presence of residue. I am

referring to the entire cattle population bought for slaughter and—

Madam Speaker: Order, please. Would the hon. member please put his question.

Mr. Mitges: In view of the tremendous additional cost and manpower that would be involved in testing every animal for antibiotic and drug residues, and in order to bring to an end this very difficult problem, would the minister get together with the Minister of National Health and Welfare and, under the authority of the Food and Drugs Act, make sure that all animals shipped for slaughter to abattoirs are, in fact, free of any trace of antibiotic or drug residues when they arrive for slaughter?

Mr. Whelan: Again, Madam Speaker, I am sure that the hon. member knows that in the program introduced by the Health of Animals Branch of our department they work very closely with the Department of Health. They are very concerned about this matter. It must be recognized that much of the concern comes from the producer area. I am sure that the hon. member has as much confidence in those producers that they themselves do not want to ship any product to market that will be damaging to anyone. We all have that concern, and my department will be stepping up that surveillance.

* * *

VETERANS AFFAIRS

VETERANS SUFFERING FROM CANCER BECAUSE OF EXPOSURE TO ATOMIC BOMB TESTING

Mr. Neil Young (Beaches): Madam Speaker, my question is to the Minister of Veterans Affairs. Recent reports indicate that a number of men who served in the armed forces believe that they are now suffering from cancer as a result of being exposed to radiation while assigned to duty at atomic bomb explosion test sites in the United States during the 1950s.

Would the minister tell the House the action he is taking to determine the state of health of Canadians who were assigned to duty at those atomic bomb explosion test sites?

Hon. Daniel J. MacDonald (Minister of Veterans Affairs): Madam Speaker, my department has this matter well in hand. Much work as has already been done by our Canadian Pension Commission and the research people in that commission are looking into these cases. There has been some detection, and detection of other people supposedly involved should be made in the near future.

Mr. Young: Madam Speaker, I have a supplementary question for the minister. Has the minister contacted all the people involved, has a program of monitoring their health been approved, and does the government intend to assume the liability which naturally flows as a result of its negligence in not protecting our armed forces personnel at those atomic explosion test sites?

Mr. MacDonald: Madam Speaker, when the analyses and diagnoses are completed by the people within our department who are qualified, such as doctors, that determination will be made.

* * *

ENERGY

TRANSMISSION OF HYDROELECTRIC POWER FROM NEWFOUNDLAND—GOVERNMENT POSITION

Hon. John C. Crosbie (St. John's West): Madam Speaker, I have a question for the Minister of Energy, Mines and Resources to which I would like a "yes". The question has to do with the development of the hydro potential on the Lower Churchill River, not with the contract on the Upper Churchill River. In his speech in Toronto on May 6, the minister said:

> There will be free flow of goods and services in this country. No province has the right to dictate development outside its borders, and the federal government will fully defend this basic constitutional principle.

The Premier of Newfoundland wrote to the Prime Minister and the government on April 16 asking them to act to ensure the free flow of hydroelectricity out of the province of Newfoundland and Labrador, across the province of Quebec to other provinces and customers. He pointed out that for eight years negotiations have gone on with Quebec and no solution has been reached. The two provinces cannot reach a solution themselves.

• (1500)

Would the federal minister tell me whether he is going to take action in the government to ensure that Newfoundland can transmit hydroelectric power across Quebec, without having to sell it to Hydro Quebec, through section 92(10)(c), works for the general advantage of Canada or otherwise. If he is going to take that action, when will he take it?

Hon. Marc Lalonde (Minister of Energy, Mines and Resources): Madam Speaker, if the question had been a little bit shorter, I might have been able to answer by "Yes" or "No", but the way it has been asked I have, first of all, to remind the member that the development of the Lower Churchill—I am sure he is aware of this—remains a matter that is under consideration and study.

We are awaiting a report from the federal provincial group that is examining the feasibility of the project and the economic advisability of proceeding with it. I met yesterday with my colleague, the minister of energy for Newfoundland, and I believe we had a very fruitful meeting. I said that I would get in touch with my provincial colleague from Quebec, whom I have not been able to meet as yet, but we are planning to meet at the end of this month, or early next month, to review this particular subject and some other issues.

I said that I would again be in touch with my colleague from Newfoundland and see what would be advisable, especially once we have received the report that is expected from the joint federal-provincial task force which is examining the

advisability of proceeding with the Churchill Falls No. 2, or Lower Churchill project.

Mr. Crosbie: A supplementary question, Madam Speaker. There are 2,500 megawatts of hydro power in the Lower Churchill alone, and this is badly needed so that they can displace the use of oil power, oil-generated electricity in Nova Scotia, Prince Edward Island or in other parts of Canada. It is a question of great urgency.

I ask the minister again, has the government got this under active consideration, and will it treat hydroelectricity—which is a form of energy—in the same way as it treats the interprovincial distribution of oil and gas, that is, as a national project? The provinces cannot block it going across their borders. Will the same principle apply to hydroelectric transmission if there is surplus power in the Lower Churchill that can be sold outside Quebec?

Mr. Lalonde: Madam Speaker, if the realization of the Lower Churchill project was so evident to the hon. member, I cannot understand why he did not abolish the federal-provincial task force that was studying, and has been studying for a while, the advisability of this project. I have already told him we have to wait for the report of this group as to whether the problem is even likely to arise or not.

Once we have this report, and if the report is positive as to the advisability of proceeding with the project, then obviously we will have to get down to hard negotiations. I would hope, however, that both the government of Newfoundland and the government of Quebec, once they have seen that report, will be willing to really sit down and negotiate—as has been the case in the past with every province—the transmission of electricity without any interference and without undue objections or obstacles to the realization of this project.

With us, it is indeed a matter of great concern and high priority. I can assure the hon. member that as far as we are concerned, we will do everything we can to help the two governments involved to arrive at a satisfactory conclusion soon.

Mr. Crosbie: I want you to act, not the two governments.

* * *

CANADA DAY

INTRODUCTION OF LEGISLATION DESIGNATING JULY 1—NATIONAL ANTHEM

Mr. Maurice A. Dionne (Northumberland-Miramichi): Madam Speaker, I should like to direct a question to the Prime Minister. In view of the importance for any nation to have its own national symbols, will the Prime Minister have his government give priority consideration to bringing in a bill prior to July 1 this year to make Canada Day officially known as Canada Day? Also, will the government also consider bringing in a bill to give Canada its official national anthem?

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, both of those objectives have been the government's, and I was appreciative of the hon. member's motion in the House a few days ago to attempt to get unanimous consent for such sensible motions. Unfortunately, that consent was not forthcoming, and this is the kind of difficulty—

Some hon. Members: Oh, oh!

Mr. Trudeau: I understand that leaders of the opposition party are now saying that the objection was on this side.

An hon. Member: That's right.

Some hon. Members: Hear, hear!

An hon. Member: It sure was today.

Mr. Trudeau: I think we perhaps might ask, right at this moment, the unanimous consent of the House to return to these motions and have them voted upon now.

Some hon. Members: Oh, oh!

Some hon. Members: Hear, hear!

Some hon. Members: Agreed.

An hon. Member: Beautiful!

Mr. Trudeau: If I have to get consent, Madam Speaker, I move to revert to motions, seconded—

An hon. Member: You can't do that.

Some hon. Members: Oh, oh!

Some hon. Members: Hear, hear!

An hon. Member: Don't you know the rules?

Madam Speaker: Order, please. I do not think the question period is the time to move motions. I am not sure that I am on proper ground—

Some hon. Members: Hear, hear!

Mr. Trudeau: I apologize, Madam Speaker. I asked for unanimous consent and I heard a lot of "yeses". I thought I had it.

Some hon. Members: Oh, oh!

Mr. Trudeau: I think the hon. member for Northumberland-Miramichi now has his answer: the Tories are opposed to such a motion.

Madam Speaker: I had notice of a question of privilege from the hon. Solicitor General and I would recognize him now.

PRIVILEGE

MR. ROBINSON (BURNABY)—RESPONSIBILITY OF SOLICITOR GENERAL TO TABLE REPORTS

Hon. Bob Kaplan (Solicitor General): Madam Speaker, my question of privilege arises from a statement made by the hon. member for Burnaby (Mr. Robinson) in the House yesterday on a question of privilege to the effect that I had failed to supply, as required by law, within five days of the commencement of this session, the annual report of the Solicitor General and the annual report of the Correctional Service of Canada. I left the House yesterday, as I informed the hon. member, because I was attending a meeting of a cabinet committee. I note with regret that he is absent today. He told me that he was returning to his constituency for the weekend.

It is true, Madam Speaker, that I have failed to file these annual reports. I have checked with other ministers and I find that, in general, most of them have been unable to comply with this statutory requirement. In my case, although I regret it, I am doing everything I can to bring the annual reports forward quickly. Last week I signed both annual reports and they have been sent out to be printed but have not been printed yet. As soon as they are I will bring them forward and table them in the House.

MISS CARNEY—ALLEGED COMMENT MADE BY PRIME MINISTER DURING QUESTION PERIOD

Miss Pat Carney (Vancouver Centre): Madam Speaker, I rise on a question of privilege regarding the Prime Minister's remarks which were addressed to me when I was questioning the Minister of Transport (Mr. Pepin). During the course of the question, I repeated the remarks of the Premier of B.C. which expressed his frustration in dealing with the federal government on any cost-sharing arrangement. While I was asking the question I heard the Prime Minister say, and I am supported by my colleagues: "She talks just like Lévesque, always being gypped by Ottawa."

Madam Speaker, as a western MP I find the Prime Minister's remark unacceptable. I am advised by my colleagues that, since it imputes motives to me, it does involve a question of privilege. I should like to serve notice that I am prepared to move a motion that he be instructed to withdraw his remark once your Honour has a chance to check the record.

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, I do not have the benefit of the blues here and I cannot recall the exact words used by the hon. member in her question, but I did hear her say words to the effect that this federal government spent no money west of the Ontario-Manitoba border. That is the kind of remark which I said is exactly the kind of remark Mr. Lévesque makes when he says no money is spent by the federal government in Quebec.

If the hon. lady did not say that or words to that effect, I will withdraw my remark, but I ask you, Madam Speaker, to give us both time to check the blues. I am quite certain I heard right.

Some hon. Members: Hear, hear!

* * *

● (1510)

BUSINESS OF THE HOUSE

WEEKLY STATEMENT

Mr. Baker (Nepean-Carleton): Madam Speaker, might I ask the government House leader if he could indicate the business for the balance of the week. I understand that it is his intention to designate next Thursday an allotted day. Could he tell us beyond that what his intentions are with respect to business?

Mr. Pinard: Madam Speaker, tomorrow the order of business will be as follows: the first item will be Bill C-27, the Farm Improvement Loans Act, followed by C-15, the Livestock Feed Assistance Act and if we have time, Bill C-28, the Fisheries Improvement Loans Act.

[*Translation*]

As far as the business for next week is concerned, the House shall not meet Monday, pursuant to Standing Order 2(3). Tuesday we will be discussing on second reading the Municipal Grants Act and, if possible, the Relocation of Government Agencies Act, also on second reading.

Wednesday, we wish to initiate and hopefully complete the discussion of the old age security legislation, to increase the guaranteed income supplement for senior citizens. Thursday, will be an allotted day, and I understand the New Democratic Party will be addressing a matter of their choice.

[*English*]

Mr. Baker (Nepean-Carleton): Madam Speaker, I could perhaps discuss this later, but in anticipation I wonder if the government House leader might be prepared to entertain discussions with respect to shifting the business to the item which is third in line for Friday, that is to say, from Bill C-28, the Fisheries Improvement Loans Act, to Bill C-7, to amend the Saltfish Act. It is a matter that I did discuss with the parliamentary secretary to the government House leader. Would he be prepared to consider that change in the event we do reach that stage on Friday?

[*Translation*]

Mr. Pinard: Madam Speaker, I have no objection to informing my hon. colleague of the reasons why I cannot accept his request.

However, if my colleague objects to Bill C-28 being discussed tomorrow, surely I can compensate by proposing another matter in consultation with him.

[*English*]

Mr. Knowles: Madam Speaker, I hope that there is still some room for arranging the business tomorrow. The government House leader has taken me a bit by surprise in announcing the farm legislation first. I understood from our discussions this morning that the fisheries legislation was to come first, and that if something was needed to fill up the time, it would be additional farm legislation, and I had advised my colleagues accordingly. Perhaps we could sort that out.

May I confirm that our party is prepared to take Thursday as an opposition day and we shall put down a motion for debate on that day.

I have one other matter I should like to raise with the government House leader. I hope that I will not have to do it every week, month in and month out, throughout this session. As he knows, we do try to co-operate, especially when matters are urgent, and I press upon him the urgency of the legislation that would do something for veterans' widows.

As the House knows, the previous government made a breakthrough in terms of drafting a bill that dealt with this matter. I believe the department is seized of the situation. Last Thursday the House leader told me he would discuss the matter with the Minister of Veterans Affairs when he returned from Holland. I hope that he will bring forward this very urgent piece of legislation within the next couple of weeks.

Mr. Pinard: Madam Speaker, with respect to the first part of the remarks made by my friend, the hon. member for Winnipeg North Centre, it is correct that we had discussions this morning to the effect that we were to deal with the Fisheries Improvement Loans Act. But after that meeting, I had a note from my colleague in the Conservative party saying that he would like to see the Saltfish Act discussed. Unfortunately, this is impossible. I thought that I could then put the fisheries loans act at the end of the day and just bring forward Bill C-27 and Bill C-15. That is why we will be discussing farm bills first, and if necessary the Fisheries Improvement Loans Act. If my colleague has serious objections to that, I am willing to consult later on today and find something else for discussion. In any event, those bills were discussed this morning; only the order has been changed. I did this in an effort to accommodate my colleague from the Tory party. I did not think at the time that it would create some inconvenience for my other colleague.

As far as his second point is concerned, I want to assure the hon. member for Winnipeg North Centre that his remarks will be made known to the minister responsible. I hope that my colleague will not have to ask the question again next week.

Mr. Knowles: Madam Speaker, first may I thank the government House leader for the note of assurance in his last remark, namely, the one about the legislation respecting the veterans.

With regard to the rearranging that has been done for tomorrow, I certainly do not intend to make a point of privilege or to raise a fuss about it because the three of us get along pretty well. But I would remind my two colleagues that when an order of business is changed after we have agreed on it, I wish they would remember that there are three of us involved in these matters. I had discussions with my colleagues involved on farm and fisheries matters, and it just means that we have to change our plans. I hope that we will follow the usual custom of full consultation among all three parties in this House.

Mr. Roche: Madam Speaker, on the same point of order, may I ask the government House leader when it is his intention to call Bill C-5, the Bretton Woods Agreements Act, for second reading debate. I was under the impression that it had a higher priority than apparently it has.

Mr. Pinard: Madam Speaker, this bill has priority, and I hope to be in a position to bring that bill forward some time next week or the week after, if possible.

Mr. Stevens: Madam Speaker, the President of the Treasury Board during today's question period said that he would produce a list of 497 projects having an initial budget estimate of $4.7 billion, but a possible overrun of $1.62 billion. Would the President of the Treasury Board indicate if he intends to table that list later today or at the latest tomorrow?

Mr. Johnston: Madam Speaker, I will attempt to find out immediately what work is involved in preparing such information for the hon. member, and I will bring it forward as soon as possible. If it can be done later this afternoon or by tomorrow, I will see that it is done.

Mr. Beatty: Madam Speaker, yesterday the President of the Treasury Board, in reply to a request from me that he table a list in the House of all federal government computers connected to the Infodat or Datapac systems, was reported at page 1092 of *Hansard* to say the following:

> Mr. Chairman, following upon the request from the hon. member I have asked for that information to be compiled with a view to tabling it in the House.

Will the minister table that material today or tomorrow?

Mr. Johnston: Madam Speaker, again, I am not in a position to furnish the hon. member with a timetable at this point. I told him that such a list was being prepared with a view to its being tabled. My answer will be as it was to the other hon. member, that I will look into the matter and report to him as soon as I know when it can be tabled.

Order Paper Questions

ROUTINE PROCEEDINGS

[*Translation*]

PETITIONS

REQUEST BY "ACTION CANADA" THAT QUEBEC REMAIN IN CANADA

Madam Speaker: I have the honour to inform the House that the Clerk of the House has laid on the Table the fourth report of the Clerk of Petitions stating that he has examined the petition presented by the hon. member for Labelle (Mr. Dupras) and finds that it meets the requirements of the Standing Orders as to form.

* * *

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. D. M. Collenette (Parliamentary Secretary to President of the Privy Council): Madam Speaker, the following questions will be answered today: Nos. 233, 313, 349, 351, 379, 607, 646, 665, 679 and 696.

[*Text*]

MINISTRY OF THE SOLICITOR GENERAL—NUMBER OF EMPLOYEES

Question No. 233—**Mr. Herbert:**

How many (a) permanent (b) term employees were on the Department of the Solicitor General's payroll on March 31, 1979?

Hon. Bob Kaplan (Solicitor General):

Ministry Secretariat:

(a) 194;

(b) 28.

The Correctional Service of Canada:

(a) 9,545;

(b) 383.

Royal Canadian Mounted Police:

(a) RCMP Members	16,057	
Public Service Employees	3,279	
		19,336;
(b) Police Casuals	1,920	
Public Service Casuals	334	
		2,254.

National Parole Board:

(a) 254;

(b) 21.

DEFENCE CONSTRUCTION (1951) LIMITED—DEFICITS

Question No. 313—**Mr. Herbert:**

For each of the past five fiscal years, in which Defence Construction (1951) Limited has had a deficit, how much was the deficit and what was the reason why the funding of costs by the Department of National Defence was inadequate to cover the net expense for the year?

Mrs. Ursula Appolloni (Parliamentary Secretary to Minister of National Defence):

1. 1978-79	$241,974
1977-78	45,105
1976-77	164,208
1975-76	90,788
1974-75	165,310.

2. Funding by the Department of National Defence covers Defence Construction (1951) Limited's net Cash expenses such as personnel pay, administration accommodation etc., however, net expenses also include depreciation on furniture and equipment, as well as accrued expenses such as vacation pay for employees and termination pay benefits at cessation of employment which only require funding in future years when they become payable.

DEPARTMENT OF TRANSPORT—EMPLOYEES IN THE SX CLASSIFICATION

Question No. 349—**Mr. Herbert:**

1. As of March 31, 1979 (a) how many persons in the SX classification were employed by the Department of Transport (b) how many were (i) Francophones (ii) females?

2. What are the present totals?

3. Was there a structural change in the Department since March 31, 1979, and, if so, what effect did such a change have on the number of SX's employed?

Mr. Robert Bockstael (Parliamentary Secretary to Minister of Transport):

1. (a)	90;	
(b) (i)	15,	
(ii)	1.	
2. As of March 31, 1980		
(a)	92;	
(b) (i)	26,	
(ii)	3.	

3. The only significant change made to departmental structure since March 31, 1979, was the integration of research and development with strategic planning. This change resulted in the deletion of the former position of assistant deputy minister research and development and the creation of a new director general research and development position, with the latter reporting to the assistant deputy minister strategic planning.

AGRICULTURE CANADA—EMPLOYEES IN THE SX CLASSIFICATION

Question No. 351—**Mr. Herbert:**

1. As of March 31, 1979 (a) how many persons in the SX classification were employed by the Department of Agriculture (b) how many were (i) Francophones (ii) females?

2. What are the present totals?

3. Was there a structural change in the Department since March 31, 1979, and, if so, what effect did such a change have on the number of SX's employed?

Hon. E. F. Whelan (Minister of Agriculture):

1. (a) 36;
   (b) (i) 9,
   (ii) None.
2. (a) 41, including 2 in acting capacity;
   (b) (i) 9,
   (ii) None.
3. Yes, however it did not affect the number of SX's employed.

EXPORT DEVELOPMENT CORPORATION—ASSISTANCE

Question No. 379—**Mr. Herbert:**

Does the Export Development Corporation restrict the assistance it offers to Canadian business in cases where the exports are to countries that are not diplomatically recognized by Canada?

Hon. Ed Lumley (Minister of State, Trade): Export Development Corporation advises: For business carried out by the corporation for its own account, using the corporation's own funds and at the corporation's risk, insurance and guarantees under section 24 and loans and guarantees under section 29 of the Export Development Act, diplomatic recognition is not a factor in determining whether the facility should be provided in the case of a transaction where the risk is purely commercial. However, it has been EDC's practice not to offer its loan services in support of an export transaction to a country not diplomatically recognized by Canada where the creditworthiness of the transaction would require a guarantee by the government of the country involved or by an agency thereof. Transactions which the corporation has undertaken for the government's account following a decision of the cabinet, have involved countries diplomatically recognized by Canada. The transactions in that category are insurance and guarantees under section 27 of the act and loans and guarantees under section 31 of the act, in all of which government funds are used or are at risk.

AGRICULTURE CANADA—NUMBER OF LAWYERS ON STAFF

Question No. 607—**Mr. Howie:**

How many lawyers are employed on staff in the Department of Agriculture?

Hon. E. F. Whelan (Minister of Agriculture): The Department of Justice has assigned six lawyers to serve Agriculture Canada, its boards and agencies.

Order Paper Questions

CFB GAGETOWN—MILITARY PERSONNEL

Question No. 646—**Mr. Howie:**

What was the total number of military personnel stationed at CFB Gagetown on April 1 (a) 1980 (b) 1979 (c) 1978 (d) 1975?

Mrs. Ursula Appolloni (Parliamentary Secretary to Minister of National Defence): (a) 3,111; (b) 3,273; (c) 3,271; (d) 2,741.

LABOUR—STUDIES ON ALTERNATIVES TO STRIKE ACTION

Question No. 665—**Mr. Howie:**

Since January 1, 1977, to date, did the Department of Labour conduct studies into alternatives to strike action?

Hon. Gerald Regan (Minister of Labour): The Department of Labour is continually researching and reviewing innovative ways in which to improve labour-management relations in the federal private sector and in doing so, reduce the incidence of strike and lockout action. Over the past few years, Labour Canada has attempted to improve the industrial relations system through legislative amendments to the Canada Labour Code as well as through a variety of program initiatives. In addition, the mediation and conciliation branch of the federal mediation and conciliation service of Labour Canada has carried out a program of "preventive mediation", involving themselves in the resolution of industrial relations problems which surface during the life of the collective agreement. In an effort to assist existing and potential union leaders to acquire additional knowledge and skills necessary to effectively discharge their collective bargaining responsibilities, the Labour Education Support Program was introduced to provide financial assistance to legally-constituted union organizations in Canada to develop and promote educational activities. These and other initiatives undertaken by Labour Canada are aimed at fostering a sense of joint responsibility in making the industrial relations system work more efficiently and with less disruption.

CFB BORDEN—PERSONNEL

Question No. 679—**Mr. Stewart:**

1. During the year (a) 1976 (b) 1977 (c) 1979, how many civilian personnel were employed at CFB Borden?

2. For the same years, what was the total number of military personnel stationed at CFB Borden?

Mrs. Ursula Appolloni (Parliamentary Secretary to Minister of National Defence):

1. As of April 1
   (a) 1,403;
   (b) 1,813;
   (c) 1,591.
2. As of April 1
   (a) 3,141;
   (b) 3,352;
   (c) 3,283.

Supply

AGRICULTURE CANADA—CONTRACTS FOR PROFESSIONAL SERVICES

Question No. 696—**Mr. Clarke:**

1. For the fiscal year 1978-79, how many contracts were let by the Department of Agriculture for professional services, to persons who at any time within the past five years, had been employed in indeterminate positions under the Public Service Commission?

2. How many contracts were (a) for less than one year (b) for one to two years (c) over two years?

3. How many contracts were let outside the National Capital Region?

4. What was the total cost of all such contracts?

Hon. E. F. Whelan (Minister of Agriculture):

1. 18.

2. (a) 17;

(b) 1;

(c) None.

3. 8.

4. $85,000.94.

[*Translation*]

Madam Speaker: The questions enumerated by the parliamentary secretary have been answered.

Mr. Collenette: I would ask, Madam Speaker, that the remaining questions be allowed to stand.

Madam Speaker: Shall the remaining questions be allowed to stand?

Some hon. Members: Agreed.

● (1520)

GOVERNMENT ORDERS

[*English*]

BUSINESS OF SUPPLY

APPROPRIATION ACT NO. 1, 1980-81

The House resumed, from Wednesday, May 14, consideration in committee of Bill C-29, for granting to Her Majesty certain sums of money for the public service for the financial year ending March 31, 1981—Mr. Johnston—Mr. Francis in the chair.

On clause 2—

The Chairman: I believe the hon. member for Wellington-Dufferin-Simcoe has three minutes left of his time.

Mr. Beatty: Yes, Mr. Chairman, but the President of the Treasury Board is not here to question. Oh, he just came in. I hope my three minutes will not be docked for the minister's tardiness in arriving.

The Chairman: It being Committee of the Whole, the procedures are such that the hon. member has the floor.

Mr. Beatty: Yesterday I quoted from a book written by the current President of the Treasury Board called "Fiscalamity". He was kind enough to send me this morning a copy of the revised version of his text which is entitled "How to Survive Canada's Tax Chaos, by Donald J. Johnston". On the front cover it says "Should be required for every Member of Parliament". The minister in his note to me recommended that I read the author's note, which I had the opportunity to do. I want to quote to the minister one sentence from page 9 which reads as follows:

The growing list of government "white elephants" that have consumed billions of taxpayers' dollars, the failure of government to establish and abide by accepted financial controls as illustrated by the recent revelations of the Auditor General, the unacceptable level of remuneration, perquisites and retirement benefits enjoyed by certain of our "civil servants" which are virtually unmatched in the private sector, and the seeming disregard for the people's priorities, have all contributed to an attitude of hostility towards governments at all levels.

May I ask the minister whether he feels that the phrase "the unacceptable level of remuneration, perquisites and retirement benefits enjoyed by certain of our 'civil servants' which are virtually unmatched in the private sector" describes the situation in the public service for which he is responsible?

Mr. Johnston: Yes, Mr. Chairman, I did take the liberty of forwarding a copy of the latest edition of that book to several members on the other side so that they would not be charged with infringement of copyright by using photocopies of an earlier publication. The phrase referred to, relating to civil servants, I believe was valid at the time those remarks were written, which is some years ago. I only have to refer the hon. member to the Conference Board study which was published this week. It in fact shows that the public sector is now lagging behind the private sector. As I indicated yesterday, I think that a number of the views expressed there were valid. I am delighted to see that improvements have been made and I am sure the hon. member would agree with that.

Mr. Beatty: Mr. Chairman, the author's note was dated December 21, 1976. May I ask the minister whether he is saying to us today that the comment he made referring to "the unacceptable level of remuneration, perquisites and retirement benefits enjoyed by certain of our civil servants" is no longer applicable and no longer valid in any way at the federal level?

Mr. Johnston: Mr. Chairman, the information I had before me at the time I was writing those comments had to do with a public perception, and had not only to do with the federal civil service. I believe the hon. member referred to a growing list of white elephants. I was thinking of a number of projects where there had been cost overruns not only federally, but provincially and municipally right across this country.

I can assure the hon. member that at the time those words were written in December, 1976, I was quite conscious of some of the cost overruns being experienced in my own city with respect to the Olympic projects. When he asks if I share or believe in those same comments today, I cannot remember the

specific instances, persons or quotes that I was referring to in December, 1976, but that was a perception of the public. I was pointing out how the public was concerned with how their tax dollars were spent. They want value for money. That philosophy is shared, I hope, by everybody in this House, including the hon. member. That is what we in Treasury Board are going to achieve.

Miss Campbell: Mr. Chairman, I welcome this opportunity today to speak on the estimates, not having spoken in this chamber for almost a year. I wish to direct some of my questions to the Minister of Transport. I will wait and see whether he needs any officials.

I welcome this opportunity to talk about the concerns of the constituency of South West Nova, concerns regarding transportation and how they relate. The Department of Transport is well aware of some of the concerns that any member of Parliament from that area would have. In particular, we have CN Marine which operates three ferries out of ports in that area. We are concerned about the direction CN Marine will be taking in this new Parliament along with the Department of Transport in order to provide better service to and from Nova Scotia to Saint John and Maine.

Today I want to talk about a couple of areas, Via Rail and the arrangements that have been made to provide service from Halifax to Yarmouth. I congratulate Via Rail. It is a Crown corporation that was given its powers during the time I was in office. I would like to ask about the financing of this one-year program that will come into effect in June.

I would like the minister to direct his attention to the Via Rail set-up in the area between Halifax and Yarmouth, going through the valley, and to tell me the cost that the department or the CTC will have to bear for the new arrangements to see whether the service will be improved and whether people will use it. The fact that there will be a return service daily as well as reduced fares, which I and many groups have advocated, will encourage people to use the service. This should be an energy saver for the province.

The next area of concern is the highway upgrading agreement between the province of Nova Scotia and the federal government which was entered into in early 1978. The purpose of that agreement was to upgrade and reinforce the highway in Nova Scotia. South West Nova was quite fortunate—

Mr. Stevens: Mr. Chairman, I rise on a point of order. If I understand the hon. member's remarks properly, she now seems to be directing her remarks and possible questions to the Minister of Transport. As I understand it, the general understanding was that we would be dealing with the President of the Treasury Board, and when questions had ended with respect to that minister, we would then shift to another of the possibly three other ministers.

● (1530)

There is likely to be utter confusion if speakers direct questions to various ministers, and I should like a ruling. Are we going to deal with the President of the Treasury Board or do we shift to somebody else? As I indicated last evening, I sense an inference that people, especially on the government side, and, possibly, in the NDP, were wanting to shelter the President of the Treasury Board, that somehow they had no questions for the President of the Treasury Board; they were not concerned about spending levels in this country or about rising deficits. If the hon. member is saying, in effect, that she has no concern about the cost overruns which have been revealed, no concern about these rising expenditures, I think we should get the air cleared. Is it not true that we are supposed to be dealing with the President of the Treasury Board in Committee of the Whole at the present time? If so, let's get on with it.

Mr. Knowles: Mr. Chairman, I am afraid the hon. member for York-Peel is a little "off" in his understanding of what is happening.

Mr. Stevens: You speak for yourself.

Mr. Knowles: I shall tell the hon. member for York-Peel that we are now discussing in Committee of the Whole clause 2 of the bill and clause 2 provides for fractions of every estimate in the book. So any member who gets the floor can speak to any aspect of the estimates he wishes.

As opposition parties we have said we would like four ministers to be here—the President of the Treasury Board, the Minister of Transport, the Minister of Energy, Mines and Resources and the Minister of Industry, Trade and Commerce. In other words, we cannot complain if the other ministers are not here, but the member who gets the floor nevertheless has the right to speak to whatever section of the estimates he pleases. Having spent yesterday with the President of the Treasury Board we have decided that our speakers who get the floor today, in their turn, will deal first with the Minister of Transport, then with the Minister of Energy, Mines and Resources and finally with the Minister of Industry, Trade and Commerce. I believe Your Honour will have to recognize, considering what we are debating under clause 2 of the bill, that that procedure is perfectly in order, and so is the hon. member for South West Nova.

Mr. Collenette: Mr. Chairman, I wish to confirm what has been said by the hon. member for Winnipeg North Centre. I am sure the hon. member for York-Peel has inadvertently forgotten the rules.

Mr. Stevens: Oh, no. Agreements mean something over here.

Mr. Collenette: First of all, the rule is that on consideration of an appropriation bill in Committee of the Whole it is within the right of any hon. member to question any minister. The hon. member spoke about agreements. It was agreed among the House leaders that the opposition would designate several ministers whom they would like to question intensively. Yesterday, the President of the Treasury Board was here all afternoon. Other ministers were present but there were indications from the other side that they wanted to stay with the

President of the Treasury Board. I scurried around during the question period making sure that things were properly organized. The Minister of Industry, Trade and Commerce will be here at 4.30, the Minister of Transport is here now, the Minister of Energy, Mines and Resources will be here at five o'clock and remain until ten o'clock this evening to answer questions. Basically I am supporting the agreement made between the hon. member for Winnipeg North Centre, the House leader for our side and the House leader for the Conservative side.

The Chairman: Order, please. I am hoping we can minimize these comments. The hon. member for Hamilton West.

Mr. Alexander: On the point of order, I am somewhat amazed at the steps the government is taking in order to protect the President of the Treasury Board. As I understand it, and as a matter of fact, your list indicates—

An hon. Member: Question!

Mr. Alexander: Why don't you smarten up? There is no question. I am on a point of order.

An hon. Member: Arrogance. I thought you were leaving.

The Chairman: The hon. member should address his remarks to the Chair.

Mr. Alexander: Yes, I am leaving. Sometimes I have mixed emotions about that. What I noticed was this. We see the President of the Treasury Board sitting with his officials, which gives some indication that he is rarin' to go. He was prepared to go on but it is only the President of the Treasury Board who is going as far as the agreement is concerned. As I understand it, there is an agreement in existence right now that it is the President of the Treasury Board who was to be questioned today, notwithstanding what the hon. member to my left has said.

The Chairman: Order, please. With all due respect to the hon. member, the committee now has before it consideration of clause 2 of the estimates. The hon. member for South West Nova has the floor. Before the adjournment last night I understand there was an agreement, as recorded in *Hansard,* concerning the ministers who would be present today. I am not privy to any other details of that agreement except that the Chair has taken note of the fact that certain ministers, by arrangement, would be present in the House, and two of those ministers are here at the present time. It seems to me the Chair has no other course than to recognize the hon. member for South West Nova and she has the right to place whatever matters she wishes before the committee at this point.

[*Translation*]

Mr. Olivier: Mr. Chairman, I rise on a point of order.

The Chairman: I would ask the hon. member for Longueuil to be as brief as possible.

Mr. Olivier: Mr. Chairman, I will be quite brief. I merely want to remind the House that my colleague opposite when he was minister made his officials answer in committee while today he is asking the opposite. I wonder how he can do so now.

[*English*]

The Chairman: Order, please. I am sure hon. members are anxious to proceed with consideration of the estimates presently before the committee. The hon. member for South West Nova.

Miss Campbell: Mr. Chairman, I will continue my remarks concerning the upgrading of highway agreements entered into by the province of Nova Scotia and the federal government early in 1978. When I was interrupted I think I was saying—it is hard to recapture one's trend of thought—that the purpose of the agreements was the upgrading and reinforcing of the highway system in Nova Scotia and, in particular, the 100 series—101 and 103—which are directly related to South West Nova.

I would like to find out from the minister what has taken place under the agreement, how much money has been spent by the province and how much the federal government has contributed. At the same time there are many areas through the southern part of the province which are getting better highways affording better access to and from Halifax and the southern end of Nova Scotia.

Before asking further questions concerning the highway agreement, I wonder whether the minister could tell me how much has been spent, how much is to be committed this year, how much is left under the agreement, and which projects have been agreed to under the agreement for the coming season. I ask these questions as I believe we are entering the final year of the agreement. Perhaps I could have the answers before proceeding further.

Mr. Pepin: Mr. Chairman, I must admit to feeling a little solitary at the moment. I would appreciate it if my hon. friend would kindly continue her remarks as I would like to make a number of comments before proceeding to answer specific questions which she raised. So if she would do so, I would appreciate her continuing her remarks. I assure the hon. lady that I am making extensive notes.

• (1540)

Miss Campbell: I thank the minister. I hope he remembers the questions. They were about Via Rail and the amount of subsidy. On the highway upgrading agreement it was particularly with respect to the amount spent to date by the federal government in contrast to the cost-sharing agreement. In addition, what highways will be upgraded in the future, particularly as they relate to South West Nova?

I would also like to go back to the decision to go from Kingston down through the valley to Annapolis Royal. At that time there was much concern among the people in the valley—both pro and con—as to the route. Most people would like to

have a highway. I think it is an understated fact that the highway must proceed. However, at the time the decision was made it seems to me that under the agreement the decision to decide on the highway was left with the province, as it is the right of the province to make those decisions.

Is the minister aware of any environmental impact study which was done at the time? I think this came under the provisions of the environmental protection assessment, which should be done because it was a funding government agency giving money to the province. If so, were there concerns on the part of the federal government regarding environmental aspects with respect to where the highway was going?

I take it the minister's officials are coming. I would like to know what role the federal government played in the environmental study and what federal departments were involved in the environmental impact study.

I will go on to another transportation aspect which concerns me, and that is buses. About the same time that the highway upgrading agreement with the province was being entered into, the minister of transport of the day, the Hon. Otto Lang, brought forward a bus improvement plan. I would like to know what has been spent under that program—particularly in Nova Scotia—toward getting a more effective bus service.

I would also be interested in knowing what has been spent under the municipal airport improvement program which was brought in at the time.

The last thing I suppose one should talk about is transportation in the southern end of Nova Scotia. The people of Nova Scotia have always been very concerned about how to get from Nova Scotia to the United States or New Brunswick and about going to or from Halifax. Transportation has become a very important aspect in the lives of individuals in the southern end of the province.

I would like to know if the minister is prepared to proceed at this time to give me any answers. If he is not, I am sure I could go on to talk about the *Bluenose*, but before getting into the matter of the *Bluenose* I would like to get answers on the matters I have already discussed in terms of the local problems of South West Nova and the rest of southern Nova Scotia. I can talk quite a lot about transportation, but I would like to hear what the minister has to say.

[*Translation*]

Mr. Pepin: Mr. Chairman, if I may I would like first to make some very brief and general comments on the 1980-81 estimates I am introducing today. After that I shall attempt to the best of my knowledge to answer some of the questions, while officers from my department try to find the figures for each of the items referred to by the hon. member for South West Nova (Miss Campbell).

Mr. Speaker, the 1980-81 estimates for the Department of Transport show a net expenditure requirement of about $1,852 million or 3.1 per cent of the total federal government estimates, which will give an idea of the importance of the department. The $1.8 billion include $1.595 billion for the department proper and $253.7 million for the Canadian Transport Commission.

Departmental needs increased $156 million over 1979-80, or 10.9 per cent. The main increases are on personnel expenditures.

The authorized number of person-years for the department is 20,747, as compared to 21,147 for last year. It will therefore be realized that the number of my officers is decreasing. I shall make some of these points later on while answering some specific questions.

The Departmental Administration Program totals $80.9 million, reflecting an increase of $11 million over last year. The main capital expenditures in that program are for the Coast Guard College in Sydney, Nova Scotia, with a total estimated cost of $19.5 million, including $8.3 million for 1980-81.

There is also the Transport Training Institute in Cornwall, Ontario, with a total estimated cost of $61.3 million including $4.5 million on the 1980-81 budget. These two projects will be or should be completed in 1981-82.

[*English*]

The second item in my budget has to do with marine administration, and that is for an amount of $356 million. Here we have an increase of $35.4 million over 1979-80. Of this increase, $13.9 million relates to higher operating costs and $13.5 million to increases in the capital program.

There are two major projects of significance with respect to the national harbours board, of which my hon. friends are all very much aware, and those are the Roberts Bank development at the port of Vancouver and the Ridley Island development at the port of Prince Rupert. These are two very important matters which have been in the news recently, and I hope that there will be questions on them.

The third item of importance to an hon. member at whom I am looking at this moment is the air transportation program. Here we see an increase of $39.9 million over the 1979-80 estimates, but—and please notice this very carefully—the increase is mainly attributable to operations and maintenance items, mainly salaries and price adjustments. It is important to underline that fact.

I want to underline further the fact that the capital budget for the air program is $124.6 million.

I look at hon. members from the Hamilton area. That capital budget is down from 1979-80 by $3.7 million. The budget of the air program has now decreased annually since 1975-76 when the estimates level was $245 million. I want to observe that because I am developing the reputation of being rather tight and Shylockish about airport developments. It is rather useful for the Canadian public to be aware that the amounts of money in the budget are on the way down, not on the way up, so consequently when distinguished members of this assembly come up with suggestions that the number of airports should increase, that facilities should be built all over

the place and that radar should be doubled up and improved, there are limitations to that.

I do not want to cry here this afternoon on the floor of the House. It is not the right thing to do.

An hon. Member: Go ahead.

Mr. Pepin: I just want to inform hon. members. My hon. friends might ask me the reason for the reduction in the capital program on the air side. There are a number of reasons for that. First, the number of projects has been completed, and they are important ones. I am thinking about Calgary and Mirabel, built in recent years. A number of programs have been postponed because of controversy, and I am thinking about Pickering, for example, and the general restraint program of the government. So I want to emphasize this fact again to prove that it has limitations. Sometimes when I answer questions in the House I have the feeling that the demand is bottomless and ceilingless with regard to airports that could be built or improved.

● (1550)

The final section of my estimates has to do with the surface transportation program. There is a lot of money here because half of the departmental estimates are in this section. We see here an increase of $70.3 million over 1979-80, for a total of $802 million.

With reference to the speech made by the hon. member for South West Nova, $52 million is attributable particularly to Via Rail. Attributable to the payment for the urban transportation assistance program is $26.7 million, and the amount attributable to the acquisition or leasing of hopper cars is $10.8 million. These amounts are partially offset by reductions in other programs, the largest being the highway improvement program where you find reductions of $12.6 million in the Atlantic highway strengthening program, $16.5 million for the prairie highway improvement program, and $10 million for the western northlands program.

We will have somewhat of a philosophical debate here because it seems to me—and my hon. friend on the other side, the hon. member for Joliette, might agree—that there has been a developing trend in Canada according to which the two levels of government should not try, whenever it can be avoided, to do the same thing. Most of these highway development programs have to do with intraprovincial road development, and consequently hon. members will see a decline in that area, so that the federal government will have money to allocate on projects of a federal nature. It is a very difficult decision to make and I expect to be chastized occasionally by members of the House for not being sufficiently sympathetic to local situations. That is a point of constitutional philosophy or theology which one might bear in mind when criticizing the Minister of Transport.

I have a few notes on the urban transportation assistance program which is so popular with members of Parliament. It is included in the estimates with $57.7 million as compared with $31 million. The money on this one is going up. As is well known, this program provides assistance for urban transit capital projects as well as the construction of railway grade separations under the terms of the Railway Relocation and Crossing Act. Again hon. members see $57.7 million only, but the demand is unbelievable. It seems that in recent years every major municipality in Canada worth its salt has had an urban development plan, including a railway crossing, grade separation and relocation, and to do all that my department had only $57.7 million. Again I am trying to assess the possibilities in relation to the demand.

Support to rail passenger services in Canada, including assistance to employees affected by the establishment of Via Rail Canada in March of 1978, is provided for under the amount of $424.3 million, which compares with $277 million last year. There is a very substantial increase here.

I point this out to the committee so that hon. members will be in a position to assess where the money is going. Much of that money is going to Via Rail. I want to emphasize immediately the fact that, out of the $424 million, $307 million is for operations and $117 million is for capital projects. This is equipment that Via Rail is acquiring. Some of it is LRC, that is, a light, rapid and comfortable train system which has been developed by the Bombardier-MLW-Alcan group and others. I point this out in an effort to indicate where the money allocated to the Department of Transport was going.

If someone else would like to make a little speech now it would give me an opportunity to collect my notes to answer the specific and detailed questions asked by the hon. member for South West Nova.

Mr. Gamble: Mr. Chairman, my line of questioning and my comments this afternoon are directed to the President of the Treasury Board. I wonder if he could indicate whether he is acquainted with the proposal that has been made by Michael Pitfield, the clerk of the Privy Council, with respect to the employment of an electronic transfer of funds system, and if he is, does he contemplate the establishment of such a system?

Mr. Johnston: No, Mr. Chairman, I am not acquainted with that project. I do not have the information with me and, as the hon. member knows, I do not have my officials with me at present because we are alternating officials between the Department of Transport and my department. But if the hon. member would like me to obtain that information, I shall be pleased to do so within the next several minutes.

Mr. Gamble: Under the circumstances, Mr. Chairman, I would be in a position to explain some of the advantages of the proposal that has been made with respect to the implementation of the electronic transfer of funds system.

One of the most intriguing advantages of this system would be the potential elimination of what at one time the clerk of the Privy Council indicated to be in the neighbourhood of 60,000 public service positions. I am fully aware of the great reluctance of the President of the Treasury Board to speak in terms of goals or target numbers, but having regard to the fact that most of these positions might well be in the postal service

of Canada, and having regard in particular to the fact that we might be faced with a strike in the public service as it relates to the postal service, I wonder whether, under those circumstances, it might not be advisable to examine the potential use of the system.

While the President of the Treasury Board is awaiting his officials so they might acquaint him with this system, let me recount an incident which occurred yesterday in my office relating to a constituent with whom I had been dealing for about three weeks. Near the end of April this constituent was in need of a substantial refund cheque from Revenue Canada—I am sure the President of the Treasury Board is well acquainted with the delays that take place when those cheques are in issue, and he communicated with me. I had a promise from the deputy minister in Revenue Canada that my constituent would receive the refund in the mail on or before May 10. Of course, the cheque did not come and I was once again confronted with a concerned and upset constituent.

● (1600)

Thereupon I communicated again with the office of the deputy minister of Revenue Canada, taxation division, to find out the explanation; it went something like this. From and after May 23 various other government departments, dispatching much-needed pension cheques and family allowance cheques, decided that it would be more appropriate if their cheques were dispatched in a priority situation over regular revenue refund cheques. Under the circumstances they opted to use the facilities of the postal service in priority to the use of that service by Revenue Canada.

It appears that the emergency which was implanted as a consequence of the fear of a postal strike has passed and now the cheques can be issued. But it strikes me that under the circumstances the dispatch of cheques of this nature, together with the dispatch and transfer of funds generally, might well be undertaken through this system. I suggest it is incumbent upon the President of the Treasury Board to examine the implications and the apparent advantages. He should undertake to place before the House an explanation as to why, if after examination it appears appropriate and advisable, such a system is not in fact put in place.

I can well understand the concerns of some members of this House, particularly the hon. member for Winnipeg North Centre, in seeing that those people for whom he so often speaks, the pensioners, cannot receive regularly in an efficient fashion the cheques upon which they so desperately depend. It may well confront the hon. member for Winnipeg North Centre with a bit of a dilemma when he realizes that, in order to implement a system which is both efficient and effective, it may well occur that members of CUPW may not have the same numerical strength they had before.

I am reminded of a comment made by the President of the Treasury Board in the House on May 12 when he said the following:

> I have been particularly heartened to encounter in the public service of our country dedicated, competent, and responsible people who share my objective of good management and my determination to achieve it.

I recall receiving just the other day a letter from one of my constituents, a company called Con-Drain Co. Ltd. from Concord, Ontario. Earlier that company had written to me complaining about postal service which took 11 days for the transmission of a letter the great distance of four miles. Of course, I communicated directly with the Postmaster General raising my concern at the tardy mail delivery. As a result of that response, the delivery of mail deteriorated, if one can imagine it. Now I have a letter dated May 7 in which my constituent indicates the following:

> You will note that the dates on these being April 15, April 30, May 1 and May 5—

The date of the letter addressed to me was May 7. It continues:

> The first three were posted at Don Mills, the fourth and the one with the fastest service was posted in Montreal.

It took a full three weeks for the delivery of a letter. I presume these are the same people for which the President of the Treasury Board has such dedication. The state of the public service in this country is deplorable. The Auditor General has commented on that.

Earlier in the House I had occasion to direct some questions to the President of the Treasury Board with respect to this very issue. The remarkable response I received was that, as a member of the Standing Committee on Public Accounts, I would be in a position to in some way magically rectify the absurdities with which we are confronted. That is like suggesting that, as a result of something we might do here today, we can affect the outcome of the battle of Waterloo.

There is absolutely no possibility that the Standing Committee on Public Accounts, as it is presently structured under the rules of this House, can do anything but agonize over the past. The President of the Treasury Board well knows that because he was the chairman of the Standing Committee on Public Accounts in the last House.

It is no answer to praise the public service. Doubtless there are thousands of competent, dedicated, hard-working people therein, but what I fail to hear from the President of the Treasury Board is one word of condemnation for those who in fact do not do their jobs, for those who perpetrate the kind of slovenly service to which I just made reference. At some point in time the President of the Treasury Board must acknowledge his responsibility for the control of the public service in Canada and do something concrete, other than coming to the House and saying, "I find in the public service people for whom I have nothing but the greatest of praise". I know it is easy and it may be delightful for members of the House who have public servants in their constituencies to praise them regularly, but when will the President of the Treasury Board, and indeed his other colleagues, come to recognize that there is a higher good and a greater demand placed upon government by the people of Canada who are offended by the way in which they are served by the public service? We need a concrete

proposal for the way in which we ferret out incompetents and those who perpetrate inefficiency, and in fact dismiss them.

In the last Parliament I had occasion to question the chairman of the Public Service Commission. At that time I was told that before 1978 the Public Service Commission had gone to the Treasury Board with specific recommendations for rooting out incompetents and dismissing them. We discovered that it took 15 months, under the worst of circumstances, to get rid of someone who was not performing adequately. The public deserves a break, not only those who work for the government. Unfortunately when the whole public service recognizes that there is no disadvantage to being slovenly and there is no disadvantage for not performing, it becomes infectious and spreads like a cancer throughout the whole system. It is the responsibility of the President of the Treasury Board to do something about it. Quite frankly it is insulting to members of the House to have the suggestion made that the Standing Committee on Public Accounts will in some way rectify the error and solve the problem.

I now see that the President of the Treasury Board has before him the gentleman for whom he has been waiting. Presumably I may get some answers now to the first questions I asked.

Mr. Johnston: Mr. Chairman, regarding the first question that was asked, the question of electronic fund transfer apparently is being actively discussed between the Department of Supply and Services and the Canadian Bankers' Association. It would appear that the responsibility for carrying this forward rests with the Minister of Supply and Services.

• (1610)

My understanding is that before such a system can be introduced, we must await certain amendments to the Bank Act in order to pay Canadian banks for the services that would be rendered in that regard. But I cannot help but respond to some of the comments made by the hon. member. I have the impression that he was not here yesterday, otherwise he would have heard my comments with respect to management practices and the improvements which we are actively pursuing and intent on introducing. I think that any one of us is prepared to condemn any particular person who does not do his job, whether it be in the public service or in the private sector.

If I at any time left the impression that I was not critical of people who do not perform, I would like to assure the hon. gentleman that that is not what I intended. The point is that his analysis, like that of my predecessor in office, the hon. member for York-Peel, is simplistic in the extreme. The hon. member for York-Peel intended to solve the problem of efficiencies in the public service by eliminating 60,000 employees with one bold stroke of the pen. We all saw how far that program got him. We know what kind of moral problems it created and how ineffective it was as a technique of dealing with hard-working people who were wondering and asking, "When is the axe going to fall?" As a result the hon. member for York-Peel became known across this country as the "happy slasher".

I want to assure the hon. member that we have no intention of following irresponsible policies of that kind. If the hon. gentleman is concerned about agonizing over the past, which he has said he intends to do in the public accounts committee, then he should be at home in those circumstances because that is the cornerstone of Conservative philosophy—agonizing over the past.

What we are trying to do is establish sound management practices in this government for the future, to introduce the Lambert commission recommendations, to establish accountability and to be able to ferret out inefficiencies where they occur, but not at the expense of destroying what is probably what is one of the finest public services in the western world and acknowledged as such by most foreign observers. I suggest that the hon. member cease indulging in what I regard as irresponsible charges and get down to finding out what the facts are for himself. He should meet with the Auditor General, examine the studies and the methodology in order to ascertain whether the studies made by the Auditor General were appropriate under the circumstances.

The hon. member has had that opportunity, but unfortunately he was not available for a meeting with the Auditor General which I convened. I am sure, though, that he will have that opportunity before the public accounts committee, and that is the forum in which those issues should be raised.

Mr. Gamble: Mr. Chairman, I can assure the President of the Treasury Board that I was in this House and that I did hear his explanations yesterday. It is for that very reason that I raise the matter again. It seems that it is impossible for the President of the Treasury Board to bring forward anything concrete that will change the course of the history which he and his government has set for the people of Canada.

With respect to the answer which the minister gave us earlier, can he tell the House whether or not the required changes in the banking system have in fact been incorporated in the draft bill which is presently before this House? If the answer to this question is yes, as I suspect it will be, let the President of the Treasury Board explain why it is necessary to establish the cost factors that are involved in making payments to the chartered banks.

Mr. Johnston: Briefly, Mr. Chairman, I will verify the stage of the proposed amendments to permit that service to be carried forward to which I made reference, and I will report back to the hon. member.

Mr. Gamble: As I recall, Mr. Chairman, there was a direction from the Treasury Board which is dated, I believe, July 19, 1979, which penalized government departments for cost overruns. Is that program and that direction still in place?

Mr. Johnston: Yes, Mr. Chairman, it is still in place.

Mr. Fisher: Mr. Chairman, my comments and questions are directed to the Minister of Transport. I would like to speak very briefly and then ask some questions about the minister's plans for the Toronto international airport and some of the

proposals which I have heard for its expansion in the near future. I would like to begin by referring to what I consider to be a good balance between the community and the airport. The balance is somewhat uneasy whenever aircraft change their flight patterns or come in slightly lower; then the community worries. Whenever rumours start that a fourth runway will be built, the community worries. Whenever rumours start that additional pressures and additional numbers of aircraft will be used, the community worries.

On the other hand, we enjoy having the service. Our riding receives 12,000 jobs directly and all the benefits which come with them from that airport. We certainly do not want to lose those jobs or the benefits. At this stage, however, I think that the people living in Mississauga, Peel and western Toronto need some additional assurances. We have heard that additional ground level facilities will be put in place. The general manager of the airport has spoken to a couple of our community groups and outlined the various proposals.

At the time the general manager stressed that these proposals are still in the discussion stage. They include facilities for a hangar for Wardair, a possible location of terminal three, which is a passenger facility, additional aircraft taxiways and additional cargo facilities. Some time ago a commitment was made to the residents of western Toronto and Peel that a fourth runway would not be added at Toronto International Airport. That commitment was taken very seriously by local planners. They allowed homes to be built near the airport in places where the noise and the fumes were not serious. They placed industry in other less suitable, less desirable areas.

The residents who purchased homes close to the airport do not now want to live under a fourth runway. Therefore, would the minister describe in detail the expansion plans that he knows of for Toronto airport, and could he give us some assurances that these plans will not add to the growth patterns for aircraft at that airport?

Mr. Pepin: Mr. Chairman, first of all I would like to answer the questions raised by the hon. member for South West Nova. She asked a great number of questions which will require some detailed answers.

The first series of questions had to do with CN Marine. Three contracts have been approved with regard to ferries. The first contract is Digby-Saint John, which will receive a subsidy of $3.772 million. The second contract is for Yarmouth-Bar Harbour, Maine. This is a summer service and the run which is made by the *Bluenose*. The level of subsidy is $2.362 million. The third contract is Yarmouth, Nova Scotia to Portland, Maine, which is a year-round freight carrier, and has a subsidy level of $4.542 million. Those are the figures for 1980, and they are at about the same level as the figures for the previous year. I understand that there is no major change.

The second point which the hon. member raised was with regard to the operations of VIA Rail in her area. Here we have a current subsidy for trains between Yarmouth and Halifax of $1.529 million. Apparently CTC decided last fall—there is no way that I can have all these facts in my mind; I need my officials to help me—to look at the service on an experimental basis. This is presently being done and it is being handled by VIA Rail. VIA Rail is going to report with a detailed analysis of the experiment soon. It is not yet available.

• (1620)

Now we come to the third question which concerns highway upgrading in Nova Scotia. As the hon. lady said, it is a program which was initiated in 1977-78. It is a shared-cost program on a fifty-fifty basis between the Government of Canada and the government of Nova Scotia, each government putting in $32 million for a three-year period. The government have still to pay to Nova Scotia $3.57 million in 1980-81 to meet the federal commitment. A number of projects come under this program but the bulk deals with highway 101.

On the subject of environmental safeguards which the hon. member raised, this is really left to the responsibility of the provinces. No environmental commitment was made in the agreement itself, although I understand that a report on alternative routes was prepared by the province. I understand that hearings and public meetings were held in the area and that the cabinet of Nova Scotia approved the northern route and so on. The idea is that the federal government provides the money and the provincial government takes care of the environment.

The fourth area of questioning had to do with a bus program which exists in Nova Scotia. The level of support is $4 million, and $2 million has already been committed. It is my understanding that this program was dropped by the previous administration. I think there was some justification for this. Coming back to what I said a moment ago—I am being totally non-partisan—there must be a limitation to the degree of involvement of the federal government at the local level. This is not a reflection on those who have used this program. I am delighted that they found it useful but it seems to me that this may not be the best use of public funds and of the federal government as an institution.

Be that as it may, it seems to have been dropped. I am going to try to find out if, for the purpose of being honourable, we could not find some unspent money in other programs to dedicate to this particular one so that at least we will end *en beauté* without having reneged on some good federal commitments. You see how accommodating I can be, Mr. Chairman.

There was also reference to the urban transportation assistance program as a general program. I have a few words of information on that. The Nova Scotia share of this UTA program is $8.287 million. There has been one large project funded under UTAP which is now under construction. It has to do with a maintenance facility for the Halifax-Dartmouth regional transit commission; total estimated cost is $7.1 million. The federal contribution is $5.6 million. There are five other projects on Nova Scotia's primary list and four projects on their secondary list which have been given approval in principle. All this is to say that Nova Scotia appears to be making good use of the urban transportation assistance program.

The big difficulty I have, as the hon. member for South West Nova is aware, is the simple fact that this program is not funded at a level needed to proceed with the amount of work that municipalities from Vancouver to Halifax would like to see. This is regrettable but there are, unfortunately, limitations.

The hon. member also mentioned something about small airports. I do not know if she had a particular airport in mind but I thought the question was fairly general. She asked what was spent on municipal airports in Nova Scotia. I find that in Nova Scotia, for Liverpool it is $57,600; Waterville, $56,000; Digby, $80,200; Trenton, $183,100; in Debert, $60,500.

The capital funding aspect of this program was shot down in August, 1978, but the operations aspect is still alive at the level of $10.7 million. This is to support the operations at small airports. However, the capital funding no longer exists.

Members of the House who have such projects will regret this but "to govern is to choose", and there are so many major expenditures in major airports for which the federal government has stronger responsibility and which need capitalization for equipment that the federal government had to slow down its involvement in municipal airports.

Mr. Fisher: Mr. Chairman, I want to thank the minister for his answers on South West Nova. I wonder if we could come back now to the Toronto international airport. I was intrigued by the minister's comment that he has to take money away from small airports to spend on needed projects in big airports. I want to assure him that if he has to slow down expansion plans at Toronto international, then I and the residents in my area will help him do that.

I asked the minister whether the extension of ground facilities at Toronto international would lead to expanded use of the airport and greater numbers of aircraft landing and taking off at Toronto international.

Mr. Pepin: Mr. Chairman, if anybody would like to ask something else on transportation, I could collect the bits and pieces of paper necessary to give an answer to the hon. member.

Mr. Fisher: Mr. Chairman, I will add a couple more questions. If it is not possible for the minister to answer at the moment, I will be happy to wait until he is able to do so.

I am obviously concerned about the addition of the fourth runway at that airport. I should like to stress to the minister that a commitment was made, subdivisions and homes were built, local planners responded in trust to the federal commitment and home owners have purchased homes there in response. The addition of a fourth runway would be an intrusion on those subdivisions and in a sense would be a violation of trust with the home owners who accepted our commitment. It is the addition of the fourth runway that concerns me most.

● (1630)

Mr. Pepin: Mr. Chairman, the hon. member for Mississauga North has a very interesting theory, and I was delighted to hear it. It seems to be a new theory which relates the number of people living in a certain area to the number of passengers, at least the way I understood it. No? I will start again.

The straight answer is this. Extension plans are in response to normal growth of traffic only. So there is no great philosophy behind it. You have the traffic, you have the needs, they are assessed and then you build whatever needs to be built. Presumably some people would like to build for the needs at hand, for today's needs, while others who think in more sophisticated terms would like to build for what will be needed in years to come.

The Department of Transport has sometimes been accused of looking a bit too far into the future. But at the moment we cannot afford it anyway. So the first answer concerns the relationship between normal growth and capacity.

The second answer, which is the most important from the member's point of view, is that there is no study now under way concerning a fourth runway. That is one for the future. I do not know what will happen but some day when the Toronto area needs have to be met, needs which cannot be satisfied by Malton, perhaps something will be done. In the meantime, a number of studies are being done to find out how the traffic can be decongested at Malton and rerouted to other airports in the area. Some people have mentioned that Hamilton might take some of the traffic. This is the kind of thinking that appears to be going on now.

The third question asked what is being done about noise abatement. The first thing is the way a runway is oriented. That is to say, the way in which different runways are used at different times in relation to winds, the time of day and such factors. The second point, which I had already started to answer, is that there are special takeoff and departure techniques. I was given an illustration of that the other day. The third is installing a noise monitoring system. I hope this is sufficient information, but if not I will exchange correspondence with the member for Mississauga North of the type which we have already started on another subject.

The Chairman: The hon. member for Regina-Lake Centre.

Mr. Benjamin: My riding is Regina West now, Mr. Chairman. They took a lot of my farmers away from me but I am going to say something for them anyway.

I have a number of questions for the Minister of Transport and a couple of hours ago I sent a note over to him listing them. He has answered one of them.

The first three questions I would like to put to him are of a local nature, but their ramifications concern many places in the rest of Canada. First is the issue of rail line relocation. The minister knows that a few days ago my colleagues the hon. members for Winnipeg North and Winnipeg North Centre, and I believe one of the Conservatives from Winnipeg, raised the subject of rail line relocation of the CPR yards in Winnipeg. I hope that is being actively planned and prepared for. However, I hope the minister will also say that Winnipeg will

have to wait in line. Regina has been waiting for four years. There have been four announcements from two different ministers of transport committing the federal government to the proper share of the cost of relocating railway yards in Regina. Phase one is the CNR yards in northwest Regina. Everything else is held up. Funds have not been allocated.

Is any of the amount of $8,816,000 as payment under the Railway Relocation and Crossing Act in the current estimates, to go to the rail line relocation for phase one in Regina?

My second question is this: Two years ago in February or March the then deputy minister of transport for air—I do not know if he is still there or not—gave me a time frame for either the expansion or the construction of a new airport terminal in Regina of three years. Two years have gone by and nothing has happened. We are managing to get another air conditioner in the old building, but that is all that has happened. Can the minister tell me where that matter stands, when something will happen and what is the new time frame?

The third question is one which the minister and I have had correspondence and discussions about, and I know he has had exchanges with many others as well. It concerns multi-modal downtown transportation centres and the use of present CN or CP railway stations and the station property that is adjacent to those rail lines to be used as combination rail and bus terminals, airline ticket offices, city transit stops and so forth. VIA Rail has probably looked at two dozen communities from Moncton, New Brunswick right through to the Pacific ocean where this could and should be done.

In the case of Regina, this is a matter of extreme urgency. If the plan is going to proceed, Regina will have to be the first one served because the Saskatchewan transportation company, the main bus company that wants to move into a multi-modal station with VIA Rail, has been waiting three years. There has been a three-year delay in building a new bus terminal in order to be able to co-operate and join in with this one at the CPR Union Station in Regina.

Negotiations have been going on between VIA Rail and Canadian Pacific for something like 15 or 18 months. Canadian Pacific has been stalling. I am informed now that Canadian Pacific tells VIA Rail that it will only sell at book value that portion of the railway station that was used for rail passenger service at the time of the inception of VIA Rail. That is a little ticket counter, the baggage room and the walkway to the railway tracks. That is what will be let go at book value. Canadian Pacific will not let the rest go except at commercial value.

Canadian Pacific is trying to hold up VIA Rail and the travelling public in Canada to ransom again. The land on which those mainline railway stations are located was acquired for nothing. The buildings have paid for themselves two or three times over. The one in Regina was built in 1912. It is a beautiful marble building but it needs refurbishing.

There is a refusal by Canadian Pacific to co-operate on a necessary and worth-while project in many Canadian cities about which, by the way, all parties agree something should be done, including city councils, bus companies, provincial governments, chambers of commerce and labour councils. There is agreement across the board that something should be done. It is now a case that the minister and the government have to tell the CPR that it is not running this country. Will the minister now consider requesting CTC to issue an order to Canadian Pacific to turn that property over to VIA Rail at book value?

If the minister will answer those three questions briefly, I have three more for him.

Mr. Pepin: Mr. Chairman, I will try the three of them. The first one with respect to relocation is not a new one. There seems to be a running debate as to who got there first, whether it was Winnipeg, Regina or somebody else.

Mr. Benjamin: It was Regina.

Mr. Pepin: I will agree with that until someone else from Winnipeg disagrees.

Mr. Knowles: We have needed it for 25 years.

Mr. Pepin: But a number of promises or commitments—and I do not know how to describe them—were made. If my memory serves me well, the one at Regina was at the level of $16 million.

We had a conversation the other day with ministers in charge of these matters, including Mr. Smishek in Regina. I explained the difficulty that I had under the UTAP program. We suggested that he uses the UTAP program in phase one of the relocation of CN lines, and we hope that more money will be found later on when we have UTAP 2, or son of UTAP. Anyway, it was an interesting exchange of views.

● (1640)

I want to praise the government of Saskatchewan because they are trying hard to accommodate us in the same way as we try to accommodate them. My understanding is that the provincial government now has a proposal. We have to be able to reach a conclusion on that subject. I cannot be more specific today. We are trying to distribute the expenditures in such a way as to accommodate both governments.

With regard to the multi-modal transportation centre in Regina, unfortunately I do not have anything of major value to announce. Like my hon. friend, I understand that conversations are going on. I hope that CP reads me. I was hoping that some agreement would be reached relatively rapidly, but I am told that it has not yet, the approach being different. CP is hesitant to let go of the property of the whole of the station. It is willing to accommodate, but only with a section of it.

I just received a note that I will read. It is not from the other place! "The rail passenger program provides for the transfer of stations from CN and CP to VIA." This was a discussion between CP and VIA which all members understand. "Basic principles are at net book value."

[*Translation*]

Well, well, that's interesting.

[*English*]

"These matters are still being negotiated"—I have said that already—"and I hope that a satisfactory settlement will be reached". I said that too. "If not, we will look at other means." I was thinking about that. "The Regina multi-modal project is strongly supported." The hon. member for Regina West said that very well indeed. There will be more discussion on this project, interest in which is shared by a great number of people, including the present speaker. We will do whatever we can to help.

An hon. Member: You have about two weeks left.

Mr. Knowles: Don't forget Winnipeg.

Mr. Pepin: I said during question period that the president of CP Rail was coming to see me again on May 29.

Mr. Benjamin: Take your gun out next time.

Mr. Pepin: I will give him a candy bar! On Regina airport, on June 13, 1978, the Minister of Transport and Saskatchewan minister of municipal affairs announced acceptance of the recommendation of the Regina airport study. The study recommended extension of the air terminal building, land acquisition and development of the runway and a taxiway complex. The current status is this.

Action is now under way to incorporate the major changes recommended by the study into a detailed master plan for the development of the airport and this master plan is anticipated to be complete by August 1980. Meanwhile, concepts for the extension of the air terminal building have been prepared and reviewed by the airlines and the province and the required program approval documents are now being prepared. Design completion is scheduled for 1981-82, provided the necessary approvals are obtained. Construction would commence in 1982-83, with completion of the facility expected in 1984-85.

Mr. Benjamin: One quick point, Mr. Chairman. The minister referred to the use of UTAP for the rail line relocation. We must remember that the Saskatchewan allocation for UTAP is $8 million for the entire province. It would hardly be fair for the provincial government to use all of that in one place, leaving out other places in the province that require funds under UTAP.

Can the minister tell us if there has been a quick decision in the last few days or if there will be in the next few days to implement the Hall report recommendations pertaining to the Crowsnest rate and the compensatory rates, because this ties in with the whole matter of rail line rehabilitation, the upgrading of rail lines generally and obtaining more railway equipment.

According to the wire story I have, Canadian Pacific says that the three hundred and some million dollar construction project in the Rocky Mountains will remain frozen until Ottawa agrees to revise the freight rates on grain shipments. The CP vice-president went on to say that the company would not finance the project without assurances it would not have to continue suffering heavy losses on its grain shipments. If the government would implement the Hall commission recommendation on the Crow rate, that matter would be solved right then and there.

The point is that CP has again acted as though it and not the government is running the country, blackmailing the people of this country, holding us up to ransom. They have a record over the past number of years of refusing to buy railway cars, not just for grain but for other commodities. The hon. member for Medicine Hat can talk about the 50 per cent shortage of stock cars.

CP refused to rehabilitate railway cars until a previous minister of transport had to make them get involved. They refused to properly maintain their rail lines and railway equipment and to provide year round service on branch lines.

Their profits last year were something in the order of $258 million. In addition, they received another $200 million in deferred corporate taxes last year. They now owe the people of Canada almost a billion dollars in deferred corporate taxes and they will not fix their tracks. Is the minister going to allow Canadian Pacific to operate in that manner? Is he going to enforce section 262 of the Railway Act, which states that the railways shall provide suitable accommodation for all traffic offered? That means tracks, roadbeds, equipment and everything else.

The Crow rate issue hinges on this. If the government would implement Mr. Justice Hall's recommendation, there would not be a new expenditure by the government. They could quit paying branch line subsidies and paying for rehabilitation of rail lines and other subsidies. Almost all of it that would go into the difference between paying the Crow rate and the compensatory rate would be money that has already been spent on other things. Then we could make the railways perform, make them fix the tracks and buy equipment.

I would appreciate if the minister could give us a breakdown of what rail lines and branch lines on the prairies will be rehabilitated this year, CP and CN, for $71,350,000.

My final question is on the matter of the awarding of the air route from Toronto to Halifax to CP Air. Many members have received representations from a lot of groups and individuals in Nova Scotia protesting that, asking that the government reverse its decision and give it to Eastern Provincial Airways. I recall a previous minister of transport, Mr. Marchand, announcing the division of air routes. I described him as a fifteenth century pope dividing the world between Portugal and Spain. He was dividing the world between CP and Air Canada.

CP does not need this route. This award would be harmful to Eastern Provincial Airways, jeopardizing some of the local routes Eastern Provincial Airways operates at a loss, cross-subsidizing from routes that are profitable. Will the minister advise whether the government will agree to reverse the decision of the board and award the Halifax to Toronto route to Eastern Provincial Airways?

Mr. Pepin: Mr. Chairman, the hon. member referred to three subjects. The first is the statutory grain rates, the Crowsnest rates. I do not want to engage in the debate the hon. member raises on the role of CP in Canadian history. There is no way I am going to try and change his views this afternoon. I will repeat what I think I have already said about the Crow rates.

● (1650)

I am intrigued by the whole debate on Crow rates at this moment. I meet a number of people who say: Don't touch it; everything is all right as it is. I have got it from very highly placed authority that I shouldn't "mess with it". Then I get it from another side that since the Snavely report western farmers have realized that there is a problem—that the railways have been losing so many hundreds of millions of dollars a year because of the Crow rate of half a cent per ton mile. The figure of $173 million in 1979 is one which is sometimes used. Consequently people holding this view say something has to be done.

An hon. Member: Mr. Justice Hall has told you what it is.

Mr. Pepin: Mr. Justice Hall has given his views on the subject. Others have expressed views which are slightly different from his. I am told by some people to stay away and by others to come in. I think I will not resist the second invitation because it seems there is something abnormal about the way the railway system operates when it comes to grain; there must be a better way of doing it than the present one. That is generally recognized.

What is also generally recognized is that the farmers of western Canada have a right in the Crow rate, and that right must be respected. So everyone is looking for the correct formula, one which would both respect the right and permit better operation of the railway system. And that is what we are going to try to find out. A great number of people have tried to find this formula—I know I am not the first but I hope to follow them along that line.

On the subject of the situation at Eastern Provincial Airways, the situation is that an appeal has been made to me as Minister of Transport by both EPA and Air Canada under section 25 of the Transportation Act. Under that section I am supposed to allow intervenors to make representations, so we shall, of course, permit that to happen. Canadian Pacific is due to implement the decision of the Canadian Transport Commission early in July, so the objective would, of course, be for the minister to come to a decision either accepting the ruling of the commission or rejecting it before then. I should not talk about it further because it is somewhat *sub judice*.

The third question had to do with the prairie rail rehabilitation program, if I remember correctly. To give me a few moments for reflection before I answer it, perhaps the hon. member would like to continue his remarks.

Mr. Mazankowski: I was intrigued by the response the minister made to the hon. member from Regina. In connection with the Crowsnest freight rates, could I ask the minister whether it is his intention to refer this matter to a commission or to a committee of inquiry? Rumour has it that this is one of the options the government is considering. Is this a course which is actively being considered?

Mr. Pepin: To answer that question by my distinguished predecessor, let me say I really do not know what would be the best strategy, the best approach to take. Some people suggest the kind of commission to which he has referred. They even suggest names of people who might be asked to head it. Others look in the direction of something less formal, something of the type of commission I myself was connected with, the national unity group, though, possibly, less flambuoyant—a group of wise men, the "wise men" approach. And women. Wise persons. Oh, my God!

Some hon. Members: Oh, oh!

Mr. Pepin: It takes a little time. Such a body would be less formal and its job would be to listen to views, massage them and help formulate them. I must say I am attracted to that approach and I would like to know the views of the hon. member for Vegreville if he cares to teach us a bit.

Mr. Mazankowksi: I suppose I could express a view or make a comment on that subject but there are a number of other questions I wish to pose at this time. I gather from the minister's answer that he is in fact considering some kind of mechanism to review the whole subject of the Crowsnest Pass rates. Could I have a simple yes or no to that question? I see the minister responding in the affirmative.

I should like to ask another question. It involves an area of general policy or general philosophy. I note that this reference emerged when there was some uncertainty expressed about whether the Prince Rupert project was going ahead or not. In the context of that discussion the cliché "user-pay" came up. Can I ask the minister this. Does he intend to go back to the user-pay concept of a former minister of transport—the Otto Lang user-pay concept?

Also, can he tell the House whether he has given any consideration to the application of this policy with respect to the marine sector, the coastguard? What is the over-all view of the government on cost recovery with respect to the St. Lawrence Seaway? I suppose the subject extends beyond that to the area of air administration, the operation, maintenance and provision of infrastructure in connection with airports. Is the minister considering at the present time any substantial increases in user fees and landing fees in connection with airports specifically, and can he tell the committee what position he will be taking with respect to the application of the user-pay philosophy as it relates to cost recovery in the marine sector?

Mr. Pepin: Mr. Chairman, if I had wanted to be a philosopher I know what I would have done: I would have stayed in university.

Mr. Stevens: Good idea! When will you go back? You will do less harm.

Mr. Pepin: Are you serious about that? I am just trying to understand the impact of that interruption. I do not think it is funny, that's all. If the hon. member has a joke to make, he should make it on himself.

• (1700)

Coming back to the serious subject of user-pay, I was saying that I did not want to be committed firmly in favour of it or of the other. I think one cannot be. There are different circumstances which need different treatment.

With respect to Prince Rupert, I came in with an inherited situation. One of my predecessors twice removed appeared to want to implement a cost recovery approach. My predecessor once removed had given the impression that he did not want to do that but wanted the whole thing to be given a grant. That is the impression he gave, at least in western Canada. Having looked at it, having looked at the viability of this terminal and having looked also at the precedents elsewhere in matters of grain and other commodities, it seemed to me that there was room for give and take. It seemed to me that this project, Ridley Island, being a viable one—otherwise people would not go into it—deserved to be supported by way of a grant, and the amount of money involved is $22 million. However, at the same time it seemed to me the consortium could pay back by way of cost recovery the price of the wharf.

This has been done. I must say that the consortium was not too surprised when I took that approach. Maybe they expected it.

Mr. Mazankowski: It was part of the agreement.

Mr. Pepin: It was part of the agreement. I am delighted to hear it now. I am very pleased to hear it, as a matter of fact, because in many places on the west coast I am considered to be—I will not use the word—

Mr. Orlikow: It's true. Use it.

Mr. Pepin: —because I was not as generous as my immediate predecessor was. We are told now that he would have done the same thing I did, so why should I be seen as unsympathetic to western Canada because of the Prince Rupert case when my immediate predecessor has just said or appeared to be saying that he would have done the same thing I have done?

Mr. Blenkarn: You should have gone out there and said you were going to do the same thing in the first place.

Mr. Pepin: Well, I did not know.

Mr. Blenkarn: You could have talked to him.

Mr. Pepin: This was not common knowledge, and that is rather important.

Mr. Blenkarn: You should have talked about it.

Mr. Pepin: That is rather important.

The Deputy Chairman: Order, please. I might entertain the conversation later, but right now the hon. member for Vegreville is questioning the minister.

Mr. Mazankowski: I wish the minister would get around to responding to my questions direct. He has gone into a long discussion of Prince Rupert. My question did not pertain to Prince Rupert; it only arose as an example. Quite frankly, the fact is, as the minister has now indicated, that the memorandum of understanding and the press release are consistent with the agreement which has now been put in place, and I am glad that the minister has now reviewed it to the extent he has and understands it.

While the minister is responding to the question of cost recovery with respect to the coast guard and as to whether he is planning an increase in landing fees and user charges with respect to airports or an increase in an airport transportation tax, I might also ask the minister to comment on what his plans are with respect to the future of the grain transportation co-ordinator. Is the minister planning any changes with respect to the terms of reference? Is he planning to bring in legislation? Can he give the House the assurance that the present grain transportation co-ordinator, Dr. Horner, will remain in that position?

If the minister answers those questions, I might have some more questions to pose to him.

Mr. Pepin: Mr. Chairman, I am doing my very best to go at this very rapidly. I was trying to say that, to me, cost recovery or user-pay is not a point of philosophy. It is a practical thing, and each case must be assessed on its own merit. Is that clear? So, when it comes to the seaway, we have now implemented the third tolls increase on the seaway, and these lead to full cost recovery. When it comes to air fees, there will be a discussion with the companies in order to come to conclusions on that.

On the marine side it is more complex. It is more difficult to take a cost recovery approach, so again it will depend on circumstances and on the ability of the clients to pay back. However, as a general proposition I think that the idea is to try to recover as much as the circumstances permit. Why? Simply because with the money recovered great new things can be done. In view of the limitations of the Queen's purse, whenever we can get money from services duly rendered, I think it should be encouraged; but again I do not want to be tied to a philosophical approach to that, each case having specific circumstances.

On the subject of Dr. Horner, the grain co-ordinator, I have met with him a couple of times. We got along fine, and I approve 100 per cent the purpose at hand. The discussion was as to whether he needs more powers, whether his activities should be structured and incorporated in laws, and matters of that kind. I think we agreed that it is too early to say and that he will move seriatim, progressively, to find out what he needs as far as powers are concerned. If the powers that the minister can delegate to him are sufficient, so much the better, but we

have decided to take a very practical and down-to-earth approach to that. Is that sufficient as an answer?

Mr. Mazankowski: Mr. Chairman, another question which was included in that series was whether the minister could assure the House that Dr. Horner would continue as the grain transportation co-ordinator inasmuch as he is on a contract basis which expires annually.

Mr. Pepin: Mr. Chairman, as far as I am concerned, he will continue. He expressed to me his willingness—his eagerness, I was going to say—to do so, so there is no question at least in my mind, that Dr. Horner is there to stay.

Mr. Mazankowski: The minister will know, I am sure, that last year in November a very successful event took place at the Port of Churchill, the sailing of the MV *Arctic* into the Port of Churchill about two or three weeks after the season had closed. It was the intention of our government to attempt to repeat that voyage prior to the opening of the normal season at the port of Churchill and, hopefully, arrange for a similar voyage in late June or early July. Is that something which is currently under active consideration, and can the minister give us any indication as to what plans are in effect?

Mr. Pepin: The answer is a simple yes, Mr. Chairman, the ship will go to Churchill again this year.

Mr. Mazankowski: Can the minister give us more details? I understand from his answer that plans are under way. Can the minister give us an approximate sailing date? Can he give us some idea whether we have a cargo? I think these plans are important as an indication of whether in fact that voyage will take place.

Mr. Pepin: Mr. Chairman, the answer is in June, but I cannot be more specific than that. As my hon. friend is aware, there are some protests coming from rivals of the MV *Arctic* re the transportation of goods in the area. It seems that these protests will be accommodated and that there will be work for everybody. Consequently, the MV *Arctic* will not be competing unfairly against other carriers in the area.

Mr. Mazankowski: Mr. Chairman, can the minister indicate whether in fact there is a cargo secured, which would have to be done under the auspices of the Canadian Wheat Board?

Mr. Pepin: I understand that it is being actively worked on.

Mr. Mazankowski: Can the minister give us some outline as to his position or that of the government with respect to the gradual development of a deep sea fleet, a merchant marine? As he knows and I am sure would recognize, a fair amount of preliminary work has been undertaken by the previous government with respect to considering various ways and means and incentives toward the gradual redevelopment of a deep sea fleet for Canada. I think the minister knows the importance of that in economic terms and in terms of opportunities for Canada. Can he give us some indication that he will pursue, in a vigorous manner, the course of development of a deep sea fleet for Canada?

• (1710)

Mr. Pepin: Yes, I will do so as rapidly as I can. I am working now, with a lot of advice from others, on a speech which I will be giving to the national marine conference ten days from now. Of course, I have discussed this subject quite extensively with officers in my department. I think I share the view of my predecessor on the gist of the case they are making.

Until now Canada, which is a major trading company in the world, has relied on the market place to do the job of deep sea transportation. I presume this was the right policy to follow because there was competition and presumably we were benefiting from it. Not being forced to use our own ships, we could make sales in countries which had a deep sea fleet of their own and wanted to use it to carry our exports. So perhaps that was an advantage for a period of time, but I think my friend will agree that things have changed very much since then. We have seen in deep sea fishing the same kind of evolution that has taken place in general trading, that is that trade is still generally free but tends to be monopolized by governments, by groups of countries and by groups of people—the "collectivization of international trade", if I can put it this way. The same thing is happening in deep sea fishing.

The eastern European countries, the Soviet Union, have taken a very important position. Also, the developing countries in the world have staked their ground through UNCTAD and are working it out in their own best interests. The United States, because of its power in these areas, can manage to walk both sides of that street. As I understand it my hon. friend is telling me that Canada should make a major decision in these matters.

I would like to say that having seen these changes taking place on the trading side as minister of industry, trade and commerce ten years ago, I am in a good position now to see similar changes taking place in the area of deep sea shipping.

Mr. Mazankowski: Mr. Chairman, I am encouraged by the minister's response. I hope that in the course of his deliberations he will consult extensively with industry, and I am sure he will, because I think there is valued input that can be gained from that sector. I think it is very important, in taking such a quantum leap forward, for industry to be involved.

I should like to ask another question of the minister, Mr. Chairman. Can he indicate whether it is his intention to follow along the course which our government took in the establishment of a seaway advisory board or the seaway advisory council which could very well be the forerunner to a board of directors? With regard to air transportation, can the minister bring us up to date with respect to the matter of air access to western Canada by British and other European carriers, particularly Lufthansa? Clearly westerners are demanding that additional service. Clearly the British want access, and so does Lufthansa Airlines. In many respects westerners feel they are being treated as second-class citizens. The traffic is increasing

substantially and there is tremendous potential in generating additional tourist traffic.

Furthermore, it is fair to say that there is a fair amount of traffic being diverted to the United States as a result of that freedom of choice. When the minister gets to Calgary and probably meets with a very effective and efficient transportation authority in that city, he will find that a lot of business is going south of the border, which is not doing us much good. I hope that the minister will accelerate the bilaterals in that regard and will work toward opening up that access, because I think it is important for western Canada. It is clearly very important from the standpoint of the over-all Canadian economy, particularly as it relates to our tourist trade.

Mr. Pepin: First, with regard to the seaway, I must say that when I looked at the project which was left on my desk for the creation of a seaway board and possibly of a seaway advisory council which might lead to the creation of a board, I was extremely attracted to the idea. Although it will present difficulties when it becomes a board because, after all, some of its potential members will be interested parties and would have a vested interest in the operation of a seaway, I have come to agree, despite my uncertainty, to proceed through the advisory council. Since then I have had meetings with people from the industry and somewhat to my regret I have found that it might not be what they are looking for. They are looking for a direct nose to nose, belly button to belly button contact with the seaway authorities so that they can really get to know what the planning is, and so on. This is not exactly in the nature of a traditional advisory council. So I am uncertain about the idea but I am considering it.

With regard to the international air negotiations, the hon. member mentioned their importance of which I am very much aware. They are important to Canada, they are important to western Canada, they are important to Canada's national carrier and to a great number of people. So I am assigning the importance to it which it deserves to have.

Frankly, I did not think feelings in western Canada are as strong about this as my hon. friend is making them out to be. I did not have that impression. My impression was that governments and people in the three western provinces were quite willing to accept the fact that negotiations would be very difficult and that a great number of things had to be balanced, such as the interest of regional carriers, the interest of the national carriers, the concessions made in the past and the advantages to be gained in the future.

When I went to the western provinces, my impression was that people were quite willing to accept the proposition that the matter was very complex and that it needed much attention and a lot of hard bargaining. In any case, the negotiations are proceeding. Negotiations with the United Kingdom did not start off too well, and that is admitted, but I understand that difficulties have been patched up and a normal type of meeting will take place very soon, if it is not in progress now, and the others are waiting.

I realize my predecessor knows these things, but I thought I would put them on the record, at the same time, just so that other members will be aware of them.

• (1720)

The discussion in these matters goes through three phases. First, there is the conversation between the companies, between the air carriers; second, the regulators come in; and the governments come in at the end. Two main areas of Canada are now being debated from the point of view of international transporters; that is, western Canada and the Toronto area. Entry to these areas is very important to them in economic terms. We are approaching it in a very realistic, down-to-earth manner—let us see the colour of your money and we will show you the colour of ours. It is negotiation. Canadians should not be troubled unnecessarily if there is a bit of flak in these negotiations, because that is the normal pattern.

Mr. McRae: Mr. Chairman, I am pleased to be able to contribute a few words to this particular debate. It interests me, in this kind of session where we have the ministers in front of us, that we spend the first day trying to give the President of the Treasury Board a hard time on government spending, and then we spend the next day, each with our own particular plans on how we can spend some more money.

Some hon. Members: Hear, hear!

Mr. McRae: I say that in defence of the President of the Treasury Board, but I must say that he needs very, very little defence. I think he handles himself extremely well. However, I think this is as it should be. Certainly I will be talking a little bit about how we can spend money in Thunder Bay very profitably, to the advantage of the country.

I should like to address the minister on the whole subject of grain movement and particularly as it affects the port or harbour of Thunder Bay. Last summer there was one large article in the *Toronto Star* and an editorial in *The Globe and Mail* within a couple of weeks of each other. Both of them talked about grain movement and the difficulties we were having with grain movement in the country. They were long articles, long editorials and so on. They described the port of Churchill, the port of Prince Rupert, Vancouver, and the difficulties being encountered there. It was interesting that in both the editorial and the article there was not one single mention of the port of Thunder Bay, yet two-thirds of all of the grain moved through this country is moved through the port of Thunder Bay. It is just incredible that this happens.

One of the reasons it happens is because it is a very efficient port. There have virtually been no labour problems, no strikes, nothing like that, so things go on. People just forget about it; it has to be a port in trouble or something like that to get that kind of attention. I am using this time to bring that to the attention of the minister, because I think it is important to realize that at this particular point Thunder Bay is moving about two-thirds of all the grain moved through the country. It varies from second to third as the largest bulk-handling port in

Canada. It is an extremely important centre, especially in terms of grain movement.

To give an example, we have calculated that in four days through Thunder Bay we can move the same amount of grain as can be moved in the whole season out of Churchill. This is not to put Churchill down but it does focus a little bit on how this grain is actually moved and on the port that does most of it. Also we have been told by senior officials of the CPR that if it was not for the Crowsnest rates—in other words, if grain movement was handled on a cost basis—it would be considerably cheaper to move grain from each of the prairie provinces, through Thunder Bay, by ships around to the Panama canal and to Asia, than it would be to move it across the Rockies. I think this is significant information which the minister must use when he is calculating how one moves grain efficiently.

Some time ago I was involved, as many other members have been, in a railway relocation project. We were involved back in 1972, 1973 and 1974 when we were trying to get this act together so that we could have relocation in lieu of overpasses. I have stuck with this for a considerable number of years. A small study was done, financed by the last Liberal government. This rail relocation study was rather interesting so far as the city of Thunder Bay was concerned. The interesting thing was that we came to the conclusion the problem could be much better solved by looking at grain movement in the community. When we did that, we found it was not as efficient as it should be, particularly the rail side of it.

As I say, the study was based on a proposal for rail relocation, and in the study we found that really what we had to do was amalgamate the two railways, set up new yards, get rid of a diamond which was creating some serious problems, and this would achieve a great deal more efficient grain movement to Thunder Bay. I present this study to the minister not as a scheme for rail relocation, even though that is how it started, but rather as a move whereby we can improve the movement of grain in this country.

I am not asking the minister today to say what they have decided, where it stands and so on. I think that is something which must be looked at over a long period of time. But I am asking him to take a look at that $30 million to $35 million, to put that with the $700 million or $800 million for hopper cars over the next ten years, to put it with the money for double tracking, for additional sidings and all kinds of things that will be required, and say, "Look, this one fits and it is one of those things which will give us good value for our dollar". Only in that respect should it be considered.

In conclusion, I should like to make one other comment. One of the difficulties we face in this country is the kind of division we have between the east and central Canada. I should like to make a very strong plea in this House of Commons to the people of Canada to recognize the port of Thunder Bay as being basically a western port. It is the port with the access to the west. I think a good deal can be done to achieve that result. I am not in any way downgrading ports like Prince Rupert, Vancouver or Churchill, but I would hope that we can establish the fact that indeed Thunder Bay is a western port.

I have asked my community to take a look at themselves to see in what way we can begin to look at the west. I would ask the minister if he would please consider the following small proposition which I think is worth while looking at. We have a Harbour Commission which is not part of the harbours board, it is a separate entity. I would very much like to see the commission enlarged so that the western provinces felt they had a position on that Harbour Commission board.

There are several possibilities in that respect. I might suggest that each of the western prairie provinces appoint or have in some way appointed a member to the board so that we can become in truth a western port. Having lived very close to the west, I can understand the feelings that westerners have when they feel isolated and that central Canada is too powerful. I am saying to them that we in Thunder Bay have that same feeling very much in the province of Ontario with respect to Toronto. We feel very much that this big city in this "Golden Horseshoe" overpowers us. In very many ways, we must look to the west and look upon ourselves as a western port. I hope that westerners will do the same.

• (1730)

I close by asking the minister if he would seriously consider the responsibility of enlarging our Harbour Commission and working in very many ways so that the people of the west will see Thunder Bay as their harbour and so that we in Thunder Bay will look to the west as a source of our wealth. This will bring us much closer together.

Mr. Chénier: Mr. Chairman, Timmins-Chapleau over the past few years has become one of the important airports of northern Ontario with regard to passenger traffic. The area is served by Air Canada, NorOnt Air and Austin Airways. Austin Airways is the largest third level carrier in Canada, and its planes fly to the Arctic. It averages between 12 and 40 movements per day.

At the present time we rely on the Vassis system for landing aid. Over the past two years the government has invested money in the preliminary work for an instrument landing system at the Timmins airport. In the fiscal year 1979-80 land was purchased for the beacons at the three-mile site and the seven-mile site. It would appear that the ILS would be completed by 1981-82.

Also, because of the large amount of air traffic at that airport, it has been suggested to the minister that new taxi ways be built on the longer of the two runways. Because of the large number of passengers coming and going at that airport, the parking facilities at this time are very inadequate. Most of the passengers at the Timmins airport are coming or going north, and having flown those long distances there seems to be a shortage of space in the waiting room and restaurant. These were part of the projections made by the Ministry of Transport. Would the minister comment on the projections for the Timmins airport in the next two or three years?

Mr. Thomson: Mr. Chairman, I would like to direct my questions to the President of the Treasury Board. I was curious about the minister's statement which he made last night, that he was in full accord with the concept of putting forward the expenditure projections for the next four or five years. Yet he was not prepared to produce those estimates for the projections to this House. I am curious to know why, if he is in favour of that concept, he declines to provide that information to the House of Commons.

Mr. Johnston: Mr. Chairman, I think that I made it clear in other statements that I favour long-term financial planning, which requires long-term financial projections. That is what the Lambert commission recommended. I simply said that I supported that recommendation.

Mr. Thomson: That was not my question. My question is simply this: is the President of the Treasury Board in favour of presenting those estimates and, if he is, will he present them? What reason does he have for not presenting them in the House?

Mr. Johnston: Mr. Chairman, we are still in the same Committee of the Whole as we were last night. It seems to me that I answered that question completely. The question which was put to me asked whether I was in favour of long-term financial projections. The hon. member knows, as does the hon. member for York-Peel who is here with us, that the expenditure management system is dependent upon multiple year planning. It can operate in no other way. It seems to me that that has nothing to do with the issue as to whether I should be tabling expenditures or forecasts of any kind.

We are here to discuss the 1980-81 estimates. I was pleased to see that the hon. member for Vegreville at least was prepared to address some serious questions to my colleague, the Minister of Finance. It is now going into the second day and I have had officials here ready to respond to any serious questions with respect to the appropriation act in front of us, and I have yet to receive one question. I have been asked about issues, some of which should be properly addressed to my colleague, the Minister of Finance.

Mr. Thomson: Mr. Chairman, I do not see what multiple year planning has to do with the concept and failing to produce projections in the House, if indeed the minister is in favour of that concept.

Mr. Johnston: Mr. Chairman, if I may go back to yesterday's discussion, the hon. member for York-Peel asked whether I believed in the four-year or five-year forecasting program which has been suggested in such reports as the Lambert report. In reply to that question I said that I believe in four year or five-year programs. With regard to the question about tabling, I said that I was not prepared to table any such reports during the hearings before this committee.

Mr. Stevens: Why not?

Mr. Johnston: Because I am not prepared to table them. That is my right.

Mr. Thomson: Mr. Chairman, is the President of the Treasury Board responsible for expenditures, or is he not? If he is, why can he not table those projections in this House, or does he not have them?

Mr. Johnston: Mr. Chairman, it seems to me that this is a dialogue of the deaf, the deaf being the hon. members on the other side. This same question was put to me last night. I answered by saying that I favour multiple-year projections. I indicated again today that multiple-year projections are necessary for an expenditure management system.

When asked if I was prepared to table any such projections, I said that I was not prepared to table them at this time. I am not giving any commitment with respect to the tabling of those projections, because, as I pointed out, the fiscal plan is the responsibility of the Minister of Finance. The hon. member for York-Peel has made much of the fact that the former minister of finance—which he thought he then was, but it was the hon. member for St. John's West—came forward with some projections last December. I do not recall those projections being tabled by the then president of the treasury board. I may be wrong, and I stand to be corrected.

Mr. Stevens: There was a press release on January 22.

Mr. Johnston: My recollection is that these projections were tabled by the then minister of finance who was responsible for projections of that kind.

Mr. Thomson: Mr. Chairman, does the President of the Treasury Board consider himself to be responsible for all government spending or does he not?

Mr. Johnston: Mr. Chairman, it appears that the hon. member is not aware of the expenditure management system developed by the hon. Bob Andras when he was president of the treasury board. It was adopted by the previous government, the Conservative administration. The purpose of the expenditure management system is to place policy committees in a position to determine their priorities. The purpose of Treasury Board in those circumstances is to be the over-all manager of those envelopes. Treasury Board's role will hopefully change from what it has been in the past. Over-all management and responsibility for those envelopes, the monitoring of those expenditures, and the approval of the operational and strategic plans that come forward, are the responsibility of Treasury Board.

● (1740)

Perhaps the hon. member is not fully familiar with the expenditure system, although I am sure the hon. member for York Peel is. Under the new expenditure management system the intention is to place responsibility from the top down, by putting responsibility for savings in the same envelope as the responsibility for spending. Responsibility for control and ordering priorities, cutting programs and substituting pro-

grams, should, under an expenditure management system, properly operated, be within the jurisdiction of the ministers who form part of the policy committee dealing with that envelope.

Mr. Thomson: Mr. Chairman, I do not know whether the other hon. members of the House gained anything from that statement. I asked a very simple question: is the minister responsible for spending or is he not? It requires only a "yes" or "no" answer. I do not want to hear about envelopes. Is it the responsibility of the President of the Treasury Board to put a certain sum of money in the envelope and then that is all that particular minister has to spend, or is it the responsibility of some other official in the government?

Mr. Stevens: He is just a token.

Mr. Johnston: Mr. Chairman, it is perfectly clear—

Mr. Blenkarn: Be careful now.

Mr. Johnston: I require no protection as the hon. member has suggested. He requires protection from himself, Mr. Chairman. He is his own worst enemy. I would appreciate it if he refrained from any comments until he has an opportunity to question me further at eight o'clock this evening.

The expenditure plan of a government, the fiscal plan of a government, is prepared by the Minister of Finance in consultation with the President of the Treasury Board, myself.

Mr. Thomson: I take from that, Mr Chairman, that the Treasury Board is no more than a bookkeeper for all the spending that takes place in the government. In effect there is no accountability in Treasury Board for money spent; they simply account for those moneys with no control over them.

Let me go on to another matter. The Auditor General has stated that the estimates in their present form are confusing and uninformative. I am sure the minister, if he has been exposed, as many of us have been, to the form of the estimates presented to members of the House, will concur. The Auditor General has made specific recommendations with respect to the form of the estimates so that they will be presented in an intelligible form to members. We are not all accountants or bookkeepers. I wonder if the President of the Treasury Board could tell the House specifically when he intends to produce, for members of the House, the estimates in a form as recommended by the Auditor General.

Mr. Johnston: Mr. Chairman, the hon. member will be pleased to know that the new form of the estimates, absolutely essential to an adequate information system for members of the House, for the media, and for the public at large, is, I hope, now under way. The new form was recommended in a report from the public accounts committee, I believe in March, 1979. There were delays; there was an election, as hon. members will recall, in May, 1979, and it may not have been as major a priority item as it is in my mind—I should start that sentence again so there is no confusion about it. It is a major priority item with us; it may not have been with my predecessor.

In any event, the Comptroller General now has assumed responsibility for this program. I understand that we will be producing pilot projects for examination by members in, say, five specific departments, late this year. These pilot projects will give members an opportunity to assess their value. I am sure they will be pleased with the result.

I understand that in the 1981-82 year we will be presenting the same five or a number of parallel estimates showing those departments but based upon, as I recall, the prior year. In other words, they will be there in a form which will permit hon. members to make a comparison, to evaluate, and, if you like, understand the difference between the existing estimates and the new form of estimates which we hope to introduce. This has been put on a timetable. It is being monitored by my office and I shall do my best to ensure that the schedule I have indicated today is adhered to.

Mr. Stevens: It was our schedule.

Mr. Thomson: Mr. Chairman, I am delighted to hear, after many years of recommendations by the Auditor General that the estimates be presented in a readable and informative manner, that we are finally to see this.

The Auditor General also made another recommendation, that the actual expenditures be presented, as against the detailed estimates. As the President of the Treasury Board is well aware, we have here the book of estimates for the year ending March 31, 1979, and also what we actually spent for the year. The object of the Auditor General's recommendation is to match these two, so that members of Parliament will know where there is deviation, where we have overspent, and where we have underspent, and so that we can have an intelligent approach to examining the money actually spent and the estimates for the ensuing year. Could the President of the Treasury Board please tell me when he expects to have that comparative information available?

Mr. Johnston: Mr. Chairman, the project with respect to the public accounts and with respect to the same pilot project is proceeding in parallel so that there will be public accounts available for examination by comparison with the new form of estimates, following the 1981-82 year. Members of the House will be able to do as the hon. member suggests, that is, make a direct comparison between the new form of the estimates and the new form of the public accounts designed to reflect the spending done pursuant to those estimates.

Mr. Thomson: Mr. Chairman, one of the most important proposals that the Auditor General put forth was the hiring of a comptroller general. At the same time he recommended that departmental financial comptrollers be hired and placed in each department. The Auditor General said recently that the Comptroller General had completed his IMPAC program but the program could not proceed because there were no financial comptrollers in the individual departments to implement it.

Could the President of the Treasury Board address himself to that matter?

Mr. Johnston: Mr. Chairman, the office of the Comptroller General will be producing the departmental comptroller projects this year. There is no doubt that the office of the Comptroller General, which reports to me, and I, as President of the Treasury Board, are committed to proceeding with the implementation of this part of the program which is so necessary to establish proper financial controls in the various departments.

Mr. Thomson: Mr. Chairman, I do not believe the President of the Treasury Board understood my question. We need the departmental financial comptrollers in place before the program can be implemented. Are these men in place, or when will they be in place to implement the program?

Mr. Johnston: Mr. Chairman, I did understand the question. I think the issue is twofold. First, of course, is the question of finding proper and capable people to fill the role of departmental comptroller in these various departments. That in itself is a challenge. Second, of course, it is a matter of establishing and signing off action plans pursuant to all the various IMPAC studies, which are currently proceeding.

● (1750)

A departmental comptroller is a financial officer with a greater breadth of experience and discipline in certain areas than is readily available in many of the departments at the present time. The office of the Comptroller General is addressing itself to that problem, which is in part a manpower problem. We will probably be looking at it also through such programs as executive interchange and other techniques designed, hopefully, to be able to acquire some of the talent and professional disciplines needed from perhaps the private sector in order to move ahead with this very important aspect of the management control systems in departments, as the hon. member has indicated.

Mr. Thomson: Mr. Chairman, the point I am trying to get at here is that the Auditor General has stated in his report that the Comptroller General has completed his IMPAC studies and he is ready to move ahead on implementation and he does not have the manpower to do so.

The President of the Treasury Board is saying that the IMPAC studies are continuing to go on in tandem with looking for people. That is not the case as presented by the Auditor General. He is saying that the IMPAC studies are completed and now we need the people to get on with the program and to implement it, and we do not have the people. My question is: when are we going to have the people?

Mr. Johnston: Mr. Chairman, perhaps I should go back and review what the Auditor General has said. I would be surprised if he said that the IMPAC program was completed. In fact action plans have been signed off now with, I believe, seven departments and agencies. We hope we will be able to sign off approximately 25 by the end of the fiscal year.

But the point that should be borne in mind is that proceeding with many of the recommendations, new procedures and new management practices that will be called for under those action plans, can be carried forward without there being a departmental comptroller in place. Many of them do not require his presence. What I am saying to the hon. gentleman is that we are moving ahead rapidly, as rapidly as we can, with that other aspect as well. He can rest assured that I intend to give full support to the office of the Comptroller General in bringing that part of the over-all management control program to fruition.

Mr. Thomson: Mr. Chairman, perhaps the President of the Treasury Board should have a discussion with the Auditor General. In this document dated May 2, 1980, the Auditor General is talking about a discussion between himself and the Comptroller General. He said that "We discussed where his IMPAC program is now which he has had in motion for 18 months and they are ready now to go into implementation. However, they cannot implement the program because they do not have the departmental comptroller in place."

Those are the words of the Auditor General and I will be happy to supply the President of the Treasury Board with the source of the quotation. It is dated May 2, 1980.

Mr. Johnston: Mr. Chairman, the hon. member should bear in mind that that statement of the Auditor General may be somewhat dated in that progress has been made.

Mr. Stevens: It was May 2.

Mr. Johnston: The Auditor General's report that we are discussing here is the Auditor General's report for the year ended March 31, 1979. There are financial officers in all of these departments and good solid progress has been made. If the hon. gentleman wants any further information on it either here or in the Standing Committee on Public Accounts or the Standing Committee on Miscellaneous Estimates where I will be appearing, I will be glad to cover the matter in detail, or I am prepared to forward him a report. One is never satisfied with progress and improvement of management. All I can say is that we are doing, I believe, everything that reasonably can be done at this stage to satisfy the criticisms that the Auditor General has put forward.

The Deputy Chairman: The Minister of Transport is seeking the floor but time has expired.

Mr. Pepin: In the event that I am not able to be back after eight o'clock, I would like to answer a couple of questions, the first from my Siamese twin, the hon. member from Timmins-Chapleau. This is with respect to the Timmins airport. The government has recognized the need for this airport, and in the fiscal year 1979-80 $20,000 was spent to purchase land. For 1980-81, this year, $90,000 is assigned to the site preparation for the instrument landing system, and in 1981-82, $1.7 million for the instrument landing system, plus $229,000 for electronic equipment. The program should finish by 1982-83

with $613,000 for the conclusion of the instrument landing system program.

I want to thank my hon. friend from Thunder Bay-Atikokan for his positive and even enthusiastic contribution to the grain situation. He told us that Thunder Bay was in some ways part of western Canada. I was going to suggest that if referenda were more popular, he could run one in Thunder Bay to find out how people would feel about it. But seriously, I agree with him entirely. Grain is moving. The capacity is there now. Fortunately we have no labour problem at this particular moment although we had one in Churchill which was resolved a few days ago.

Thunder Bay has opened for navigation 23 days ahead of what is considered to be the normal period. The Ridley Island grain terminal on the west coast is going to be built. The grain co-ordinator is in operation. Hopper cars are now on stream. Box cars are being rebuilt and, branch lines are being rehabilitated. The CN and CP are improving their rail lines, and double tracking is taking place here and there as needed. So, this is a great situation.

Mr. Knowles: "God's in his heaven: all's right with the world."

Mr. Pepin: I think we should rejoice.

Some hon. Members: Hear, hear!

Mr. Pepin: If hon. friends on the other side want me to say that the minister of transport in the previous administration had something to do with this good climate, I will not deny that, but only under one condition, that is, that they would add that Mr. Lang was there previously and had more to do with it.

Some hon. Members: Oh, oh!

Mr. Pepin: Be that as it may.

With respect to the prairie railway rehabilitation program, to answer the hon. member for Regina West, the program for this year has now been approved and an announcement will be made in a few days on that subject.

I do not know if the hon. member from Kindersley-Lloydminster intends to take part in the debate—yes? Then I will be back at eight o'clock.

Mr. Johnston: Mr. Chairman, on a point of order, I have the report on the breakdown, as it were, of the projects on which the cost overruns that I referred to were incurred. I undertook to table such a report as soon as possible. I am prepared to table this report, but I would point out that, due to the period of time in which I had to obtain it, it is in the English language only—only the headings. It is all numbers and is a computer printout. But with the unanimous consent of members—

Mr. Knowles: Mr. Chairman, on this point of order, it cannot be tabled in Committee of the Whole. It should not be tabled until we go back into the House tonight.

The Deputy Chairman: This would have to be done with unanimous consent. It would not be tabled. It would only be filed with the committee. Is there unanimous consent?

Some hon. Members: Agreed.

The Deputy Chairman: It being six o'clock, I do now leave the chair until 8 p.m.

At six o'clock the committee took recess.

AFTER RECESS

The committee resumed at 8 p.m.

The Chairman: When the committee rose at six o'clock p.m., clause 2 of Bill C-29, an act for granting to Her Majesty certain sums of money for the public service for the financial year ending March 31, 1981, was under consideration. The hon. member for Humber-Port au Port-St. Barbe had been given the floor.

Mr. Tobin: Mr. Chairman, I have a few comments and a question for the Minister of Transport. As the Minister of Transport knows, there is presently under way in my riding a review of transportation services in western Newfoundland, the riding of Humber-Port au Port-St. Barbe. The two airports in question in this review, which the bureaucrats lovingly refer to as rationalization of air services, are Stephenville and Deer Lake. As the minister also knows, the two airports provide an air service to two different geographical regions in my riding. Because of the rural nature of the riding, the two airports became necessary in the first place.

I would simply like to say and put on the record that while I accept, encourage, and welcome a review of the air transportation service in western Newfoundland, I would like to make it perfectly clear to the minister and his department that it is my position and, indeed, the position of the vast majority of my constituents in Humber-Port au Port-St. Barbe and, in particular, the officials in both Deer Lake and Stephenville, that the two airport concept should be embraced by the Department of Transport and that two airports are necessary for the economic well-being of my riding.

Having made those few brief comments, I would now like to come to my question. A few weeks ago, Mr. Harry Steele, the president of Eastern Provincial Airways, the regional carrier that operates out of both Deer Lake and Stephenville, while addressing the Stephenville Chamber of Commerce indicated to his audience that while there is now an ongoing review process of air transportation in Newfoundland, he has inside information that the Department of Transport has already made up its mind to close one of the two airports in western Newfoundland. If Mr. Steele's comments are to be taken at face value, and I have no reason to believe them, the efforts of the Department of Transport are nothing but a farce. My question to the Minister of Transport is simply this. Has the minister or any of the officials in the minister's department

informed Mr. Harry Steele that indeed an airport will be closed in western Newfoundland? I have one supplementary question for the minister.

Mr. Pepin: Mr. Chairman, this question as to the advisability or otherwise of maintaining the two airports, namely, Stephenville and Deer Lake, is indeed with us. A quite extensive study of this area of Newfoundland will be made to gather all possible facts and figures. A decision has not yet been made. I do not know where the president of Eastern Provincial Airways got this information. I think I have discussed this before with the hon. member. There should be no doubt about our good intentions.

At the same time, this situation is not peculiar to western Newfoundland. There are a number of other cases in Canada where airports are located a relatively short distance from each other. Quite frankly, I must look at this from the point of view of possible savings. I thought I was sufficiently clear on that subject this afternoon, that is to say with regard to the limited resources which are available. I look at it, also, from the point of view of the operations of the regional carrier. I am told that, quite naturally, it costs the carrier more money to keep facilities at two airports. So I want to assure the hon. member that we go into this with the greatest of good intent, and hopefully we shall make the right decision in due course.

● (2010)

Mr. Tobin: I have one further comment, Mr. Chairman. When the president of the regional carrier operating in Newfoundland tells a public meeting that a decision has already been made in advance of a review of air service in western Newfoundland, and when at the end of this month the Ministry of Transport proposes to go to western Newfoundland, to Deer Lake, Cornerbrook and Stephenville, the towns concerned; when these people come to public meetings being held by the Ministry of Transport to express their views on air service with the preconceived notion that the ministry has already made its decision, I think we will find in these public meetings a confrontationist kind of atmosphere, with one town presenting its case against the other town, one town suggesting why the airport of the other town should close down.

So it seems to me it would be in the best interests of the Department of Transport—perhaps the minister might endeavour to do this himself—to make a public statement to the people of Newfoundland. I have done it, but I suggest the minister and his departmental officials could do it, that is, make a public statement to the effect that Mr. Steele does not speak on behalf of the Government of Canada, that he does not dictate the policy of the Government of Canada, that the question has not yet been decided, and that those who intend to take part in these hearings should do so from the standpoint that no decision has been made. It is my hope—and I will be attending the hearings—that we could end up with two airports continuing to operate in western Newfoundland. I shall be making this case. Unless the minister clarifies the issue by stating that no decision has yet been made, a situation of conflict is likely to arise where, instead of discussing air transportation in a rational, objective manner, we are likely to see two towns clawing each other to death, each trying to show why its airport should remain open and the other should close.

Mr. Pepin: I want to repeat emphatically that a decision has not been made. The inquiry is to be a proper one, objectively carried out. I would think that the hon. member, who was present during one of the conversations we had involving Mr. St. John, the deputy air administrator, gained the impression that Mr. St. John wanted this to be as objective an exercise as humanly possible. Mr. Steele, however charming and dedicated he is, obviously does not decide what the department should do. Otherwise, a number of decisions would already have been made which would be quite advantageous to EPA. Finally, through the member of Parliament for the area I would invite people to come to these hearings and attach to them all the importance which, in my view, they deserve.

Mr. Scott (Hamilton-Wentworth): Mr. Chairman, my few comments this evening will be directed to the Minister of Transport who, I trust, will attempt to answer a question of vital importance to my riding, namely, the twice-promised expansion of Mount Hope airport. Even if he cannot offer my constituents some satisfaction, as Minister of Transport, he might offer some sympathy to me as one of his own constituents because I do spend a considerable amount of time in his riding of Ottawa-Carleton. I hope he can offer me and my constituents, as I say, some satisfaction, given the utter confusion that he and his cabinet colleague, the hon. member for Hamilton East, are causing throughout the Hamilton and Niagara area. As my MP the minister is causing me no end of frustration and genuine concern in connection with this long-standing matter of the expansion of Hamilton airport.

My agitation has been compounded by what the Minister of Transport said this afternoon in one of his typical Maurice Chevalier soft-shoe routines. I am quoting from this day's preliminary transcript of *Hansard*—the minister started off by saying, and I might add, looking benignly at me, "Distinguished members of this assembly"—and I thank you for that—"come up with suggestions that the number of airports should increase, that facilities should be built all over the place, that radar should be doubled up, and improved." Then he added, "There are limitations to that." Mr. Chairman, you want to believe it! There are also limitations to the patience of the people I represent and, indeed, to the patience of those in the entire Hamilton-Wentworth region and surrounding areas with this government's stalling, foot-dragging, constant delays, and as the hon. member for Hamilton-West is fond of saying, bamboozling and flim-flamming about what should be done, about how much should be done, and when it should be done at Hamilton civic airport.

Quite frankly, I was further angered this afternoon when the minister, trying not to cry his crocodile tears on the floor of this House, told us "I expect to be chastised occasionally by members of this House for not being sufficiently sympathetic to the little local situations." Well, as one Hamilton M.P. who has duly chastised the minister, without success, I fear—

dealing with the hon. member for Ottawa-Carleton is something like shovelling smoke—I am sorry I cannot accept the minister's point, as he put it, of constitutional philosophy or theology when criticizing the Minister of Transport. I am afraid the minister's remarks this afternoon amounted to the kissing off of just about two million people in my area. He is not only breaking a commitment by the former Conservative government to upgrade and expand Mount Hope, he is also breaking a promise made by the previous Liberal government through his predecessor, the Hon. Otto Lang, reiterated recently, during the campaign and since, by his cabinet colleague, the hon. member for Hamilton East.

My question is: are our fears well grounded? Is this little local concern, as the minister puts it, in the greater Hamilton-Niagara region, really so far down on the government's list of priorities? I ask it because industry, planners, and government have to know.

Mr. Pepin: Mr. Chairman, I am obviously not getting anywhere with the hon. member for Hamilton-Wentworth and I regret that very much, because one of my greatest desires in life is to please him and all the members from the Hamilton area in particular. But what I am trying to say is this: we have every desire, every expectation, every hope of accommodating the airport in Hamilton. My distinguished parliamentary secretary referred to this the other night, as reported in *Hansard* on page 1052, of May 13:

> There is no doubt that the people of the Hamilton-Niagara-Brantford area require access to convenient and adequate air transportation service, and this government intends to see that this need is met.

I can only repeat that in emphatic terms. But before spending whatever amount of money is needed, be it $50 million or $30 million or $60 million, we have got to know more clearly what we are trying to do and what is the objective. Circumstances have changed. Promises made in the past are subject to the internationally known rule of *facta sunt servanda*—promises must be honoured. Promises must be fulfilled, but they are also subject to the other well-known international rule of *rebus non sic stantibus*. Things do change.

In this particular instance, as I have repeatedly said, we need to know more about the situation. We need to know what is the proper orientation to be given to the runway, for example. We need to know the possibility for Air Canada to move some of its services from Malton, which is surchargé—very, very busy at this time—and the possibility that some of these flights might go to Hamilton. We need to know that in order to find out what it is that has to be done and what it is that has to be spent.

● (2020)

My hon. friend would like me to repeat the two promises which have been made in the past, and I can make only one promise: that proper expenditures will be met in order to develop services at Hamilton airport.

Mr. Scott (Hamilton-Wentworth): Well, Mr. Chairman, we just received another soft-shoe routine, this time in Latin, from the Minister of Transport. He has covered about 15 points which are angering the people of the Hamilton area, and I am going to have to try to bring the minister's attention to these points.

First, one of the biggest fears in our area is that the Hamilton airport could become the Pickering that never was, a kind of international refuse dump from the congested Toronto international airport. That is what I have been jumping up and down about ever since I was elected to this chamber to try to explain to the people of Hamilton-Wentworth would not happen. We have had assurances from the previous minister of transport that indeed Mount Hope would not become the Pickering that never was. I hope the minister is not suggesting that that is what he is looking at when he is talking about Air Canada and other air carriers going into Mount Hope. I just leave that thought with him for the moment.

The other thing is that we have had many studies. We talk about the need to assess the need for an airport. The need for an airport has existed for well over a decade. The people of the Hamilton area have been demanding, crying and pleading for some sort of expansion of our ticky-tacky facilities which we, as a Conservative government, were on the very brink of undertaking. We allocated $45 million for that airport. I will get to that in a moment, but in the meantime is the minister talking about yet another study, an eighteenth study, a twenty-eighth study, a thirty-eighth study—I am not sure which—to assess the need for facilities in Hamilton?

Mr. Pepin: Mr. Chairman, I was trying to indicate to my hon. friend what needs to be done.

Mr. Scott (Hamilton-Wentworth): Another study.

Mr. Pepin: I mentioned the investigation and the discussions with Air Canada on the possibility of—and I do not want to continue—I have said it already. My hon. friend is the first man in the history of Parliament who has apparently refused the thought that the presence of the great people's airline at his airport would be a desirable objective.

Again I do not know how to deal with my hon. friend, because I am trying to be as constructive as one can possibly be. I am trying to help the progress of the Hamilton airport, but I do not seem to be able to reach the hon. member.

In his own contribution to the debate I was referring to a moment ago, he said as reported at page 1052:

> The consultant's fees of $220,000 which the Minister of Transport has mentioned, was the amount for the first stage only of the proposed development, that is, the firm conceptual design.

These are going on. What needs to be done is the assessment of what further expenditures need to be dedicated to this airport.

So, I give up, because I have tried everything.

With respect to the commitment of $45 million I do not want to go over it once again. I have done so. What appears in the books to which I have access is that this was an acceptance in principle of the project by the cabinet, so dear to my hon.

friend, of the previous government, and it had not been submitted to the rigours of Treasury Board approvals and so forth, so I can only repeat that, and I have said it already three times.

Mr. Scott (Hamilton-Wentworth): Mr. Chairman, may I challenge the minister on the last point he made first? He has made it repeatedly in this House and, with the greatest of respect to the Minister of Transport, he is dead wrong. That $45 million was in fact submitted to the Treasury Board. It did go through the rigours of Treasury Board approval. It did go through final cabinet approval. It was "go", and it was totally committed. The $220,000 that we spoke of was the first stage of the consultant's firm conceptual design. The minister is correct on that. At least we can agree on that. The $45 million indeed was allocated for Hamilton civic airport.

I might say that since the minister suggested this afternoon that it was because of the restraint program of the government that he is taking another look at these priorities, Hamilton civic airport has obviously sunk very low on the list of the government's priorities. The minister was talking about restraint. He was quite right. That was what we were looking at with a former minister of transport, Otto Lang. The present Minister of Indian Affairs and Northern Development, the hon. member for Hamilton East, talks about adhering to a $100 million campaign commitment by the Liberals of that day. We scaled that down to a $45 million expansion of Hamilton airport for a good, first-class regional facility. I wish the minister would check with his colleague, the hon. member for Hamilton East and, as I said in one of my questions, please try to get his act together in terms of what amount of money the government is willing to spend on the airport.

There is one other point I would like to raise with the minister. I have it on very good authority, and it was confirmed today by an official from Nordair, that that very worth-while regular service into Mount Hope airport may not continue for much longer. Indeed, there was a statement today before an airport committee in Hamilton that Nordair can no longer guarantee that its existing service will be maintained in Hamilton. We have here a very strange situation. As the minister has told this House, he is negotiating with Air Canada. Air Canada says it will move into Mount Hope when and as soon as there is a commitment to expand the airport facilities. However, Nordair—which, incidentally, is owned largely by Air Canada—is saying that unless it gets a commitment very soon, it will pull out of Hamilton airport. That is creating a tremendous amount of confusion, as I think the minister can understand, in the whole Hamilton area amongst civic officials, and the people in the municipalities which I have the honour to represent.

Quite frankly, I am getting fed up with the delays, the confusion and the uncertainty. The minister says he cannot get through to me but, as I say, dealing with him is like shovelling smoke. I cannot get through to him in terms of a commitment which was made not only by the previous Liberal government but also reiterated by our Conservative administration, albeit scaled down from $100 million to $45 million. Now the minister is suggesting that the whole thing be put on the back burner again, and both promises are broken. I think the minister owes this House, me, and certainly the people of the greater Hamilton-Niagara region an explanation as to when this confusion is going to be cleared up.

Mr. Pepin: Mr. Chairman, I am getting a bit fed up also, so that makes two of us. I want to repeat emphatically that the decision of the previous cabinet was a decision in principle by the cabinet, but it was not the subject of a Treasury Board decision. That is quite clear. If my hon. friend has proof to the contrary, let him bring it to the House and we will fight it out again.

● (2030)

The second point I want to make is that I am almost as dedicated as he is to the success of this project. The necessary amount of money will be allocated to it. If it is $50 million, it will be allocated. So there is no intention on my part to be disagreeable. I am just trying to be responsible, and that is the point I am making now. So whatever amounts of money need to be spent, will be spent. But first we have to find out how much needs to be spent and that is what, humbly and responsibly, I am trying to do.

With respect to the Nordair and Air Canada situation, I will take at face value what my hon. friend is saying. We will explore it, we will talk with the two companies to ensure that the possible decision of Nordair not to stay will not be taken, and that the decision of Air Canada that they might not go on if the facilities are not built will be contradicted by events.

Mr. Scott (Hamilton-Wentworth): The final point that I will make, Mr. Chairman, is that I hope the minister does not really mean what he says, as he will find when he reads back *Hansard* on the last statement, that even if the facilities are not built, Air Canada's statement not to move in there will be contradicted. I think that would be upsetting to Air Canada and certainly to the people in my area.

In terms of how much needs to be spent, may I again suggest respectfully that the minister consult with his colleague in cabinet, the hon. member for Hamilton East, to see how they can reconcile the $100 million that the Minister of Indian Affairs and Northern Development has talked about. Who knows about what amount the minister is speaking? Incidentally, in connection with the $45 million, yes, sir, I do have proof, and I can provide documentary evidence that indeed that was cleared by Treasury Board.

Mr. Pepin: Mr. Chairman, if there was such a decision, the $50 million would be in the present estimates because these are the estimates of the previous administration. So there must be something wrong with the information which my hon. friend is being given.

Miss Campbell: Mr. Chairman, I should like to turn to the supplementary estimate under Energy, Mines and Resources, in particular to the contribution to the Tidal Power Corporation for a demonstration project for a low-head hydroelectric

installation of $12.5 million. It is my understanding that the Annapolis tidal project has been discussed for several years, and I am glad to see today that we are in the process of ratifying, in the supplementary estimates before the House, part of the federal contribution to this project. The grant and contribution come under the item for energy research and technology development, and we are being asked to pass $12.5 million of a total grant of up to $25 million to the Tidal Power Corporation for a demonstration project for a low-head hydroelectric installation.

This power project at the Annapolis causeway is a hydro demonstration program initiated jointly by the federal government and the province of Nova Scotia. The Straflo turbine is a new design of a hydraulic turbine which has been awaiting since 1978 the opportunity for large scale demonstration. This hydraulic turbine has a potential for reducing considerably the capital cost of low and medium-head hydro plants in Canada, as well as improving the economics of tidal generation. At least it should provide some learning lessons on tidal power.

The federal government and the province of Nova Scotia reached an agreement to instal a demonstration project at an estimated cost of $46 million at the Annapolis causeway. Energy benefits to Nova Scotia are estimated at $17.5 million, and a federal grant of up to $25 million is being offered.

The design concept of this unit has been developed by Escher-Syss in Switzerland, and so far it has not been demonstrated at a physical scale that would prove its suitability for the larger generating unit sizes which would be employed in major tidal development or in major river installations. The primary object of the demonstration is thus to obtain its validation of the design in larger sizes and to create the degree of confidence that would allow committing major projects of this design of unit.

The advantage of this design is expected to be substantial savings in the capital cost of civil engineering work required to install the unit in hydroelectric plants, in comparison with the more conventional turbine designs that are now available.

Nova Scotia is to be commended for providing the site for this demonstration and undertaking to make a capital contribution commensurate with the energy benefits that are expected, mainly through the displacement of oil fuel that would be used in the oil production of an equivalent amount of electricity. It should be noted that Nova Scotia takes a financial risk in putting up this capital and being responsible for the cost-management of the project in the unlikely event that the demonstration is unsuccessful.

I notice, Mr. Chairman, that this project is justified on a national basis, but I wonder whether or not the project is dependent. I have been told that this project will replace 85,000 barrels of oil a year out of today's Nova Scotia use of five million barrels of oil a year. I wonder if this benefit of displacement of oil use is dependent on whether the total project is a success. In other words, there may be other aspects of the project that might not be a success due to not being able to use that turbine, but I am wondering if the project will be a success for Nova Scotia on the basis of benefits returned for the displacement of oil.

The other aspect of this funding by the federal government was that it would be given on the basis of an initial environmental assessment. Before the federal government would go along with this investment by the province and the federal government in the Tidal Power Corporation, the federal government approved the Martec assessment of environmental and other related issues involved in this project. My concern is that they gave formal approval, and since this project is in my riding, I can say that they gave the formal approval subject to four conditions which I would like to bring to the minister's attention. I should like to hear his comments on whether or not these conditions are being met by the Tidal Power Corporation. As I said, the formal approval of the project was given subject to these four conditions.

The first one was assurances that the Tidal Power Corporation will incorporate reasonable measures to limit the loss of presently productive agricultural land, including losses due to potential increased bank erosion. It is my understanding that in the month of April a survey was done on water levels.

My second question to the minister tonight is on whether we have the results of this water level survey. My understanding is that, due to the spring thaw conditions, perhaps we did not have the level of water necessary to give a full evaluation of the amount of water which would be in the basin necessary for the turbines to be fully operational. I wonder what is tied into this commitment given to the federal government from the Tidal Power Corporation, because the federal government is committing itself tonight to this money under an agreement which was signed in January during the election.

The second condition for giving formal approval to the funding of this project was to undertake, in concert with local and provincial authorities, to plan construction to minimize the strain on the local socioeconomic infrastructure. Again I should like to know whether or not the Tidal Power Corporation is following through on this.

● (2040)

The third matter was to extend a planning role to the existing local farmers' committee to work with the corporation in the planning and running of the early water level tests.

This week I spoke with one farmer who went to a lot of trouble to tile his land. During the month of April his tiles were approximately one foot under water. I am wondering if anyone went to the farmer's land during April while the testing was going on. I would like to know if the Tidal Power Corporation is following through on liaising with the farmers. I think there are about 250 marsh owners in that area.

The last request was to ensure that all reasonable steps were taken with respect to the fish ways. If the Minister of Fisheries and Oceans were here, I am sure he would realize that when one puts a tide gate or blocks any entry way, one must provide a passage way for the fish to go through. According to the concerns of the Department of Fisheries, too many fish may be caught in the turbine. The fishway should be attractive enough

and large enough to bring the fish up that way. I wonder what the force of the water will be and how the fish will manage to get up there. However, these are some of the things for which I thought formal approval was given, pending these four conditions.

I want to save a bit of time in order to get answers to my questions. I really have only two questions, on whether or not the conditions are being adhered to by the Tidal Power Corporation, and what they have done. Also I should like to know whether or not the benefit in oil displacement for electrical energy by this hydro power plant is there, regardless of whether the project is a success in terms of the use of low head turbine.

I suppose another question one would ask is whether we know of any provision for flooding, the process the flooding might take, and its effect. I think this would come under the first condition as to the water levels.

Before asking the minister to comment, one other matter which came to my attention today was a press release or a telex in which the premier of Nova Scotia seems to be using extremely strong terms concerning the decision of the federal government not to extend the western natural gas pipeline into the maritimes. Being a member of the government side, I should like to indicate that I have not heard this decision. I wonder if the minister would like to comment on the decision that the Government of Canada does not plan to extend the pipeline to the maritimes, as was indicated by Premier Buchanan in his telegram. If that is the case, then perhaps Premier Buchanan is right. But there are a couple of other items in his telex to which I would like to refer.

He implied that the Canadian Transport Commission is refusing EPA. My understanding of the application before CTC is that EPA has appealed and that a decision on the appeal has not come forth. It is somewhat unfair to allow the people of Nova Scotia to think the federal government is oppressive when the procedures have not yet been followed. The premier ended up by saying that he will be in Ottawa next week and that he will be trying to convince the federal cabinet to overturn the decision of the Minister of Energy, Mines and Resources on the recommendation of the National Energy Board. If the Minister of Energy, Mines and Resources needs any convincing, I am sure we can do it ourselves. I am sure we do not have to do it ourselves because, after all, we are as concerned as the rest of Canada as to how the energy policy will fit in across Canada.

Mr. Rae: You do not need any of the other parties at all.

Miss Campbell: Perhaps I have taken it out of context, but I think it should be read into the record. I cannot quite imagine if this is Halifax CP Press or CP Telex, but it begins by indicating that "Premier John Buchanan said Thursday"—if the term "said" is used, it has to be CP Press, or it could be CP Air. It reads as follows:

> Premier John Buchanan said Thursday the federal government's decision not to extend the western natural gas pipeline into the maritimes will greatly sour relations with Ottawa.
>
> "Nova Scotians are a rather quiet people"—

I agree; we are nice.

It continues:

> —"and we like to negotiate . . . in a friendly fashion", Buchanan said of the announcement by federal energy minister Marc Lalonde. "But I'll tell you there comes a point when we are ready to dig in our heels and fight. If the federal government of this country will not recognize the unique problems we have here in Atlantic Canada"—

I am pleased he sent this telex right now because we are about to approve a grant of up to $25 million for a project in Nova Scotia; $12.5 million will automatically go toward this tidal power project.

It continues:

> —"the unique problems we have here in Atlantic Canada, then quite frankly and honestly I think we're coming to that point right now." He said relations have already been strained because of the continuing confrontation over control of offshore resources. He also criticized the recent decision by the Canadian Transport Commission to give Halifax landing rights to CP Air, although the Nova Scotia government publicly opted for a competing bid from Eastern Provincial Airways.

Certainly everyone in this House would like to support Eastern Provincial Airways; it is an Atlantic company. But there is an appeal procedure, and we will have to wait and see.

It continues:

> Buchanan said he will be in Ottawa next week and hopes to convince the federal cabinet to overturn Lalonde's announcement, made on the recommendation of the National Energy Board.

I would like to hear the minister's comments on this matter, but in particular I should like to hear what he has to say on the Tidal Power Corporation which we are funding to the tune of $25 million, as well as the conditions given on formal approval of that agreement.

Really I am concerned about three matters. First, is the oil displacement by this project conditional upon whether or not the total project is a success in terms of a national interest? Second, have the conditions been agreed to by the Tidal Power Corporation in Nova Scotia? Third, will the minister indicate whether or not he has abandoned the idea of a pipeline going east from Quebec?

Mr. Lalonde: Mr. Chairman, first I should like to congratulate the hon. member for her knowledge of the situation concerning the tidal power project in her own area. As a matter of fact I must say that she appears to know a lot more than I do about this project, and I congratulate her for it.

I should like to make a comment on this general question. It has to do with the fact that this particular project concerning Annapolis tidal power was signed by the previous government during the election, on January 29, 1980. Indeed that agreement provided for the experiment which the hon. member mentioned. It implies a contribution of $25 million from the federal government toward a total cost of $46 million for this particular project. The plan is to have $25 million paid to Nova Scotia by the federal government in two annual pay-

ments of equal amounts, hence the reference in these particular estimates to $12.5 million. This is indeed a significant contribution to the project which is taking place in Nova Scotia. As the hon. member will have noticed, it is well above 50 per cent. This government intends to proceed—provided the House endorses this amount—with contributing to the realization of that particular project.

● (2050)

The hon. member asked a question about oil displacement. Obviously, the oil displacement possibility to which the hon. member referred will take place only if the project is a success. If the project were not a success, we would be back at the drawing board, I suspect, and the Tidal Power Corporation of Nova Scotia would be required to develop alternative techniques to use the particular development that will have taken place in the Annapolis Valley. The project is under the direction and control of the Tidal Power Corporation in Nova Scotia.

I am advised that this corporation is a provincial corporation and does not have federal government representatives on the board. The hon. member will understand therefore, that, although I would like to be as well-informed as she is about the details of this particular project, it is essentially a matter which is under the direction of the provincial government of Nova Scotia. I am advised, though, that there is a general agreement providing for federal funding and that federal officials are consulted occasionally about the evolution of this particular project.

As to the specific conditions to which the hon. member referred, I must confess that I am not aware of the details. I will inquire, particularly from the government of Nova Scotia or Tidal Power Corporation, as to exactly what they have done with regard to those conditions and as to what point they are at with regard to this matter. I will be very happy to provide the hon. member with any information I can obtain from the authorities in Nova Scotia. I can tell the hon. member that an environmental advisory board and technical committees will be established to interface with the corporation to ensure that a number of studies dealing with the environment are carried out with the best possible advice.

I am also advised that the particular corporation has committed itself to keep the local public informed and to seeking their views as planning progresses on this project. I am sure that the hon. member will not hesitate to bring this matter to my attention if, for any reason, she were not getting satisfactory information either from myself or from the provincial authority or Tidal Power Corporation.

As to the hon. member's last point concerning the gas pipeline project to eastern Canada, as she may know, and as hon. members no doubt know, by law, reports from the National Energy Board can be either accepted or rejected by cabinet, but they cannot be modified as such. We have received a report from the National Energy Board which has recommended that the natural gas system be immediately extended beyond Montreal to Quebec City. However, with regard to the other part of the project, which was an extension to the maritime provinces, the National Energy Board has raised two concerns or objections which they felt should be resolved before considering and approving the extension of the pipeline to the maritime provinces.

The first point involves environmental studies which, in the opinion of the board, have not been fully carried out by the Quebec and Maritime Corporation. It is the view of the National Energy Board that they should obtain better environmental assessments before giving consideration to the Q and M project. They have indicated that, in their opinion, the Q and M Corporation had not carried out sufficient environmental studies. Indeed, we hope that Q and M will proceed as quickly as possible to developing the necessary work in order to ensure that any extension of the pipeline meets our environmental standards.

The second point raised by the National Energy Board was to the effect that the application put forward by the Quebec and Maritime Corporation did not adequately consider potential offshore development. They also stated that there should be an extended pause in order to obtain further information about offshore potential, particularly with regard to Sable Island, and at that point it would be more appropriate to consider the application of Q and M. Then everybody would be in a better position on what would be more advisable, whether the gas pipeline should be built from Quebec City to Halifax with immediate reversible capacity, or whether in the end gas would be flowing, not from west to east but, instead, the happy development of natural gas flowing from east to west.

These are the reasons which are given by the National Energy Board in their report to the government. The government has considered that report and has accepted it. As I indicated, as a government we had the option of either rejecting the report or accepting it. We have accepted it, and this means that at least part of the pipeline, that part from Montreal to Quebec City, can be undertaken without further delay. We still consider the maritime extension of the pipeline a matter of high priority.

We indicated in the Speech from the Throne that the government favours the earliest possible construction of a natural gas pipeline to Quebec City and the maritime provinces. We indicated that we were awaiting the report of the National Energy Board on this project. Naturally, I would have been happy if the recommendation had been to proceed immediately with the extension to the maritime provinces.

I raised this issue with the premier of Nova Scotia last week and with the officials and ministers of New Brunswick. I must report that the New Brunswick government has indicated before the energy board, and reiterated last week, the concern that things are proceeding too fast and that there is no time to examine all the alternatives available to the pipeline itself. The government of New Brunswick wanted to be sure that any pipeline that was built would indeed bring to the consumers of the maritime provinces an alternative to oil, that that alternative would be the most efficient and that they would not pay

more for what they would get in the end than what they would pay for another alternative.

I also raised the possibility of a report along those lines with the Premier of Nova Scotia last week. He did not indicate at that time the feelings which he seems to have indicated in the CP story. I will certainly be happy to meet with him if he comes to Ottawa next week. I want to tell him he should realize, however, that such a project does not affect only Nova Scotia, that there are two other maritime provinces involved.

There have been some views expressed by the government of New Brunswick. I have noticed, even in Nova Scotia, that there are people who are concerned that the development which takes place be good for the consumers and workers of that province, and not just a project imposed upon the maritime provinces. I noticed, for instance, that the steel workers in Cape Breton, showed their support today for the position of the federal government by saying in effect that the Nova Scotia government should bear in mind the interests of the workers, the advisability of further coal development, and a careful examination of all the alternatives. They also said that careful attention should be given to the possibility of a substantial gas find off Sable Island.

● (2100)

As I said, this government still believes that the construction of the pipeline to the maritimes is a project that should receive priority consideration. I hope that the Q and M Corporation is going to proceed with the work that is required from it in the environmental field and that we will also be able to have further information as soon as possible concerning the possible discoveries of natural gas off Sable Island. It is our intention to try to develop ways and means to speed up explorations in this area and to try to get the relative information at the earliest possible moment, after which I hope we will get a positive report from the National Energy Board.

I hope these few comments will answer the points raised by the hon. member. I shall not comment further on the more histrionic part of the statement by the premier of her province at this time.

Mr. Skelly: Mr. Chairman, my comments tonight are again directed to the Minister of Transport. I have to say that I enjoyed some of the very humorous remarks this evening and the sort of soft shoe approach. I admit that I got lost in the fog along with the Canadian merchant fleet.

I should like to return to the topic of search and rescue on the west coast and the department's role in that particular endeavour.

An hon. Member: Two rowboats!

Mr. Skelly: Before doing that I should like to go back to an incident that occurred off the east coast of Newfoundland where 13 Dutch seamen drowned from the Dutch ship, *The Gabriella*. I would remind the minister that as the result of the tragic death of those 13 people, his government built a search and rescue base and equipped it with three helicopters. They also took some action to rationalize search and rescue in Canada. There were attempts to co-ordinate the S and R committee and things along that line.

I should like to refer to another incident which took place on the west coast of Canada in British Columbia and compare it with the incident in Newfoundland. In the two weeks over the Christmas period in 1979, just a few months ago, 42 people died as a result of the sinking of a Panamanian freighter, a fishing vessel, and a few other incidents.

One of the things that came out of this, which matches the event in Newfoundland, was the complete failure of government capability to provide a rescue platform into the area. Again, figures become a problem but, as I recall, the distress call came in about 9 in the morning. They managed to get one of the helicopters of the Department of Transport to the site at 1.15. The problem was that, after four hours in the water, any who survived the sinking were dead from exposure. The sinking of the vessel, the *Lee Wan Zing*, was a tragic event. From anything that people in British Columbia can determine, the department has done absolutely nothing about this; it has sat on the case for four months. I believe the Department of National Defence has taken what appears to be some concrete action by cutting back the search and rescue helicopter upgrading program. The minister had the courage the other day to say it was adequate and even improving!

I should like to ask the minister one very simple question. As Minister of Transport can he assure the House that the government has done nothing, or the fact that the government has done nothing about those 42 deaths has nothing to do with the fact that those people were Taiwanese seamen and Canadian Indians? Can the minister give the House the assurance that the government has done nothing and it is related to that fact?

Mr. Pepin: Mr. Chairman, my hon. friend seems to be in a pugnacious mood—"said nothing," "done nothing," and what not. I just want to repeat what I heard this morning, that the search and rescue facility is a major preoccupation of the Department of Transport and it is still a major one for the Department of National Defence. As my hon. friend knows, the first responsibility is theirs. We support that effort to the best of our capabilities.

I do not think he should emphasize so strongly that nothing is being done. As a matter of fact, in the present estimates nine vessels are being added to the search and rescue support facilities, one of them in Campbell River, B.C., a crash boat in the west Strait of Georgia, B.C., and one of them at Prince Rupert, so the effort is expanding. In a nutshell, we do the best we can with what we have, and what we have is improving. Canada is tremendously—

An hon. Member: There is money for fighter planes.

Mr. Pepin: If ever they need to use those planes, the very people who say we do not need them now would be hiding somewhere. The situation is improving and the estimates tonight demonstrate that. We are trying to improve our rela-

tionship with DND so as to make our efforts as well co-ordinated as possible and similarly with the United States, a country with which co-operation is apparently of the first magnitude. Again, with the geography we have and with the extent of our coasts as well as four inland waters, there are limitations to the quality of the job that can be done.

I am sure my hon. friend will realize that to do a perfect job for that distance would cost billions.

An hon. Member: $10 million.

Mr. Pepin: What?

Mr. Skelly: If I might elaborate, Mr. Chairman, this demonstrates the dilemma. The Minister of Transport really does not grasp the basic concept. His former colleague from Skeena had been beating away at the government for five years trying to tell them the service is totally inadequate. The minister referred to the 21 metre vessel program, but that is to meet an entirely different need. Its only capability is an inshore capability; it cannot be taken out in Dixon Entrance or Queen Charlotte Sound in extremely rough water. Also, it cannot be delivered there. A person will die in that water within 35 minutes.

There is a program that could be developed, however. There are 14 helicopters on the west coast of Canada but they are used in an erratic fashion. If they were to be moved to the Canadian forces station at Holbrook or Masset—the capability of the Sikorsky which is a perfect marine helicopter for distribution along the coast—that equipment could be moved anywhere on the coast in 35 minutes. The service could cover from Sitka, Alaska, to Port Angeles in 35 minutes.

I have had a chance to discuss this with Boeing, who handle the CH113, and with the Sikorsky people. Rough and dirty figures, estimated on the high side, are that the relocation of that equipment would cost less than $10 million. That is the high side, rough and dirty figure. If the minister does not believe my figures he can check with the companies.

The 21 metre vessel will not be adequate in a situation such as the one with the *Lee Wan Zing*. If that is not enough to impress the government and the department that vital changes have to be made now, I would remind them that Iona Campagnolo has said, as many others have, that there is a real problem. The government has missed the point completely. At any rate, I suspect it will take the sinking of the *Queen of Prince Rupert* or something of that nature to really drive the point home.

The B.C. transportation agreement is another very serious concern for the people of British Columbia. There are many Indian communities along the coast and the Minister of Indian Affairs and Northern Development will appreciate some of the dilemmas they face. A former minister of transport, Otto Lang, made an agreement with the government of B.C. as a result of which the service of Northland Navigation, which served the entire coast, was scrapped. In return, Mr. Lang approached the premier of British Columbia and gave him $8 million as a subsidy for transportation. They placed a clause in that agreement which says that the province of British Columbia agrees that in accepting the federal government subsidy as provided herein for ferry and coastal freight and passenger service in B.C. coastal waters, it will assure reasonable and adequate service and appropriate supervision thereof.

• (2110)

The *Queen of Prince Rupert*, the only vessel travelling up and down that coast, was stopped from serving the coast of B.C. on April 6. It is expected that the ferry service might return on June 1, but it will be a different vessel, the *Queen of the North*, but there is absolutely no guarantee about that.

Indian communities up and down that coast, as well as other communities, have all been cut off from services. The only way out is by air and the cost is roughly $180 return per person. The freight rates that are coming in are enormous. The government of British Columbia certainly has not lived up to the intent of that particular clause.

I would propose that the minister compare both coasts of Canada, and ignore for the moment the constitutional requirements by looking at how the federal government fulfils its transportation responsibility through a subsidy program. On the east coast of Canada a rough figure on a per capita basis is $44 while in B.C. the per capita figure is $4. Considering some of the very disruptive moves made by the minister's predecessor that have totally disrupted the service on the coast of B.C., and an example is Northland Navigation. Another area of that department that built a $1 million wharf at Bella Coola to service vessels suddenly cut the line of service off to it. The Minister of Indian Affairs, who has been pouring millions of dollars into economic development in Indian communities to solve things like massive unemployment because of the loose and ragged nature of the agreement with the government of B.C., in a sort of abrogation of reponsibility has suddenly said that that is it for nine weeks, in the middle of the fishing and tourist season.

The government of B.C. decided to close down the community of Ocean Falls, which is right smack in the middle, and it depends absolutely on that ferry service. The town was closed down. Roughly 400 people to this point in time have been laid off, and there is no ferry to haul their goods in or out. They cannot fly their goods in or out; they must be barged in at a tremendously expensive rate.

I would urge the minister to end the subsidy to B.C. In fact, stop it right now because the government of B.C. has failed to live up to that agreement. It is a strange thing for a person from British Columbia to say, but I would urge the minister to go to British Columbia, open the negotiations with that province and come to a conditional agreement that provides specifically what services will be provided to what communities and on what basis. Then, for your part, offer a fair subsidy, a subsidy which is somewhere nearly comparable to what is offered on the east coast of Canada. I would like to hear your reaction to that approach.

Mr. Pepin: Mr. Chairman, I will be fairly brief because I do not want to take the time of others.

On the first point of rescue operations, I listened carefully to what was said by my hon. friend. This will probably be looked at and analysed, and questions will be asked on the subject. Thank you very much for that particular contribution.

On the subject of ferries, my friend makes too easy a comparison between the west and the east coasts of Canada. On the west coast these are intra-provincial operations. Consequently, there was good justification for the Canadian government to make the agreement it made with B.C. so that it would exercise the normal provincial jurisdiction in these matters.

I do not think it could be constitutionally valid for the federal government, once these agreements have been made, to spend the time supervising and looking over the shoulder of provincial authorities to see if they live up to the standards of the central government. If there is some chastisement to be done, it will be done by the people of the province in one way or the other, presumably at election time. I just want to emphasize the danger of making too easy a comparison between the west coast and the east coast because these ferries on the east coast cross over provincial boundaries.

Mr. Skelly: Mr. Chairman, the point escapes me. We were dealing with a situation where the federal government was involved before. It did recognize the responsibility and now it does not. I am sure a conditional agreement would be the thing. Even the minister's predecessor in the other government said that the criticism had grown to such a level that he was seriously considering some kind of action to get conditional arrangements.

I would like to move to one other area respecting the coast of British Columbia that affects the entire coast, and it shows the philosophy of the government toward transportation. There are two small islands halfway up the coast of British Columbia, about 200 miles from each end. One is Campbell Island and the other is Denny Island. On the Campbell Island live 1,200 Indian people in an Indian community. On Denny Island, a short distance away, live 50 people.

Some years ago the Department of Transport did a study having to do with an airport on the central coast. The reasoning was that there is no facility from which a search and rescue base can operate. I think we lost 100 aircraft last year and a number of fishing boats suffered loss of life. However, if helicopters work that area, they must work out of Port Hardy, which is over 100 miles away, or alternatively, from a place called Sandspit which is a tremendous distance away and so is not effective. That area is also a major flyway, not only for geese but also for aircraft going back and forth from Alaska to the southern states. There is also a tremendous amount of Canadian aircraft using the air space but there is nowhere for these aircraft to land. As a matter of fact, a plane flying from Alaska was caught short of fuel in the middle of a storm and heavy headwinds and the pilot had to land in a school yard on Campbell Island. That is a very dangerous situation. There is nothing from Sandspit to Port Hardy.

The area has international flavour and it has search and rescue flavour. But the crazy situation is that this government has been saying that it is not its responsibility, that it is the responsibility of the government of British Columbia. On the other hand, B.C. said it is not its responsibility and will not become involved, saying it is federal responsibility. What has happened is that 1,250 people on two separate islands have started to build two airports. The Indian community is working on an airport and the other community is doing the same thing. In my opinion this is sheer stupidity. This is because the Department of Indian Affairs and Northern Development have pumped millions of dollars into the Indian community to develop economic projects there and to provide employment. The community on Campbell Island has a hospital and the RCMP. It strikes me that that would be the logical community to develop. But two airports will probably be built and waste precious, valuable resources because both governments just keep passing the buck back and forth.

I know that the federal government and the minister are very concerned about the spending of funds to provide decent services for people. However, if the federal government was to build an airport there, it would be a tremendous cost reduction for the people of B.C. and a tremendous boost to safety, as well as giving immeasurable help to the Indian community.

I would urge the minister to look at the study, to examine it once again and then negotiate a settlement so those communities can co-operate and build a second airport. I would urge the minister to support the project on Campbell Island because of population facilities and the basic need. I ask the minister to please break this impasse.

Mr. Pepin: Mr. Chairman, I do not have anything particular to contribute. This airport is looked upon as provincial responsibility and treated as such. Again, my hon. friend is suggesting for the second time that we should take over provincial responsibility, at least this is the way I read him. There are so many things to be done in B.C. and elsewhere that are clearly federal responsibility and we are satisfied with that. However, I am very grateful for the advice given by my hon. friend, particularly with respect to the previous subject.

• (2120)

[*Translation*]

Mr. Bachand: Mr. Chairman, my questions are for the Minister of Industry, Trade and Commerce. My three questions relate to the contract for the purchase of the F-18 aircraft. Here is my first question: Can the minister say whether there have been new developments since the F-18 was chosen or can he give details about the sites chosen for the establishment of two important projects, that is a General Electric plant for the manufacturing of blades and vanes that had been promised to the eastern townships, and a digital control machining centre that had been promised to Quebec?

My second question is: Is the minister still convinced the estimate of $1.5 billion of economic benefits for Quebec is realistic?

Mr. Chairman, my third question is this: Is it true that during the negotiations the PQ government minister, Mr. Duhaime not to name him, was given an opportunity to come and see the F-16 and F-18 file, and that he did not avail himself of that opportunity?

Mr. Gray: Mr. Chairman, it is my view that our analysis of the economic spinoffs for the province of Quebec of the F-18 contract is very realistic. In our view, at least 48 per cent of these spinoffs will be located in the province of Quebec.

As we are all aware, the province of Quebec holds a very important place in this government's mind as far as the avionics industry is concerned. We intend to make the Quebec component of that industry a leading sector, while strengthening the industry throughout the country.

The hon. member also asked for details on the possible sites for the turbine blade and vane plant and the digital control machining centre. I can confirm to my hon. colleague that, quite evidently, the turbine blade and vane facility will be built in the eastern townships, although the exact site has not been determined yet. I regret to give the same answer as far as the site for the machining centre is concerned.

In his third question, my hon. colleague asked whether the PQ minister was given an opportunity to consult all the data on which was based our decision to award McDonnell Douglas the F-18 contract. According to my information, those ministers were offered a briefing just before the announcement. But later they were also given an opportunity to have exchanges and discussions between our officers and those of the Quebec government.

I would like to conclude my answer by confirming that in our view, and according to our rather involved analysis, the F-18 contract is a good opportunity for the industry in the province of Quebec and Canada as a whole.

[*English*]

Mr. Crouse: Mr. Chairman, I welcome the opportunity to ask a few questions this evening. Before doing so, I would like to preface my remarks by saying that I think this is the first time in my 23 years in the House of Commons that I have seen such a distinguished panel of ministers. All four are such a temptation—

An hon. Member: Like a shooting gallery.

Mr. Crouse: An hon. member says like a shooting gallery. I am not quite sure I know where to begin. To put it in the language of the people I represent, I think perhaps in light of what I heard today someone, perhaps it falls on me, should attempt to get this government back on course. It is obvious it is off course. It has lost its sense of direction and is out there wandering around in a fog of uncertainty not knowing where it is going.

I say that because during the recent election campaign we saw some pretty heavy brass. We had more Liberal brass in Nova Scotia—some could have come to see me, but they did not, they went to see others—than we have flotsam and jetsam along the coast. There was a lot of talk about energy, a lot of talk about oil, and we even had a lot of gas down that way. Before I place my question—

An hon. Member: Ask your question.

Mr. Crouse: I have 20 minutes sir. You had the same amount of time. I think I can use it any way I choose. I hope I am correct. The Minister of Energy, Mines and Resources indicates that I am correct. I read from the Halifax *Chronicle-Herald* of Saturday, February 2:

> In the most major speech of the campaign to date, in Halifax last Friday, the Liberals through their leader Pierre Trudeau presented the Liberal's energy program for the 80s. A program designed to achieve energy security at a fair price for all Canadians. The Liberal program featured the following seven major commitments.

I will not read them all because the Liberals are well aware of them, even though they are not introducing them. One reads:

> Liberals realize Canada needs to substitute plentiful resources such as natural gas for the energy resources we are short of like oil. Therefore under "Made in Canada" policies, natural gas will not be pegged to rising international prices. It will be set at a lower made-in-Canada level to encourage people to switch. Massive exports as those endorsed by Joe Clark would be thoroughly investigated so Canadians would always have first claim to their own natural gas resource.
>
> There would be a natural gas pipeline to ensure all Canadians access to their resources.
>
> Liberals would take immediate action—

I hope the Minister of Energy, Mines and Resources listens carefully to this.

> —to begin negotiations for construction of a natural gas pipeline to Quebec City and the maritimes. Initially it would carry natural gas east but when maritime supplies are ready, the pipeline would be like a natural gas railroad with a return delivery facility as well.

On the same date the Prime Minister appeared in Halifax. I read just a short excerpt from his speech:

> But in order to switch, people must have access to gas. Nowhere is access needed more than in eastern Canada. I am announcing today, as part of our program, that a Liberal government will take immediate action to ensure the full co-operation of all parties in the construction of a natural gas pipeline to Quebec City and the maritimes. The pipeline will have reversible capacity—

I presume this was made with the full knowledge of the National Energy Board.

> —so that maritimers will have the opportunity, both to use western natural gas now and to send offshore gas to central Canada later. Like the railroad in the 1880s, energy pipelines in the 1980s have the potential to be a steel link uniting the nation.

That is a very fine promise, a very fine pledge. For a starter, I would like to ask the Minister of Energy, Mines and Resources how does he reconcile his speech today with the undertaking, firm pledge and promise made by the Prime Minister in Halifax.

Mr. Lalonde: Mr. Chairman, I am very happy to have the opportunity of answering the question raised by the hon. member. I am glad to see that he is such a faithful reader of Liberal policy. Indeed, he read exactly and quite accurately the statement of the Prime Minister.

As I indicated, this government believes that a gas pipeline extending all the way to Halifax and Cape Breton is a matter of high priority. We stated in the campaign, as the hon. member read, that a Liberal government would take immediate action to ensure the full co-operation of all parties in the construction of a natural gas pipeline to Quebec City and the maritimes.

As soon as we received the report from the National Energy Board, immediate consideration was given to it in cabinet. After extensive consideration of the matter in cabinet, a decision was rendered today to accept the conclusion of the Energy Board report as a first and major step in the realization of the full pipeline about which the hon. member talked.

● (2130)

The hon. member will realize, once he has had an opportunity to consult, the reasons for the decision of the National Energy Board. I recommend to him particularly pages 6-127, 8-49, and 11-6. He will see, for instance, that the government of New Brunswick, as I indicated, has expressed some concern about, in particular, the environmental and economic aspects of this project. The Energy Board has suggested, as I have indicated, that further examination be made of the environmental aspects of this project and also that consideration be given to the economics of offshore natural gas. As far as the government is concerned we are asking Q and M to carry on those environmental studies as expeditiously as possible so the people of the maritimes are assured that there will not be serious damage to the environment by the construction of this project.

In the second place, we intend to study ways and means, with the corporations concerned, to determine whether the exploration off Sable Island could not be accelerated in order that as soon as possible we might be in a position to make a final decision on the realization of the whole pipeline. We are determined there will be no lessening of our drive to convert Atlantic Canada from oil, but we want to do this in co-operation with all the provinces concerned—I do not think we should run roughshod over any province in a matter as important as this. We should also make sure that this is the best decision for the residents of the maritimes.

As I said, we are attaching a very high priority to this question. We are determined that the pause which is being requested by the Energy Board will be as short as possible, and we intend to do everything we can to see to it that the short time taken in obtaining the information which is required will not result in a delay in scheduled delivery of natural gas to the maritimes.

Mr. Crouse: I thank the minister for that answer. For his information, I have been reading the National Energy Board's decision of May 15. There are some interesting contradictions in that report as, I am sure, he will agree. For example, I find one on page 11:

> The board wishes to stress that Q and M has not satisfied the Board that the pipeline could be constructed in an environmentally acceptable manner.

I could not help but wonder why this would be so. Then again, I note at the bottom of page 11-10:

> The board believes that the evidence adduced on offshore resources raised significant uncertainties as to the configuration of the Q and M pipeline and the board is not satisfied that the pipeline facilities proposed to be built and operated by the Q and M are and will be required by the present and future convenience and necessity.

That statement raises considerable doubt in my mind, despite all the promises made by the Prime Minister and the minister of energy, that we shall ever see this natural gas pipeline in Halifax. So I should like to know, and perhaps the minister can give me an idea, how many millions he estimates it will cost to cushion Nova Scotia's electricity costs against rising oil prices, say, for the next seven or eight years, since we are dependent on expensive foreign oil for the generation of something like 70 per cent of the energy required by industries in Nova Scotia. How much does the minister estimate this is likely to cost, and where does he believe the money will come from?

Mr. Lalonde: On the subject of the pipeline itself, the hon. member has quoted a certain section of this report, but I might point out that the report goes on to mention that the information obtained from the east coast offshore areas should determine what type of pipeline ought to be built later on. As far as the environment is concerned, the hon. member was wondering on what basis the Energy Board was making its conclusion. Surely, it was making it on the basis of the evidence which it had received. But it is interesting to note that on page 6-127 ten different, specific areas are mentioned about which the board is requesting Q and M, the Quebec and Maritime Corporation, to come up with environmental studies and additional information. So there are numerous areas where it appears to the board that further environmental information is required.

As to the point raised by the hon. member concerning oil-generated electricity, he is quite right in saying that the cost is high. He mentions that the high costs result from the need to import oil supplies. However, I am sure he knows that this imported oil is paid for by all Canadians, thanks to policies established by a Liberal government in 1974. Consequently, Canadians are paying for their oil a price which is well below the world price or the international price or the price of imported oil, and the citizens of Nova Scotia are benefiting from this national policy of a single price for all Canadians below the world price. We have fought for this policy. We campaigned in the last election for this policy, and I hope we will get the support of the hon. member's party, or, at any rate, of members of his party coming from the maritimes, for our policy which aims at establishing a price in Canada which is not tied to world prices.

Nonetheless, even at prices which are lower than world prices, the production of electricity from oil in Nova Scotia is expensive. The hon. member asks how much it costs. That will depend, obviously, on the forecast of prices he makes. It will depend mainly on the kind of agreement we can get with the government of Alberta. I can tell him that at my last meeting with the government of his province, the government of that province presented me with a potential bill of $555 million representing federal subsidies they would like to obtain over the next seven years solely for the cushioning of the cost of its oil-generated electricity and helping in the transformation from oil. This is over half a billion dollars for the province of Nova Scotia alone.

At that time I indicated that indeed this was a matter we were ready and willing to look at, because it is essential that the electricity produced in Nova Scotia be "off oil" but obviously the federal government needed to have the resources from any future oil agreement which would allow it to help a province like Nova Scotia.

Mr. Crouse: Basically, what the minister has told the committee tonight is that when campaigning, and this includes all the Liberals who campaigned in Nova Scotia, he and his colleagues were aware, as the Prime Minister must have been aware, of the views of the National Energy Board as they apply to this problem. In effect they railroaded the people of Nova Scotia with that promise. I stress the point that there is no equivocation in that speech by the Prime Minister. The words are: "We will immediately bring that gas pipeline to Halifax". That is the statement, and it has been indicated tonight that it was nothing more than an election promise.

● (2140)

I will go on to two other questions. I have more if my time permits, but I would like to ask the Minister of Energy, Mines and Resources if he is prepared at some future time to indicate to the National Energy Board, in support of a re-application of Q and M, that he is prepared to subsidize the cost of the transmission of gas to the maritimes in the same way that the government now subsidizes domestic oil shipped to Montreal.

I do not want to ignore the entire panel, so while I am on my feet I would like to leave one with—somebody is calling out "stop". If he does not wish to participate in the hearings here this evening, he is free to leave or he is free to rise and seek to ask a question. I do not like being interrupted, and if the hon. member would stand and indicate who he is—

The Assistant Deputy Chairman: Order, please. The hon. member for South Shore has the floor.

Mr. Crouse: Thank you, Mr. Chairman. I hope you will keep the rabble on the other side quiet because this is a committee—

An hon. Member: Shut up.

Mr. Crouse: He says I should shut up, Mr. Chairman. I think you should ask him to withdraw that. That is not being very parliamentary or constructive.

Mr. Munro (Esquimalt-Saanich): Out, Olivier.

Mr. Crouse: Yes, perhaps he should leave because he is suffering from pain in the belly or something.

I have a very simple question for the President of the Treasury Board. Would he give us an update on the privatization program for certain Crown corporations? Maybe I could have both of those answers in sequence.

Mr. Lalonde: Mr. Chairman, first, I am sorry that the hon. member has distorted so obviously the statement that he himself quoted at the beginning of his own intervention. He read it into the record, and I am sure the public will be able to see his statement for what it is, a straight distortion of a statement made by the Prime Minister. The statement he just made is completely false, and he should withdraw it.

When the hon. member reads *Hansard* tomorrow he will see that the words he read into the record were not attributed to this party or to the Prime Minister. The Prime Minister said, and I quote again for the record, in case the hon. member forgot what he himself read, "A Liberal government will take immediate action to ensure full co-operation of all parties in the construction of a natural gas pipeline to Quebec City and the maritimes".

Mr. Crouse: That's right.

Mr. Lalonde: That is on the record. That is what we stand by, and that is our commitment. We are not welshing or withdrawing from that.

Some hon. Members: Hear, hear!

Mr. Lalonde: Indeed, in order to ensure the full co-operation of the parties concerned, I have already consulted with the governments of Nova Scotia and New Brunswick, and I have already reported to this House on some of the issues and the problems.

The hon. member should remember that in January and February his party was in office. He must have remembered that, although he may not have had the chance of participating very much in that government.

An hon. Member: He was in New Zealand.

Mr. Lalonde: I am advised that he was in New Zealand at the time, but I do not think it is true. He was campaigning in his riding like an honest candidate.

Mr. Crouse: I am still here.

Mr. Lalonde: However, how dare he say to this House that we knew what was going on at the National Energy Board and what the conclusions of the National Energy Board were? The National Energy Board was either still holding its hearings or was considering the evidence. We were in the opposition. I

hope even the government of the day was not made aware of the current deliberations of the National Energy Board. That would have been quite improper and incorrect. We were acquainted with the conclusions of the National Energy Board when the National Energy Board report was given to the government some time in April. The cabinet since has had time to read the report, examine it and weigh its arguments, and we have come to the conclusion that the best way to ensure progress in the realization of the whole projet is to endorse and accept the report of the National Energy Board because, as the hon. member knows, our choice under the law is either to accept or reject that report.

By accepting it, we are ensuring that at least part of the line is going to be built. It will reach Quebec City.

As soon as it is finished and if the National Energy Board, after having held hearings, comes with further recommendations, and if Q and M makes a further application and there is a positive recommendation, I hope the cabinet would endorse it, and we would be in a much better position to realize the full line in time for the people of the maritimes to benefit from the realization of this project. That is our approach, that is our policy, and I believe it is a very honest, realistic and reasonable approach to this issue. In his last intervention I do not think the hon. member interpreted the situation adequately or fairly.

Mr. Johnston: Mr. Chairman, the hon. member for South Shore has asked me to provide an update, as I understand it, on the so-called privatization plans which, as many hon. members will recall, were initiated back in 1976 by the Liberal administration, the idea being to examine certain Crown corporations and also certain operations of government which might be susceptible to transfer to the private sector.

As I recall, deputies were asked to identify certain areas, and a number of corporations were on the list and were being reviewed prior to the change of government. I just say that because I believe my predecessor, the hon. member for York-Peel, often portrays himself as being the father of privatization, which he is not.

In any event, my predecessor did commission a review of five Crown corporations and the evaluation of those corporations by independent consultants, being First Boston Corporation and A. E. Ames. The corporations in question which were the subject of those studies were the CDC, de Havilland, Canadair, Northern Transportation and, I believe, Eldorado. We have received a preliminary evaluation of the CDC from A. E. Ames, and we expect to receive further evaluations within the very near future on all of these five Crown corporations.

With respect to what steps we have taken, we have taken none other than to wait for these reports to come to us, and also to suspend—but not disband—the advisory committee, which was appointed by my predecessor, under the chairmanship of Mr. Derek Hannaford.

The matter has not been abandoned, but it is not an idealological issue with us on this side of the House. We look at the question of privatization in the whole context of achieving greater efficiency in government.

[*Translation*]

The Assistant Deputy Chairman: Order, please. It being 9.45 p.m., pursuant to the terms of the order made Tuesday, April 29, 1980, it is my duty to put forthwith—

[*English*]

Mr. Baker (Nepean-Carleton): Mr. Chairman, I rise on a point of order. I wonder if there would be a disposition for the House to continue a little further with the examination. I note that it is not ten o'clock. I know what the Standing Orders are, but I wonder if there might be a disposition to allow the hon. member for Kindersley-Lloydminster, who has been very patiently waiting, to ask questions of the ministers. I wonder if the ministers, now that they are here with their officials, would accommodate him.

The Assistant Deputy Chairman: The hon. member for Nepean-Carleton seeks the unanimous consent of the House to carry questioning on for some time.

[*Translation*]

Mr. Pinard: Mr. Chairman, I am surprised by the request made by my hon. colleague. I would like to accommodate him, but if I create a precedent by accommodating one of my colleagues, whom I respect very much, I would place myself in a very bad position because several members who wanted to speak have not been able to do so precisely because the time allotted is rather limited, even though we must admit that we have had a very good day's work. In view of the circumstances, I would not like to be unfair towards other members. Yesterday, I stated unequivocally that I considered all members on both sides of the House as equal. I believe I would be going against this principle if I allowed an opposition member to speak, without doing the same for my colleagues who would like to do so and without the House being able to adjourn before midnight, or else very late this evening. There has been an agreement, and all I want to do is keep to it. Next fall, there will be days when the House will sit in Committee of the Whole, sometimes until midnight. I believe we have been more than reasonable, and I am convinced that my hon. colleague will understand the position I am taking this evening in the name of fairness, and I call on his good judgment to understand my attitude.

• (2150)

[*English*]

Mr. Waddell: Mr. Chairman, with respect to the remarks made by the previous speaker, the difficulty consists just of choosing one member and not being fair to other members. Perhaps the minister might consider the committee sitting until eleven o'clock, taking the chance that many members can be heard. It is very difficult for us to find a chance to ask the ministers questions, other than the brief ones during the question period. We have the ministers here and their officials

are here, the hockey game is probably over, so there is no reason why we could not continue sitting in the interest of examining some of the estimates further until eleven o'clock. I would ask the minister to consider that.

The Assistant Deputy Chairman: Order, please. The hon. member for Nepean-Carleton put the question as to whether there might be unanimous consent to continue. Is there consent?

Some hon. Members: Agreed.

Some hon. Members: No.

The Assistant Deputy Chairman: Clearly there is not unanimous consent.

It being 9.50 p.m. it is my duty, pursuant to an order made on Tuesday, April 29, 1980, to put forthwith every question necessary to dispose of the Committee of the Whole stage of the bill.

Shall clause 2 carry?

Some hon. Members: Agreed.

Mr. Baker (Nepean-Carleton): On division.

Clause agreed to on division.

The Assistant Deputy Chairman: Shall clause 3 carry?

Some hon. Members: Agreed.

Some hon. Members: On division.

Clause agreed to on division.

The Assistant Deputy Chairman: Shall clause 4 carry?

Some hon. Members: Agreed.

Some hon. Members: On division.

Clause agreed to on division.

The Assistant Deputy Chairman: Shall clause 5 carry?

Some hon. Members: Agreed.

Some hon. Members: On division.

Clause agreed to on division.

The Assistant Deputy Chairman: Shall clause 6 carry?

Some hon. Members: Agreed.

Some hon. Members: On division.

Clause agreed to on division.

The Assistant Deputy Chairman: Shall schedule A carry?

Some hon. Members: Agreed.

Some hon. Members: On division.

Schedule agreed to on division.

The Assistant Deputy Chairman: Shall schedule B carry?

Some hon. Members: Agreed.

Some hon. Members: On division.

Schedule agreed to on division.

The Assistant Deputy Chairman: Shall schedule C carry?

Some hon. Members: Agreed.

Some hon. Members: On division.

Schedule agreed to on division.

The Assistant Deputy Chairman: Shall schedule D carry?

Some hon. Members: Agreed.

Some hon. Members: On division.

Schedule agreed to on division.

The Assistant Deputy Chairman: Shall clause 1 carry?

Some hon. Members: Agreed.

Some hon. Members: On division.

Clause agreed to on division.

The Assistant Deputy Chairman: Shall the preamble carry?

Some hon. Members: Agreed.

Some hon. Members: On division.

Preamble agreed to on division.

The Assistant Deputy Chairman: Shall the title carry?

Some hon. Members: Agreed.

Some hon. Members: On division.

Title agreed to on division.

Bill reported, read the third time and passed.

[*Translation*]

Mr. Olivier: Mr. Speaker, I rise on a point of order.

The Acting Speaker (Mr. Blaker): The hon. member for Longueuil (Mr. Olivier) on a point of order.

Mr. Olivier: Mr. Speaker, excuse me for troubling you. I would like to inquire about the Standing Order. Is it customary to pass $20 billion when there are exactly 20 members opposite in the House? The opposition is away.

[*English*]

The Acting Speaker (Mr. Blaker): When the hon. member rises on a point of order, I assume it is an appeal to the rules. I do not think the hon. member for Longueuil (Mr. Olivier) expects the Chair to rule on that as a point of order.

It being ten o'clock, this House stands adjourned until tomorrow at 11 a.m. pursuant to Standing Order 2(1).

At 9.54 p.m. the House adjourned, without question put, pursuant to Standing Order.